

19 April 2011

Is Yatirim Menkul Degerler

Year End	Pre fin- Op profit (TRYm)	PBT* (TRYm)	EPS* (TRY)	DPS (TRY)	P/E (x)	Yield (%)
12/09	111.2	127.4	0.57	0.17	4.4	6.9
12/10	89.4	112.7	0.40	0.10	6.2	4.0
12/11e	93.8	118.5	0.39	0.12	6.4	4.8
12/12e	98.3	124.5	0.44	0.13	5.6	5.2

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

Investment summary: Strength in diversity

Is Yatirim Menkul Degerler (ISY) has diversified financial earnings, enabling it to withstand market volatility. 2010 results were in line with expectations, with commission income driving growth. ISY offers upside to stable or rising equity markets and interest rates, with gearing to company flotations. Management continues to invest in new revenue opportunities. The stock trades on a 2011 P/E of 6.4x, and a 2011e P/BV of 1.2x. A 2010 yield of 4% and an ROE in 2010 of 18.2% reflect a conservative balance sheet.

2010 – Steady performance masks divisional volatility

ISY ended 2010 with total operating revenues down just 2% y-o-y. This masks two different trends, with Interest and Trading Income down 22% on the year, as the interest rate cuts began to bite. On the other hand commission revenues were up 28%, driven by strong performances from Corporate Finance and Broking.

Growth drivers for 2011

Looking to 2011 we expect the key driver of profitability to be ISY's broking business. Equity commission income should grow significantly given ISY's leading 6.9% market share. The corporate finance pipeline too looks healthy, although we do not expect the spectacular growth of 2010 to be sustained.

Is Private Equity fully consolidated

ISY has changed the accounting basis, in 2010 fully consolidating its private equity subsidiary, Is PE. This is driven by the CMB, recognising management control. This has little ongoing accounting impact, but boosts the book value per share in 2010.

Valuation: Factoring in ongoing market volatility

On a 2011e P/E of 6.4x, a P/BV of 1.2x and a 2011e ROE of 18.5%, the stock currently trades at a discount to its global peer group. Our European IB universe currently trades at a 2011e P/E of 8.2x, a P/BV of 0.9x and a 2011e RoTE of 16.2%. A Gordon's growth model, with an over the cycle ROE of 16.5%, a long-term growth rate of 5% and a cost of equity of 13%, gives a target P/BV of 1.44x.

Price TRY2.48
Market Cap TRY496m

Share price graph



Share details

Code ISMEN.TI
Listing ISE
Sector Financials
Shares in issue 200m

Price

52 week High Low
TRY2.9 TRY1.8

Balance Sheet as at 31 December 2010

Debt/Equity (%) N/A
NAV per share (TRY) 2.34
Net cash (TRYm) 1,562

Business

Is Yatirim Menkul Degerler (also known as Is Investment) offers brokerage, corporate finance, investment advisory services and portfolio management services. It also advises on IPOs.

Valuation

	2010	2011e	2012e
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 on geography

UK	Europe	US	Other
0%	100%	0%	0%

Analyst

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Investment summary: Strength in diversity

Company description: Turkey's leading listed investment bank

Is Yatirim (also known as Is Investment) offers a variety of domestic and international services, such as brokerage, investment advisory, asset management, corporate finance and research.

Valuation: Discount to European peers

Is Yatirim trades at 1.2x 2012e BV or on a P/E of 6.4x 2011e, with a ROE of 18.5%. This compares to the European IBs average of 2011e P/E of 8.2x, a P/BV of 0.9x and a 2011e RoTE of 16.2%.

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. The strong growth in 2010, together with low interest rates, has reawakened **these** concerns. The market expects the central bank to begin raising rates in H211, post the June election. A Moody's upgrade of Turkish debt to "investment grade" is unlikely until this has happened.
- **Political issues:** The next general election is scheduled for June 2011. Somewhat surprisingly the ruling AKP party has not indulged in a pre-election spending spree and the budget deficit remains under control. However, foreign investors are likely to wait until the election is over before there is a reduction in the risk premium attached to Turkey.
- **Company specific issues:** Key determinants of ISY's profitability include continued income generation from deposit arbitrage operations, which is determined by the level of interest rates and their rate of change, and continued growth in the asset management division and in derivatives. The investment bank profits are linked to the performance of the ISE, which affects the level of corporate finance, brokerage and commissions income directly. The performance of the Is Investment Trust, a subsidiary of ISY, is highly correlated with equity market performance.

