

15 April 2010

Is Yatirim Menkul Degerler

Year End	Pre fin-Op profit (TRYbn)	PBT* (TRYbn)	EPS* (TRY)	DPS (TRY)	P/E (x)	Yield (%)
12/08	12.9	52.9	0.374	0.108	8.9	3.2
12/09	110.6	127.2	0.574	0.160	5.8	4.8
12/10e	130.4	145.2	0.862	0.210	3.9	6.3
12/11e	141.1	155.9	0.965	0.250	3.4	7.5

Note: *PBT and EPS are normalised, excluding goodwill amortisation and exceptional items.

Investment summary: Recipe for Turkish delight

Is Yatirim is the only listed securities firm in Turkey and a market leader across product segments. Is Yatirim has diversified financial earnings, a risk-averse but innovative management, and a high dividend yield (6.3% on our 2010 estimates). It is strongly capitalised, comfortably exceeding regulatory capital requirements. At 3.9x 2010e earnings, the stock provides an excellent entry point into the longer-term prospects for the Turkish economy and capital markets.

FY09 – a record year

ISY was profitable through the credit crunch (with 2009 net profits of TRY68.5m vs TRY44.7m in 2008) and increased shareholders' equity 23% (to TRY334m) in 2009.

The diversity of revenue lines and increasing sophistication of Turkey's capital markets mitigate the volatility and cyclical nature inherent in markets. The asset management and derivatives divisions remain the growth drivers, while corporate finance offers upside to rising equity markets.

Forecasts: Increased once more

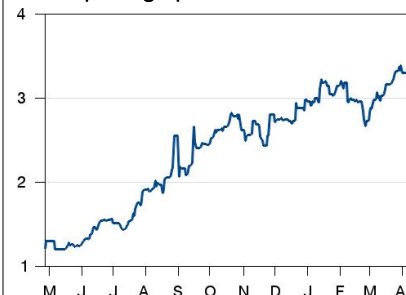
We assume a steady (but not stellar) recovery in the investment banking revenue streams in 2010 and 2011, continuing the trend in H209. We forecast our key revenue drivers of interest and derivative income and commission income to grow at mid-high teen levels in 2010, assuming a modest performance on the ISE. This should generate EPS of TRY0.862 in 2010 with a book value/share of TRY3.20.

Valuation: Undemanding given forecast growth

ISY has continued to beat our forecasts, particularly through the growth in derivatives and commission income. As a result we have upgraded our FY10 numbers and introduce FY11 forecasts. The stock currently trades on 1.0x 2010 BV, 3.9x 2010 P/E and a forecast ROE of 27%. This is a significant discount to the European investment banks' average on 2010 multiples of 10.5x P/E, P/BV of 1.2x and an ROE of 12%. Using the sustained returns approach of Gordon's growth model, with an over the cycle ROE of 16%, a long-term growth rate of 5% and a reduced cost of equity of 13% (to reflect the fall in interest rates), gives a target P/BV multiple of 1.44x.

Price TRY3.32
Market Cap TRY396m

Share price graph



Share details

Code ISMEN.TI
Listing ISE
Sector Financials
Shares in issue 119.4m

Price

52 week High Low
TRY3.44 TRY1.12

Balance Sheet as at 31 December 2009

Debt/Equity (%) N/A
NAV per share (TRY) 2.8
Net cash (TRYm) 1363

Business

Is Yatirim Menkul Degerler offers brokerage, corporate finance, investment advisory services and portfolio management services. The company also advises on IPOs.

Valuation

	2008	2009e	2010e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

Revenues by geography

	Europe	US	Other
0%	0%	0%	100%

Analyst

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Investment summary: A recipe for Turkish delight

Company description: Turkey's only listed investment bank

Is Investment offers a variety of domestic and international services, such as Brokerage, Investment Advisory, Asset Management, Corporate Finance and Research.

Valuation

Is Yatirim trades at 1.0x 2010e BV or on a P/E of 3.9x 2010e, with a ROE of 27%. This compares to the European IBs average of 1.2x 2010 BV, with a ROE of 12x and a P/E of 10.5x 2010.

