

# “İŞ INVESTMENT PREPARES TO SHARE ITS SUCCESS WITH ITS INVESTORS”



OUT OF THE TOTAL US\$ 930 MILLION RAISED IN THE FIFTEEN IPOs COMPLETED IN TURKEY IN 2006, İŞ INVESTMENT ACTED AS THE LEAD MANAGER FOR TWO IPOs WORTH US\$ 500 MILLION.

2006 has brought the economic and political stability Turkey has been longing for. The disruption to the global markets in May did not significantly impact the Turkish economy. Optimism continued in world economies and developing countries made the most out of increasing global liquidity. However, in the aftermath of the disruption, global capital has become more selective toward developing countries. Even so, Turkey continues to attract foreign direct investment at a level which could not even be dreamt of a few years ago. On the whole, I believe that, in general, this optimism will continue in 2007.

A record foreign deficit and a high inflation rate in a year of two elections have once again placed political concerns high on the economic and financial agenda. However, my prediction is that the risk appetite of global markets as well as national economic and political strategies will guide the markets.

İş Investment maintained its leadership among brokerage houses in 2006, ranking first on the ISE Stock Market and second on the Outright Purchases and Sales Market of the Fixed-Income Securities Market in terms of trading volume. İş Investment completed the highest number of transactions on the Turkish Derivatives Exchange with a market share of 25.29%.

As in previous years, private sector borrowing instruments failed to reach the desired performance. The high real interest rates, which cannot be reduced below a certain level, prevent private sector issues and the establishment of the necessary economic conditions. However, the recent economic stability has raised interest for derivatives among both institutional and individual investors. During the spell of financial turbulence in the middle of 2006, in particular, the Turkish Derivatives Exchange gained

considerable momentum; its trade volume and number of investors increased significantly. I predict that, investors will show greater interest in the Turkish Derivatives Exchange depending on the political and economic agenda and in parallel with investors' needs to minimize risk.

I believe that in the coming years, the trading volume on the Derivatives Exchange will reach and may even exceed the trading volume on the spot markets. İş Investment's aim is to contribute to and pioneer the formation and development of these markets. This is why we have developed a new service called 'Financial Risk Management' for companies. In this context, we will focus on identifying, prioritizing, eliminating or mitigating the financial risk of companies.

Turkish capital and money markets have fundamentally changed in recent years. Economic stability, a successful anti-inflationary program and interest rates falling in parallel with the fall in the Treasury's borrowing requirement have not only encouraged institutional capital markets players such as İş Investment but also individual investors to seek new products. İş Investment will focus on new products and services since it believes that such products and services will develop the industry as a whole.

For many years, İş Investment has been providing brokerage services for transactions in international stocks, raw materials and bonds markets until the close of trading in the US market. Customers will now be able to access the Turkish Derivatives Exchange and international markets more safely and be able to quickly perform real-time transactions with the “TradeMaster” online platform, now used for ISE transactions. TradeMaster is not only an online transaction platform; it is more of an advanced software application offering extensive analysis opportunities to professional investors.



Out of US\$ 930 million raised in the fifteen IPOs completed in Turkey in 2006, İş Investment acted as the lead manager for two IPOs worth US\$ 500 million. Orders received by the Company were almost eleven times higher than the amount offered for Coca Cola İçecek A.Ş. and almost ten times the amount offered for Selçuk Ecza Deposu A.Ş. This successful performance stands as testament to İş Investment's strength to issuers and investors.

İş Investment plays a prominent role in privatization projects and I estimate that both the number and volume of mergers and acquisitions will increase in the coming years. İş Investment has proven its expertise on several occasions, undertaking numerous major mergers and acquisitions.

Maxis Securities, a wholly-owned subsidiary based in London will open for business in 2007. This subsidiary will be İş Investment's gateway to European and world markets.

2007 will mark a turning point for İş Investment, which will celebrate its 10th year in the industry. The Company has been involved in public offerings of several major companies and aims to share its strength with investors through an IPO. This IPO will help the Company achieve its mission of contributing to the development of capital markets.

I would like to thank the employees and managers of our major shareholder İşbank for their unfailing support, our employees in particular for their self-sacrifice and our esteemed investors and business partners for their confidence in us. I would also like to welcome our new shareholders who will join us soon. Our family will grow larger and stronger with you.

**Özcan Türkakın**  
Chairman

## BOARD OF DIRECTORS

**Özcan Türkakın**, Chairman  
**Buket Himmetoğlu**, Dep. Chairman  
**İbrahim Akar**, Member  
**F. Güliz Aykan**, Member  
**Oğuz Dinçer**, Member  
**G. Meltem Kökden\***, Member  
**Serpil Kılıboz**, Auditor  
**Gürkan Öztoprak**, Auditor

Chairman and members of the Board of Directors and Auditors were elected on April 28, 2006.

\* Rıza İhsan Kutlusoy was replaced by G. Meltem Kökden on October 12, 2006.