Financials: Continues to be profitable

ISY's FY10 results showed a stable performance, in line with expectations, in a challenging environment. Consolidated net profit was down 5% to TRY64.2m, while shareholders' equity was up 14%, and ROAE was 18.2% (compared to 22.5% in 2009). We have amended our 2011 forecasts, as seen below, and introduced 2012 forecasts.

Exhibit 1: Key financials

Note: Figures in TRY'000s except per share data in TRY. *2009 results restated for full consolidation on Is PE.

	Pre fin Operating Profit			EPS			BV/share		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
2009*	110,618	111,187	0.5	0.574	0.568	-1.05	2.80	2.75	-1.79
2010	89,359	89,388	0.03	0.441	0.400	-9.3	1.92	2.34	21.8
2011e	99,795	93,833	-6.0	0.406	0.390	-2.5	2.14	2.11	-1.4

Source: Edison Investment Research

Company description: Turkey's leading 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 over 1,000 Is Bank branches act as agents of Is Investment. The company has 4,300 high net worth individuals, 600 corporate clients, 450 foreign institutional clients and the retail brokerage clients of Is Bank. Is Investment's free float is 28%.

Turkey's leading 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.

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.

Group strategy – market innovator

A key strategic aim for Is Investment is to be innovative and create revenue from different business lines. By generating revenue from different business lines it has a diversified revenue mix, which compensates (to some extent) for a downturn in a particular areas. In 2009, for example, the IPO pipeline and corporate finance revenues were minimal, but this was compensated for by strong performances in derivatives and commission revenues. However, in 2010 corporate finance recovered to compensate for weaker interest income.

ISY sees itself as not simply being a market leader, but in fact *creating* the market, with new products and market tools. ISY was a pioneer of the derivatives market in Turkey and now has a market leading 11.5% share in a market where volumes have grown from TRY1.5bn in 2005 to TRY99.3bn in 2010. Another example of product innovation is Is Investment's 74%-owned distressed debt asset management company. The target is to launch a new fund, which aims to manage roughly 10% of NPLs in Turkey in the next few years. The other leg of the strategy is to expand its footprint outside of Turkey. Internationally, ISY has established a full subsidiary based in London, Maxis Securities, to enable it to trade a wider range of products on international capital markets

Management

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

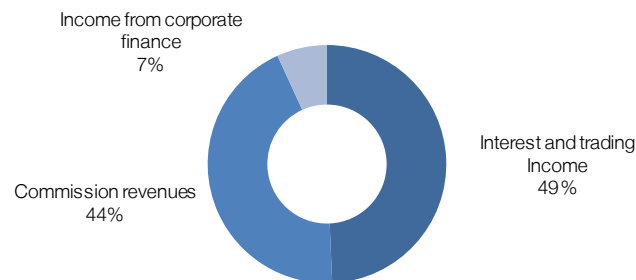
General Manager İlhami Koç started his career at Is Bank in 1986. In 1997, he moved to Is Investment where he has been a manager in the Asset Management, Corporate Finance, Research and International Capital Markets, and Private Equity divisions. In 2002 he became the general manager of Is Investment. The executive board consists of five other assistant general managers, each with a specific area of responsibility.

Main revenue streams

ISY has a diversified revenue stream. The key divisions are Interest and Trading Income, Commission Income and Corporate Finance. This diversity has meant it has been able to operate in some very challenging economic and business conditions while maintaining profitability. ISY is currently very well positioned to benefit from a gently rising interest rate environment and strong equity market performance.