Sensitivities

As with investment banks everywhere, Is Yatirim's future is somewhat hostage to market conditions. The sensitivities are discussed at length later in the report, but in summary:

- **Macroeconomic issues:** Turkey has historically been subject to high inflation and interest rates, and large twin deficits. It is also very reliant on foreign investment to fund its current account deficit. This influences capital market development and product sophistication.
- **Political issues:** The protracted IMF negotiations have been shelved, with muted market reaction. The next general election is scheduled for 2011. Until the twin deficits are reduced we are unlikely to see a reduction in the risk premium attached to Turkey by foreign investors.
- **Company specific issues:** Key determinants of ISY's profitability include the continued income generation from arbitrage operations, and continued growth in the asset management division and in derivatives. The investment bank profits are linked to market confidence, and the performance of the Is Investment Trust, a subsidiary of ISY is highly correlated with equity market performance.

Financials

ISY's FY09 results show a strong recovery, as global market conditions have improved. After a weak Q1, volumes on the equity, bond and derivative markets have improved sharply and ISY has once again outperformed the markets, showing the strength of the franchise. Interest and trading income increased 157% y-o-y and accounted for 59% of operating revenues, with commission income accounting for 40% of revenues. Operating profit was up 140% y-o-y to TRY127.2m (ahead of our previous estimate of TRY119.2m) due to better than expected commission income. Earnings per share (EPS) increased to TRY0.574, slightly below our forecast, but this is explained by a higher than expected minority interest due to the strong performance from Is Investment Trust.

Exhibit 1: Key financials

Note: Figures in TRYm except per share data (Kr).

	Operating Profit			EPS			BV/share		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
2008	52,860	52,860	N/A	37.4	37.4	N/A	2.28	2.28	N/A
2009	119,229	127,149	6.6	58.8	57.4	(2.4)	2.77	2.80	1.0%
2010e	134,527	145,207	7.9	81.6	86.2	5.6	3.34	3.19	(4.4)

Source: Edison Investment Research

Company description: Turkey's only listed investment bank

Is Investment offers a variety of domestic and international services, such as Brokerage, Investment Advisory, Asset Management, Corporate Finance and Research. It is 72% owned by Is Bank and through over 1,000 Is Bank branches addresses 4,300 high net worth individuals, 560 corporate clients, 420 foreign institutional clients and the retail brokerage clients of Is Bank.

Turkey's only listed investment bank

Is Yatirim Menkul Degerler AS, also known as Is Investment, provides financial advisory and security brokerage and dealership services. The firm offers merger and acquisition, valuation, divestment, private placement, joint ventures and public offering advisory services. It caters to energy, media and telecommunications, financial services, manufacturing and agricultural sectors. Is Yatirim was founded in 1996 and is based in Istanbul, Turkey. The company operates as a subsidiary of Turkiye Is Bankasi AS, which is the largest private bank in Turkey by assets, loans and deposits, and has the largest branch network in Turkey.

The company listed 29.7% of its shares on the Istanbul Stock Exchange (ISE) in 2007 through a capital increase and the parent bank divesting some shares. It raised TRY100m in cash, earmarked for future growth. It used TRY30.5m of this to buy a 50% share of Is Asset Management from Is Bank (at a P/BV of 2.33x) in June 2007, increasing its stake in the company to 70%.

Shareholder structure

Is Yatirim is 72% owned by Is Bank, and is its investment banking subsidiary. The free float is 27.9%.

