



PRESS RELEASE

Istanbul – November 29, 2013

JCR Eurasia Rating

affirmed the credit rating of 'A (Trk)' on the Long Term National Scale and 'BBB- (Trk)' on the Long Term International FC and LC Scales and assigned 'Stable' outlooks on all notes of Ihlas Holding A.S. and its Group Companies

JCR Eurasia Rating has affirmed the investment grade rating of 'A (Trk)' on the Long Term National Scale and 'BBB- (Trk)' on the Long Term International FC and LC Scales and assigned 'Stable' outlooks on all notes of "Ihlas Holding A.Ş. and its Group Companies" within the context of credit rating. Other notes and details of the ratings are given in the table below:

Long Term International Foreign Currency	: BBB- /(Stable Outlook)
Long Term International Local Currency	: BBB-/(Stable Outlook)
Long Term National Local Rating	: A (Trk) /(Stable Outlook)
Short Term International Foreign Currency	: A-3 /(Stable Outlook)
Short Term International Local Currency	: A-3/(Stable Outlook)
Short Term National Local Rating	: A-1(Trk)/(Stable Outlook)
Sponsor Support	: 2
Stand Alone	: B

Having operations of production, service and marketing through its 44 companies in extensive fields such as Media, Construction, Education, Health, Tourism, Mining, Carbonated Beverages, Marketing, Trade Fairs and Event Organization, Production of Two and Three-wheeled Vehicles, Production of Electrical and Electronic Small Household Appliances, Internet and Mobile Services and Warehousing, **Ihlas Holding A.Ş.** has maintained its growth dynamics during the recent years by enjoying the advantages of its franchise strength attained through a widespread dealer network and efficient distribution channels.

Particularly pertaining to its activities in the construction sector, the fact that advances received providing the means of early and preliminary collection became one of the main funding components and increased its share gradually within the resources reduced level of dependency on costly funding. This situation, on the other hand, has ostensibly exerted downward pressure on the profitability indicators throughout the periods until delivery of the projects due to periodical transitivity.

Although meeting financial requirements deriving from enhancement in its activities by additional borrowings during the previous periods resulted in contraction in the capitalization level, it is assessed that the current level has still been far from presenting an obstacle on the financing of ongoing projects. The future positive outlooks of all of the main sectors in which the group companies operate, a new stage to be reached through attempts particularly in such construction activities as undertaking of new projects within the urban transformation process and expectation of delivery of an important part of housing units during 2014 and 2015 regarding the ongoing construction activities curb risk levels on obligations.

Within the framework of compliance level with corporate governance principles, **Ihlas Holding A.S.**, included in the BIST Corporate Governance Index with a score value of 7.71 out of 10 by the corporate governance report published by **JCR ER** by the end of 2010, raised its score to 8.15 at the end of 2013.

Although no public authority or professional organization exist to provide the Company and the sectors in general with financial support and to eliminate the possible systemic risks to arise therein, **JCR ER** is of the opinion that the shareholders have the willingness and propensity to supply long term liquidity or equity to the Group as and when financial needs arise and adequate experience to provide efficient operational support, and reaffirms the Sponsor Support grade of the Holding at (2).

On the other hand, it is believed that the Group, as long as it maintains its clientele and efficiency in the market, has adequate levels of experience and facilities to manage the obligations in its balance sheet without any assistance by the shareholders. Within this context, Stand-Alone grade of the Group has been reaffirmed at (B) under **JCR ER** notation system.

For more information regarding the rating results you may visit our internet site <http://www.jcrer.com.tr> or contact our analyst **Mr. Zeki M COKTAN**.

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