Business breakdown

Exhibit 2: Breakdown of revenues for ISY in 2010

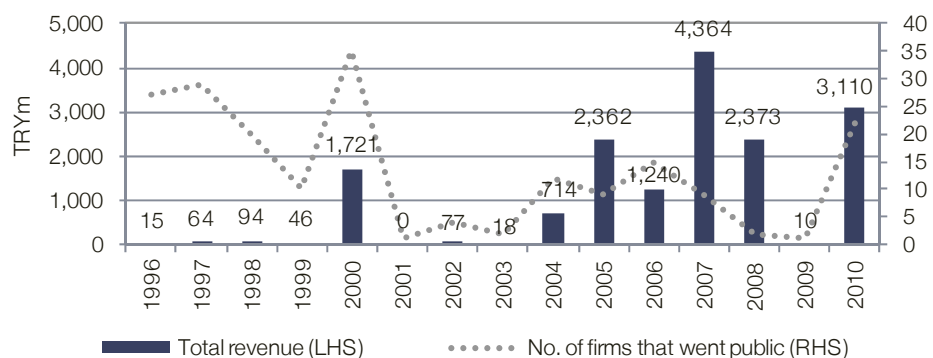


Source: Is Yatirim, Edison Investment Research

Corporate finance/IPOs

The main revenue streams are advisor fees primarily from IPOs and mergers and acquisitions. Clearly, these are highly sensitive to market confidence. 2010 saw a strong rebound post the lows of 2009 (ISE listings: 22 vs one) but still well down on 2007 which was the peak for Turkey. ISY were by far the market leader with a 42% share (in value terms) of equity IPOs in 2010. The total value of the M&A market in Turkey was \$25.8bn in 2010, of which \$15.6bn were privatisations. ISY participated in deals with a value of \$1.3bn or a 5% market share.

Exhibit 3: Equity IPOs in Turkey – value raised and number of IPOs



Source: ISE

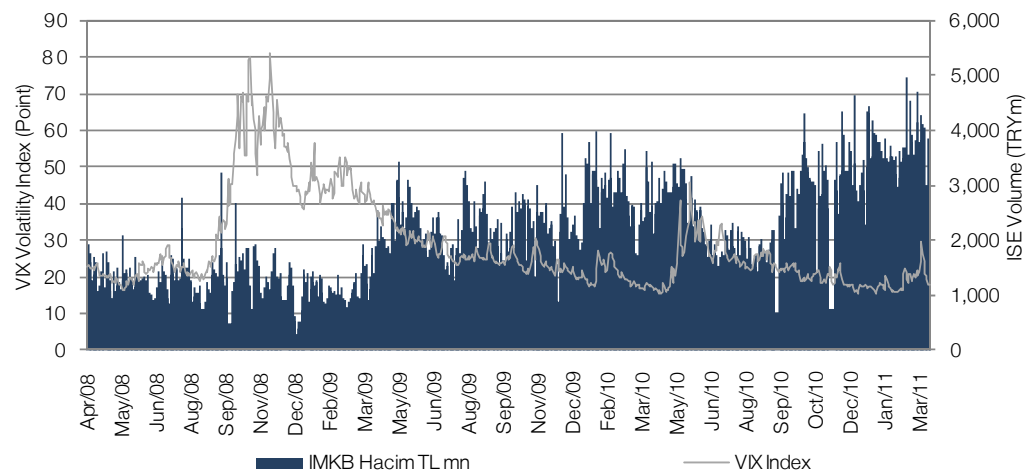
Interest and derivative income

Derivative income grew 28% in 2010 to TRY11.8m. Derivative trading is done mainly on ISY's prop book and is used to hedge its equity trading positions. This line also includes derivative transactions for Is Investment Trust. The split between client and prop book derivative trading varies, but remains balanced. ISY maintains a market leading 11.5% stake in the derivatives market

Commission Income

About 85% of equity trading is for clients, 15% for its prop book. Despite recent market conditions, ISY has seen little spread pressure. The key factor affecting this revenue line is market sentiment. Typically a higher level of risk aversion results in lower volumes traded (albeit with a small lag). With a market leading 6.9% share in equity trading, ISY is well positioned to benefit from better market conditions.

Exhibit 4: Correlation between the volumes traded on the ISE and VIX index



Source: Thomson Datastream

Asset mManagement

Total AUM at year end 2010 was TRY11.3bn, which amounted to a 13% increase y-o-y. The key driver of AUM and indeed profitability has been the pension fund business. ISY's pension fund subsidiary Anadolu Hayat is growing ahead of the rapidly growing private pensions market (it increased by 33%, ahead of the market which is growing at 30%). It is gaining market share due to a better product range and a wider distribution network. The growth in pension funds also helps profitability as the fees are significantly higher than on mutual funds, which grew 4% in 2010.