Group strategy

A key strategic aim for Is Investment is to be innovative and create revenue from different business lines. It targets market leadership in all capital market sectors. By generating revenue from different business lines it has a diversified revenue mix, which compensates (to some extent) for a downturn in a particular area. In 2009, for example, the IPO pipeline and corporate finance revenues were minimal, but this loss in revenue has been compensated by a strong performance in derivatives or commission revenues. It sees itself as not simply being a market leader, but in fact creating the market. ISY was a pioneer of the derivatives market in Turkey and has now made the first application in Turkey for warrant issuance. The other leg of the strategy is to expand its branch network in Turkey and indeed its footprint outside of Turkey. In May 2010, ISY expects to open its ninth branch in Turkey in Bursa. Internationally, ISY has established a full subsidiary that is based in London, Maxis Securities, to enable it to trade a wider range of products on international capital markets. ISY also plans to establish a full subsidiary in Dubai in 2010 in line with its growth strategy.

Management

Is Yatirim's management team brings many years' experience within Is Bank, with many working at Is Investment since inception.

General Manager İlhami Koç started his career at Is Bank in 1986. In 1997, he moved to Is Investment where he has been a manager in the Asset Management, Corporate Finance, Research and International Capital Markets, and Private Equity divisions. In 2002 he became the general manager of Is Investment.

The executive board consists of five other assistant general managers, each with a specific area of responsibility.

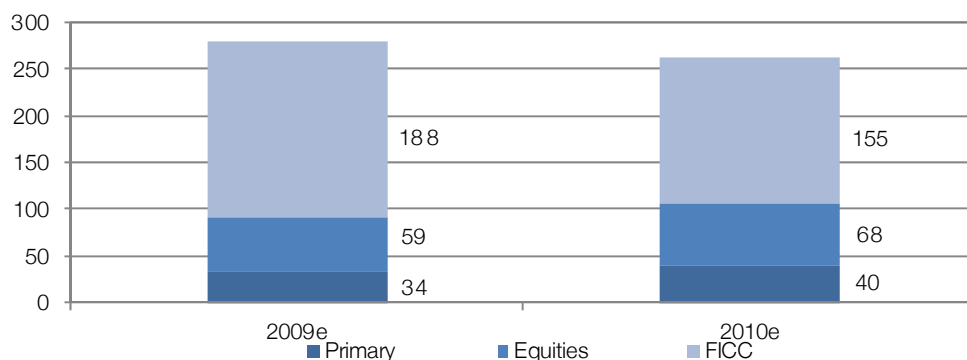
The global industry

2009 was a surprisingly strong year for investment banks, with a V shaped rebound in capital market revenues.

Fixed income markets globally benefitted from strong flow rates, wide margins and steepening yield curves. However into 2010, margins are contracting and yield curves flattening.

In global equity markets, the recovery has improved revenues in proprietary risk taking, Markets have stabilised, but client volumes remain subdued. Equity derivatives have had a strong year as margins remained wide and volatility picked up. There is significant potential rebound for growth in retail products, while institutional investors gravitate to less complex products. Within investment banking, equity issuance fees were up 40% on 2008, due to H2 activity. Mergers & Acquisition revenue however, was down 40% on 2008, the lowest market activity since 2003.

Exhibit 2: Global investment banks' revenue pool, 2009e-2010e (US\$bn)



Source: Company reports and CIRA estimates

Morgan Stanley estimates that 2010 will be a more normalised year for investment banks globally. It expects revenues to drop 10-15% (FICC down 20-25%, equity trading up 5-10%) pre marks and ROEs of mid teens.

Turkish capital markets and ISY's position within them

Turkish capital markets have mirrored global trends, with perhaps a sharper V-shape recovery than seen in global markets. After a weak Q1, markets staged a strong recovery, with the Bills & Bonds market volumes ending the year up 38% on 2008, and the ISE volumes up 45% to TRY965bn by the end of 2009. ISY increased its equity trading volumes by 74% y-o-y, increasing its market share to a market-leading 7.9%. As expected the fledgling derivatives exchange has continued to grow ahead of the cash markets, with volumes increasing 61% y-o-y to TRY668bn at the end of 2009. As expected, as this market matures, ISY (one of the founder members) has decreased its market share somewhat to 13.2% (far ahead of the number two player, which has a 6.7% share), a level that it believes is sustainable going forward. The other asset class that we expect to drive growth is the asset management sector. As interest rates fell sharply through the year, the pension fund assets under management in the system grew 51% to TRY9.1bn. ISY has maintained its market share in both mutual and pension funds. Finally, management is optimistic once again on its IPO pipeline for the year, with four equity IPOs planned for the rest of 2010.

