

“We are the only investment house listed on the ISE and granted a credit rating.”



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Dear Shareholders,

I would like to express my excitement about addressing all of you in this first message following our public offering. IS Investment, a pioneer in the Turkish capital markets, is the only investment house traded on the ISE. Our Company is also the only investment house that has a credit rating. Fitch Ratings, the international credit rating agency has assigned Is Investment's National Long-term Credit Rating as “AAA(tur)” with a stable outlook.

2007 was a very successful year during which we sustained our achievements and maintained our leadership with high trading volumes in the ISE and TurkDEX. IS Investment ranked first on the ISE Stock Market with YTL 49.1 billion and a market share of 6.32%. Our Company in the past also ranked first in the ISE Stock Market with YTL 41.8 billion in 2006 and YTL 34

billion in 2005. IS Investment also maintained its leadership in the TurkDEX with a trading volume of YTL 39.9 billion and a market share of 17.18%. We also ranked first in TurkDEX with YTL 9.44 billion in 2006 and YTL 1.5 billion in 2005.

In 2007, IS Investment was also the leader in the Turkish Eurobonds Market with a market share of 21.7% and trading volume of YTL 15 billion. Compared to other investment houses on the Outright Purchases and Sales Market of the Fixed-Income Securities Market, IS Investment ranked third with a trading volume of YTL 14.2 billion and a market share of 11.83%.

The share of foreign investors with regard to our trading volume is gradually increasing. We accelerated activities directed toward this goal during 2007. The conference entitled Hidden Riches of Turkey organized in 2007 and attended by

Mr. Kemal Unakıtan, Minister of Finance and Mr. Mehmet Şimşek, Minister of State, attracted great attention.

Last year, we enhanced the range and scope of our pioneering services. IS Investment joined the global network of GL Trade. This was considered to be an important step towards opening up ISE to international capital markets. In terms of connecting global financial markets, GL Trade has rendered the ISE closer to foreign institutional investors. In addition, TradeMaster, a new online trading platform for professional investors has been enhanced to offer investors the opportunity to trade in many global markets including AMEX, NASDAQ, NYSE, LSE, FSE, EUREX and OSAKA SX.

IS Investment, added a new Exchange Traded Fund, to its product range, namely IS Investment Dow Jones Turkey Equal



Board of Directors: İzlem Erdem (Auditor), Aynur Kafkaslı (Member), Serpil Kılıboz (Auditor), F. Güliz Aykan (Member), Buket Himmetoğlu (Dep. Chairman), Özcan Türkakın (Chairman), Oğuz Dincer (Member), G. Meltem Kökden (Member), İbrahim Akar (Member).

Members of the Board and Auditors were elected in the Annual General Meeting of Shareholders on March 15, 2007. (Aynur Kafkaslı (member) İzlem Erdem was elected as Auditor to replace /Gürkan Öztoprak)

Weighted 15 Exchange Traded Fund (ISDJE) that was offered to the public in May 2007. The fund is designed to provide a return on the 15 largest stocks in the ISE - by selecting stocks for the fund based on float-adjusted market capitalization. The fund is an instrument with high liquidity.

IS Investment has improved the quality of its services rendered to investors with new products and services and is becoming closer to its investors with the opening of new branches. IS Investment has taken another important step forward in its planned growth with the opening of its third branch in Beşiktaş Akaretler, a district of Istanbul, adding to the established Kalamış and Yeniköy branches. The number of IS Investment's branches has increased to five including the Ankara and İzmir branches. Our subsidiary in London, Maxis Securities, began operating during this year as well.

We do not anticipate that the dark clouds hanging over the global economy since mid-2007 cause any negative effects on IS Investment. Concerns over the lack of forethought used in investments made by international investment banks, particularly the US banks in the area of mortgage-based derivatives, are putting great stress on the markets. As the end of the year approaches, the combination of write-off figures announced by major international banks and concerns over a recession in the US is precipitating a pessimistic environment. However, since derivatives and mortgage credits are not widespread in Turkey even though the country still aims to be the focus of foreign investors, Turkey will be able to restrict the impact of any possible adverse scenarios. It is believed that 2008 will present many strong challenges but IS Investment has the strength to face these challenges head-on.

We have the desire and determination to sustain our high performance into the coming years. You, our esteemed shareholders have provided us with that needed strength. I hereby welcome the shareholders who have joined us this year and would like to express my firm belief that the coming years will present us with new synergies. I would also like to thank my colleagues and employees for the added value that they have provided our company.

Kind Regards,

Özcan Türkakın
Chairman