FY10 results

ISY ended 2010 with operating revenues down 2% on 2009. The results illustrate that, although ISY cannot be immune to the stock market trends, the diversity of revenue lines means it can continue to grow in variable market conditions.

Trading and interest income declined 22% y-o-y. However, this is composed of several different lines of business, each showing markedly different trends. Deposit and arbitrage income declined 56% y-o-y (from TRY33.2m to TRY14.6m). The sharp fall in interest rates in the year (8.5%) meant spreads contracted. In 2009 the spread between the three month borrowing rate and the deposit rate was 3.0%, which contracted to 1.5% in 2010. Also volumes contracted by 10% as ISY deployed its capital into the more profitable collateralised margin trading. Derivative income grew 28% to TRY11.8m. This line also includes equity prop trading, which saw a 56% increase to TRY19.7m, as ISY benefited from the spate of IPOs seen in 2010.

Total commission revenues grew 28% y-o-y to TRY106.4m. The major component was broking revenues, up 18% to TRY68.3m. Asset management commissions were only up 1%. This was

below our expectation as AUM continued increased 13% on an annual basis. This can be explained by pricing pressure. Anadolu Hayat (Is Bank's pension fund company) has reduced the commissions it pays to ISY, reflecting price pressure across the sector. However, ISY believes that commission levels have bottomed. Finally, corporate finance revenues were up a massive 918%, albeit from a low base.

Operating expenses increased 16% in 2010 to TRY120.4m. This was driven by a 22% increase in general administrative expenses, which was essentially higher personnel expenses. The group's cost/income ratio was 57.4%, compared to 55% in 2009.

The lower consolidation effect from Is Investment Trust (due to the volatility in the markets and high amount of dividend elimination) continues to negatively affect results. In 2010 this meant the contribution was only TRY10.5m vs TRY26.5m in 2009, and depressed consolidated net profit. Though net profit for Is Investment only was up 28% to TRY53.7m, consolidated net profit actually decreased by 5% to TRY64.2m.

In line with stated policy, ISY had a 32.5% dividend payout ratio in 2010. With shareholders' equity growing 14% y-o-y, ROE declined to 18% in 2010.

Macroeconomic and political outlook

Turkey experienced a sharp recession in 2009, with GDP contracting 4.8%. In response, interest rates were cut sharply, to the current 6.25%. As a result of this sharp stimulus, GDP rebounded strongly through the year, with 2010 seeing GDP growth of 8.9%. Unsurprisingly, the strong cyclical recovery has two consequences. It has triggered inflation and has led to a worsening current account deficit.

The Turkish central bank has followed an unorthodox policy of keeping interest rates low to deter capital inflows since December, while raising reserve requirements for banks in an attempt to slow loan growth and stop the domestic economy overheating. However, the country is dependent on imported energy, so the surge in oil prices will stoke inflation and widen an already worrying current account deficit. The central bank governor acknowledged the new risks, saying a \$10 increase in oil prices could add some 0.4 percentage points to inflation. Ratings agency Moody's has suggested that the latest spike in oil prices could bring the central bank's policy to a rapid end. It stated, "This policy approach has always had a limited shelf life," noting the inflationary pressures of the weaker lira and the upward trend in commodity prices. Indeed consensus expectations are for interest rates to start going up in H211.

The government must be given credit for fiscal austerity, especially in the run up to an election. However, although Turkey's fiscal performance has been encouraging in recent months (budget deficit of 3.6% in 2010) the current account deficit continues to widen, driven by strong domestic demand. This and inflation running at 4% (March 2011) mean that Turkey's long-awaited promotion to investment grade rating by Moody's is by no means guaranteed to come by June's elections.

Sensitivities

Macroeconomic risk

The recent period of macroeconomic stability masks a somewhat turbulent history. As a result investors watch macro and political developments closely. Although GDP growth has rebounded strongly in 2010, concerns remain about inflation (due to demand led growth) and the growing current account deficit. The market expects the central bank to begin raising rates in H211, post the June election. A Moody's upgrade of Turkish debt to investment grade is unlikely until this has happened.