Economic growth and increasing sophistication are driving growth in both client and investor business. Encouragingly Q110 has seen the growth trend continue, despite the Greek sovereign debt crisis.

Macroeconomic and political outlook

Turkey experienced a sharp recession in 2009, with GDP contracting 4.7%. In response, interest rates were cut sharply (by 8.5% over the year), ending the year at 6.5%. This sharp monetary stimulus has triggered inflation (now at 9.6%) but does mean GDP is expected to rebound, 5% in 2010. To rein in inflation, the central bank is expected to start increasing interest rates by H210. The 'twin deficit' problem continues to plague Turkey. However, after successfully negotiating a difficult year of domestic debt redemption in 2009, the fiscal deficit is expected to improve slightly to a forecast fiscal deficit in 2010 of 5%. Spreads on government debt have not widened significantly since the Greek sovereign debt crisis. Indeed all three ratings agencies have upgraded Turkish debt by one notch post the Greek crisis.

The current account deficit has worsened sharply, moving from 2.2% in 2009 to a forecast 4.5% in 2010, although this can be largely explained by higher oil prices and the cyclical recovery. On the currency front, rapid economic recovery and increasing yields should help support the lira, and consensus forecasts are for the lira to appreciate into 2010.

The protracted IMF discussions seem to have been shelved in March this year, although the government could return to the talks if needed. Though not expected, this can be seen as marginally negative for the fiscal austerity programme. As ever political uncertainty remains a feature in Turkey with a constitutional referendum possible in June and general elections expected in 2011. The ruling AKP party will, in our view, wait to see the GDP recovery before calling elections as the electorate in Turkey is growth sensitive.

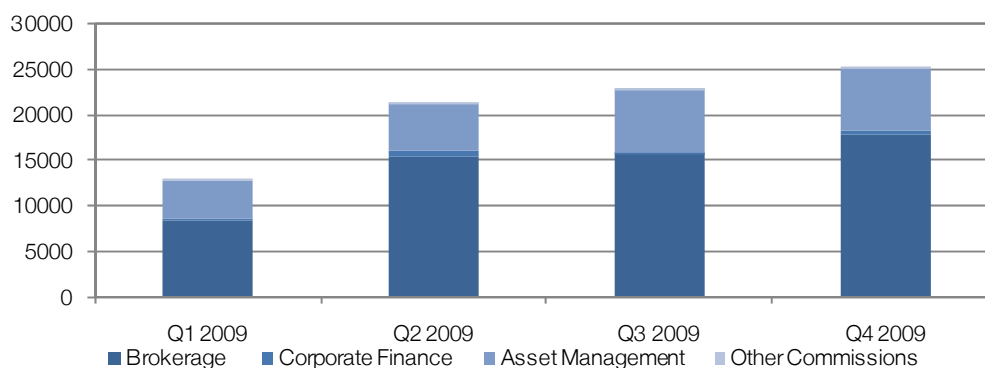
Excellent results in 2009

ISY reported FY09 results on 31 March. Revenues recovered strongly from 2008. Interest and trading income increased 157% and accounted for 59% of operating revenues, with commission income accounting for 40% of revenues. Net profit increased 53% (compared to 2008) to TRY68.5m. The ROAE at year end 2009 was 22.6%. In addition ISY remains committed to paying a dividend equal to 30% of distributable profit.

Top line growth ahead of expectations

In line with the recovery in the Turkish capital markets, ISY saw strong growth in its trading and interest income (+157% y-o-y). This was driven by an increased appetite for risk together with liquidity returning to the markets. However, trading on the firm's prop book (ie with the firm's capital) only accounts for c 15% of traded volume. In parallel, client activity also picked up with commission revenues up 48%. As can be seen from the chart below, the key components of commission income were from equities (brokerage) (+48% y-o-y) and asset management (51% y-o-y).

Exhibit 3: Breakdown of commission revenue in 2009



Source: Edison Investment Research

Asset management – the cornerstone of growth

Total assets under management at the end of 2009 reached TRY10bn. This represents an increase of 43% y-o-y in contrast to most Western European counterparts, which have only recently been able to stem their outflows. Interestingly Asset Management commissions increased 51% y-o-y, showing that margins are holding up well. ISY benefits from the strong retail franchise of its parent bank, the improved product offering (including prime brokerage services) and the growing branch network.

Increased shareholder equity and a secure dividend yield

ISY has ended 2009 with a 23% increase in shareholder equity to TRY334m. This is accompanied by a dividend per share of TRY0.16 (equivalent to 20%). The company has also committed to a sustainable dividend policy of 30% of distributable profit.

Sensitivities

Is Yatirim is operating in a global and competitive environment and is subject to global trends, the Turkish economic and political situation and finally company-specific issues.

Macro issues

2009 was a year of falling GDP, sharply declining interest rates and an uptick in inflation. Falling interest rates do impact the sales of government bonds; however, ISY has managed to maintain its arbitrage income (borrowing money on the ISE money market at c 7% and depositing it at 10%) despite the fall in rates. The weak economy did impact corporate finance revenues and investor sentiment. However, the Istanbul Stock Exchange and ISY revenues and profits had a strong rebound. 2010 should see more moderate returns on the stock exchange, a sharp recovery in GDP and a pickup of interest rates by H210.

Stock market risk

The investment bank is sensitive to the level and direction of stock markets:

- Corporate fees are highly sensitive to market confidence as reflected by the IPO market. Given 2009 revenue were just TRY1,402,749 we expect an improvement into 2010.
- Secondary commissions are sensitive to markets. As equity markets rise, the volumes traded increases, as does the value. The ISE-100 index returned 96% in 2009, and ISY increased market share in rising markets.
- In addition to equity commissions, rising markets improve investor sentiment which helps sales in pension and mutual fund sales and is directly correlated to the results of Is Investment Trust.

Political issues

The protracted IMF negotiations have been shelved, with muted market reaction. The next general election is scheduled for 2011. Until the twin deficits are reduced we are unlikely to see a reduction in the risk premium attached to Turkey by foreign investors.

Technical issues

ISY is owned and controlled by Is Bank, which owns (directly and via its subsidiaries) nearly 72% of the stock. This does not help the liquidity of the stock, but, on the other hand, it has a stable shareholder in difficult markets.

Sector issues

In terms of volumes and value of investment banking products and revenues, Turkey lags behind its Western peers. This helps reduce the direct sensitivity to equity markets as the leverage is lower and there is more scope for endogenous growth and innovation in various products. However, competition from global and domestic investment banks remains fierce. Over time, growth rates and spreads should see compression, similar to the market situation in, for example, Greece.

Valuation

2009 was a year of extraordinary recovery for global investment banks. Although we continued to see some write-downs which reduced tangible book values, earnings rebounded strongly, taking the sector back into profitability. However, 2010 is expected to be a more normalised year, both with respect to earnings and balance sheets.

Price/book value versus ROE – the dividend discount model

This valuation approach compares the price/book value (P/BV) of ISY to the forecast ROE. It captures the free cash flow available to shareholders. We forecast equity and earnings figures for 2010 and 2011, and then a sustainable ROE. A single cost of capital is used throughout the valuation period.

Exhibit 4: Gordon growth model: Target P/BV = sustainable ROE-g/(cost of equity-growth)

P:BV calculation	TRYm
Sustainable core ROE = 2010-2015	17%
Cost of equity	13%
Adjusted LT growth rate	5%
Implied target P/BV	1.44

Source: Edison Investment Research

Based on our Gordon growth model, ISY should be trading at 1.44 P/BV, giving a target price of TRY4.60 per share.