Interest rate risk

Over the course of 2010, interest rates fell 8.5 percentage points and are now at a record low of 6.25%. This record low interest rate environment has affected deposit arbitrage income. With the spread in 2010 at half the levels of 2009, volumes too declined c 10%. In 2010 deposit arbitrage accounted for 14% of interest and trading income (compared to 25% in 2009). As a result revenue from this business line is expected to be c 15% lower in 2011, as maturing securities were replaced by lower-yielding assets. In a rising rate environment there is opportunity for spread widening.

Stock market risk

Any 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.
- Secondary commissions are sensitive to markets, especially volatility.
- Trading profits are clearly dependant on the stock market. Own account trading (using ISY's own balance sheet) is relatively low at ISY, at approximately 50% of free capital and is focused in equities and derivatives.
- The performance of the Is Investment Trust, a subsidiary of ISY, is highly correlated with equity market performance, as is the performance of the pension fund business, albeit to a lesser extent.

Competitive environment

The Turkish investment banking market remains highly competitive with major international and domestic players participating. This can obviously put downward pressure on margins, but there is also an ongoing consolidation opportunity as smaller players struggle to survive.

Shareholder structure:

Is Yatirim is 72% owned by Is Bank Group, and is its investment banking subsidiary. The free float is 28%. Although corporate governance is good, and ISY operates independently, the limited free float can be an issue for large institutional investors.

Valuation

Gordon's growth model

The Gordon's growth model 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 2011 and 2012, and then a sustainable ROE. A single cost of capital is used throughout the valuation period.

In establishing sustainable returns on equity for the company as a whole we consider numerous factors affecting the different business lines. The pension and mutual fund businesses have minimal capital requirements and hence excellent ROE. The investment banking activities (corporate finance, advisory and broking) strongly boost returns (as they tend to be high margin) during the years equity markets perform well. We have assumed a more normal capital structure (albeit being better capitalised than European IB peers) and market returns.

Exhibit 5: Gordon growth model: Target P/BV = sustainable ROE-g/(cost of equity-growth)

P/BV calculation	TRYm
Sustainable core ROE = 2012-2017	16.5%
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 1.44x P/BV. On the 2010 BV per share of 2.34, this valuation method generates a target price of TRY3.36 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, noting the differences seen within Turkish capital markets. Our European wholesale banking peer group is trading at a 2011 forecast P/E of 8.2x, a P/BV of 0.93x, and an RoTE of 16.2%. Turkish (retail) banks are trading at 10.9x 2011e P/E, 1.7 2011 P/BV with 16.7% ROE. It should be noted that ISY's ROE is somewhat depressed due to the large capital buffer it maintains.

Exhibit 6: European wholesale banks – valuation metrics

Company	EPS		P/E		P/BV		RoTE		Dividend yield 2010e
	2010e	2011e	2010e	2011e	2010e	2011e	2010e	2011e	
Deutsche Bank	5.42	5.85	7.9x	7.3x	0.8x	0.7x	14.0%	15.5%	1.8%
BNP Paribas	6.54	7.13	8.4x	7.7x	1.0x	0.9x	16.1%	16.7%	3.8%
Credit Suisse	4.35	4.78	9.4x	8.5x	1.4x	1.3x	19.7%	22.1%	3.2%
UBS	1.85	1.88	9.2x	9	1.3x	1.2x	21.5%	16.8%	0.0%
Soc Gen	5.13	6.1	9.3x	7.8x	0.9x	0.8x	12.9%	14.0%	3.7%
Barclays	0.26	0.34	11.4x	8.7x	0.7x	0.7x	10.0%	11.5%	1.90%

Source: Bloomberg, Edison Investment Research

Financials

ISY's revenues and profitability are driven by structural and cyclical forces. Clearly it is subject to global capital market volatility, but is somewhat insulated by the structural growth within Turkish capital markets (increased product penetration and new product development).

Earnings/forecasts

Overall 2010 results were in line with our expectations, but this masks divergences between business lines. Commission income was ahead of our forecasts, but we underestimated the decline in volume deposit arbitrage income. Although derivative income was below our forecast this was countered by better prop book results, as indeed ISY uses derivatives to hedge the majority of its prop positions. We have amended our 2011 numbers and introduce 2012 forecasts. Our forecasts assume a 15% increase in the level of the ISE in 2011 and a 10% increase in 2012. 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).