Comparative multiples

Is Yatirim lacks a clear comparator peer group. The Turkish retail banks all have investment banking divisions, but do not report with sufficient granularity to use them as valuation comparators and the retail banks themselves are subject to different dynamics based on loan growth and provisions. Consequently we use a European wholesale banking peer group for illustrative purposes, while noting the differences seen within Turkish capital markets compared to the global trends (as discussed earlier in the note). Our European wholesale banking peer group is trading at a 2010 forecast P/E of 10.5x, a P/BV of 1.2x, and an ROE of 12%. Turkish (retail) banks are trading at 1.5x 2010 P/BV with 20% ROE.

Exhibit 5: European wholesale banks – valuation metrics

Company	P/E		P/BV		ROE		Dividend Yield
	2010e	2011e	2010e	2010e	2011e	2010e	
Deutsche Bank	9.5x	7.5x	0.9x	10.0%	13.0%	2.3%	
BNP Paribas	9.3x	7.2x	0.8x	10.5%	12.5%	3.5%	
Credit Suisse	8.9x	7.5x	1.5x	18.0%	19.0%	4.2%	
UBS	12x	8.8x	1.5x	12.5%	16.0%	2.0%	
Soc Gen	12.5x	9.5x	1x	8.0%	10.0%	2.0%	

Source: Thompson Datastream

Financials

ISY's revenues and profitability are driven by structural and cyclical forces. On the one hand it benefits from increasing product and investor sophistication on the Turkish capital markets, (increased product penetration and new product development) and on the other hand are subject to global capital market volatility. Our 2010 forecasts have been upgraded, on the back of a stronger 2009 than expected, and a sharper rebound in equity markets and Turkish GDP. Our forecasts assume a 15% increase in the ISE in 2010 and a 10% increase in 2011. Clearly if markets fall sharply, our numbers are at risk, but the correlation is not a direct one (only Is Investment Trust has a direct correlation) given the product development in the market.

The key drivers of operating profits are interest and derivative income (which increased 157% in 2009 and accounted for 59% of operating revenues), and commission income (which accounted for 40% of operating revenues in 2009). We forecast a more sustainable 14% growth in interest and derivative income in 2010, after the exceptional 2009. Within commission income, the major components are equity trading, where we forecast an increase of 15% in 2010 (56% increase in 2009), and derivatives, where we forecast 16% growth compared to 32% growth in 2009 (on 2008). We have cut our income from government bonds, repos and money markets in line with the lower interest rate environment. It should be noted however that the time deposit income is expected to be maintained as spreads have held up in the lower rate environment. We continue to forecast growth in asset management, with portfolio management fees up 17% in 2010, compared to 51% in 2009. We remain cautious on corporate finance and have forecast only a 5% increase on 2009. This number has significant upgrade potential if ISY's IPO pipeline is converted. Revenue from financial investments (bond revenues) are expected to decrease a further 10% in 2010 as interest rates stay low.

We forecast assets under management will generate 30% of fee-based revenues over the next three years. This assumes a continuation of the mutual funds and current growth rates, the maintenance of a 6bp margin, a growth of pension funds and maintaining current fee levels. In the next two years, we expect a gradual reduction in interest income to 10% due to falling interest rates. 2009 has already seen the positive impact (and operational gearing) of redeploying its liquid assets into higher yielding products (eg derivatives), gradually increasing the ROE from 17% at the end of 2008 to 22.6% at the end of 2009.

ISY has seen strong cost growth in recent years as marketing costs have increased with new product launches and branch openings. However in 2009 operating costs only increased 1% as the large investments of 2008 dropped out. We expect operating costs to increase, into 2010 and 2010 at a rate of 10% and 11% respectively, which is ahead of management forecast. The cost/income ratio has, declined to 55% from 63% at the end of 2008, due to the stellar revenue growth.

Risk management

ISY has an independent risk management department. Exposure to credit, operational and counterparty risk arises through brokerage activities and market risk arises through the prop book.

The limit of the total counterparty position is US\$5.7bn, but ISY's internal limits are super-equivalent to the Capital Markets Board (CMB). ISY monitors intra-day, overnight and stop loss limits to control the market risk on its prop book. The propriety trading limit is 30% of equity in the Turkish lira fixed income portfolio and 20% of equity in the Turkish lira equity portfolio, but the actual counterparty position is currently TRY6.7m. The company does not speculate on the FX market and has a matched FX position. Value at risk (VAR) and stress test limits are in place. ISY's VAR is calculated by a historical simulation method and is between TRY0.2-2.3m with a 99% confidence level. In 2009, on TRY170m of free capital, it generated a 30% return. This is higher than the yield on treasury bills, but obviously this is a volatile income line.

Sources of funding

Globally, access to short-term funding remains difficult, despite government bail-outs, but in Turkey, there seems to be no such problem, due to a structural anomaly in the sector. The three-month borrowing rate is currently 6.5%. These funds are then deposited at various banks, which pay a higher interest rate (roughly 9.5%). The difference between the two rates is Is Yatirim's income. Despite the fall in interest rates through the year, this spread has been maintained. In 2009 this continued to be source of asset growth for the company, but with borrowings of TRY1.3bn vs a total borrowing limit of TRY7.8bn, it remains conservative. It is important to note that the company matches assets and liabilities so there is no maturity mismatch. In 2009, we expected a spread contraction and muted asset growth (though management did not) and we were wrong, leading to an upgrade for 2009 and the following years. However, longer-term, we have modelled a decline in this income, expecting some spread compression as interest rates fall, and as part of the normal structural change within a developing economy.

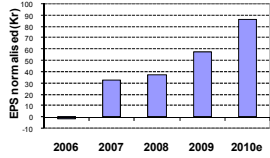
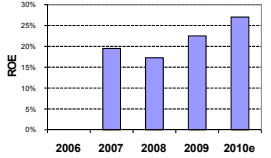
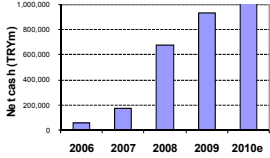
Funding and returns

IFRS and Basel III will require banks to have more capital. ISY has no long-term debt and its short-term debt is covered by liquid assets. The bulk of its assets are invested in lower risk government securities and time deposits (money market arbitrage) and also from customer payables and prepayments. However, ISY's balance sheet is volatile and linked to its trading activity levels. ISY maintains a high level of free capital, 50% of shareholders equity at end 2009. This capital buffer is prudent and facilitates underwritings and new product development. Is Yatirim is targeting a ROE of 20-25% in five years' time, compared to the current 22.6%, which reflects an exceptional year.

Exhibit 6: Financials

Year end 31 December	TRYm	2007 TAS	2008 IFRS	2009 IFRS	2010e IFRS	2011e IFRS
PROFIT & LOSS						
Trading Income		29,696,679	33,334,236	24,445,661	25,183,013	27,701,314
Trading Costs		(29,689,167)	(33,346,230)	(24,411,623)	(25,143,972)	(27,658,369)
Trading Profit		7,512	(11,995)	34,038	39,041	42,945
Income from service (net)		67,803	56,903	82,752	96,215	103,482
Other operating income		50,609	58,448	85,152	95,636	106,156
Operating expenses		(64,774)	(90,461)	(91,324)	(100,457)	(111,507)
Pre financials operating profit		61,149	12,896	110,618	130,436	141,077
Other income		1,341	13,879	1,837	2,875	3,000
Other expenses		(6,425)	(5,935)	(4,240)	(6,000)	(6,995)
Net financials		21,408	32,020	18,935	17,896	18,841
Operating Profit		77,473	52,860	127,149	145,207	155,922
Other		0	0	0	0	1
Profit Before Tax (norm)		77,473	52,860	127,149	145,207	155,922
Tax		(8,305)	(10,965)	(13,220)	(20,329)	(21,829)
Profit After Tax (norm)		69,168	41,896	113,929	124,878	134,093
Minority interest		30,784	(2,810)	45,431	22,000	18,900
Net income (norm)		38,384	44,706	68,499	102,878	115,193
Average Number of Shares Outstanding (m)		119.4	119.4	119.4	119.4	119.4
EPS - normalised (Kr)		32.2	37.4	57.4	86.2	96.5
Dividend per share (Kr)		0.0	10.8	16.0	21.0	25.0
BALANCE SHEET						
Fixed Assets		28,198	54,276	66,220	72,774	77,003
Intangible Assets		982	1,301	1,527	1,550	1,575
Tangible Assets		5,540	17,173	27,478	32,149	34,399
Investments		21,675	35,803	37,215	39,075	41,029
Current Assets		1,212,511	1,428,563	2,388,300	2,639,643	2,819,388
Financial assets		302,883	244,015	394,409	449,626	481,100
Debtors		226,628	239,700	614,760	725,417	797,959
Cash		680,918	933,050	1,371,825	1,454,600	1,527,330
Other		2,083	11,798	7,306	10,000	13,000
Current Liabilities		(833,389)	(1,071,644)	(1,937,221)	(2,133,273)	(2,254,517)
Creditors		(182,539)	(166,592)	(597,625)	(657,387)	(690,256)
Financial liabilities		(638,041)	(892,189)	(1,325,352)	(1,457,887)	(1,545,360)
Tax and social security		(4,219)	(4,364)	(5,491)	(8,015)	(8,900)
Other short term liabilities		(8,589)	(8,498)	(8,754)	(9,984)	(10,000)
Long Term Liabilities		(1,014)	(1,266)	(1,690)	(2,000)	(2,500)
Long term borrowings		0	0	0	0	0
Other long term liabilities		(1,014)	(1,266)	(1,690)	(2,000)	(2,500)
Net Assets		406,306	409,930	515,608	577,144	639,375
Minority interest		162,711	137,241	181,428	196,229	217,387
Shareholders equity		243,596	272,689	334,180	380,915	421,987
Net Cash		672,328	924,552	1,363,071	1,444,616	1,517,330

Source: Company accounts, Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
			Litigation/regulatory	◐
			Pensions	○
			Currency	◐
			Stock overhang	○
			Interest rates	●
			Oil/commodity prices	◐

Growth metrics	%	Profitability metrics	%	Balance sheet metrics	Company details		
EPS CAGR 07-11e	31.6	ROCE 10e	N/A	Gearing 10e	N/A	Address:	
EPS CAGR 09-11e	29.7	Avg ROCE 07-11e	N/A	Interest cover 10e	N/A	İş Kuleleri, Kule-2 Kat 12	
EBITDA CAGR 07-11e	N/A	ROE 10e	27%	CA/CL 10e	N/A	34330 4. Levent, İstanbul	
EBITDA CAGR 09-11e	N/A	Gross margin 10e	N/A	Stock turn 10e	N/A	Turkey	
Sales CAGR 07-11e	N/A	Operating margin 10e	N/A	Debtor days 10e	N/A	Phone	+90 212 350 2000
Sales CAGR 09-11e	N/A	Gr mgn / Op mgn 10e	N/A	Creditor days 10e	N/A	Fax	+90 212 350 2001
						www.isinvestment.com/www_ir.aspx	

Principal shareholders	%	Management team
Is Bank	65.7	General Manager: İlhami Koç
Is Factoring	2.4	General Manager İlhami Koç started his career at Is Bank in 1986. In 1997, he moved to Is Investment where he has been a manager in the Asset Management, Corporate Finance, Research and International Capital Markets, and Private Equity divisions. In 2002 he became the general manager of Is Investment.
Is Leasing	2.4	
Sisecam	1.5	
Camis Investment Holding	0.2	
Forthcoming announcements/catalysts	Date	
AGM	26 April 2010	
Q1 results*	14 May 2010	
Q2 results*	27 August 2010	
Q3 results*	12 November 2010	
<i>Note: * = estimated</i>		

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