For 2011, we reduced our forecast for interest and derivative income to a more conservative 9% (from 14%). This reflects two changes: 1) we assume deposit arbitrage income has bottomed in 2010, and spreads and volumes pick up slightly as Turkish interest rates increase modestly (+5%); and 2) we assume derivative income grows a more modest 15%, partly to reflect the reclassification of some derivative income into sales.

Within commission income (seen as income from services [net] on the P&L), we have assumed that broking revenues grow 14% in 2011 (although there will be significant quarterly variance depending on market volatility) and 10% in 2012. We have conservatively assumed no growth in corporate finance in 2011 and 3% in 2012, after the spectacular growth in 2010. This line is one of the most volatile in the P&L and has little visibility, as pipelines may not come to fruition as market conditions change. This number has significant upgrade potential if ISY's IPO pipeline is converted. We underestimated the pricing pressure on commission levels within the pension funds market, and for 2011 we assume only 4% increase in commissions (in 2010 commission income increased only 1% with a 13% increase in AUM).

Exhibit 7: Commission income breakdown

Commission revenues (TRY'000s)	2007	2008	2009	2010	2011e	2012e
Brokerage	40,343	38,994	57,703	68,337	77,904	85,694
Corporate Finance	17,086	2,125	1,403	14,275	14,275	14,703
Asset Management	9,610	15,348	23,207	23,467	24,171	25,863
Other Commissions	763	436	505	313	344	379
Total	67,803	56,903	82,818	106,391	116,694	126,639

Source: Edison Investment Research

Although 2009 operating costs only increased 1%, in 2010 they increased 22%, ahead of our 10% forecast. We expect operating costs to increase in 2011 and 2012 at a rate of 12% and 11% respectively, which is ahead of management forecast.

Risk management

Exposure to credit, operational and counterparty risk arises through brokerage activities and market risk arises through the prop book. 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 proprietary trading limit is 50% of equity in the Turkish lira fixed income portfolio and 15% of equity in the Turkish lira equity portfolio, but the actual counterparty position is currently TRY4.8m. 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 2010, on TRY170m of free capital, it generated a 25% return.

Sources of funding

Deposit arbitrage continues to be a large source of asset growth for ISY. Despite the recent fall in interest rates (down 8.5% in 2010, to the current 6.25%) ISY has been able to maintain a 1.5% spread on this activity. With borrowings of TRY1.5bn vs a total borrowing limit of TRY8.3bn, it remains conservative. It is important to note that the company matches assets and liabilities so there is no maturity mismatch. 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.

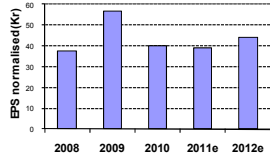
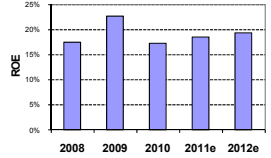
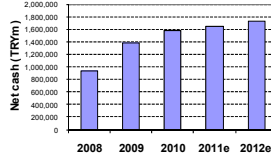
Funding and returns

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 2010. This capital buffer is prudent and facilitates underwritings and new product development. Is Yatirim is targeting a ROE of 17-22% in five years' time, compared to the current 18.2%

Exhibit 8: Financials

	TRY'000	2008 IFRS	2009 IFRS	2010 IFRS	2011e IFRS	2012e IFRS
Year end 31 December						
PROFIT & LOSS						
Trading Income	33,334,236	24,493,421	49,152,327	52,592,989	55,222,639	
Trading Costs	(33,346,230)	(24,413,771)	(49,086,937)	(52,523,022)	(55,149,173)	
Trading Profit	(11,995)	79,650	65,390	69,967	73,465	
Income from service (net)	56,903	82,818	106,391	116,928	126,890	
Other operating income	58,448	52,362	38,024	41,805	46,312	
Operating expenses	(90,461)	(103,642)	(120,417)	(134,867)	(148,354)	
Pre financials operating profit	12,896	111,187	89,388	93,833	98,312	
Other income	13,879	913	1,264	2,000	2,000	
Other expenses	(5,935)	(1,497)	(1,868)	(2,000)	(2,000)	
Net financials	32,020	16,747	23,899	24,642	26,199	
Operating Profit	52,860	127,351	112,684	118,475	124,511	
Other	0	0	0	0	1	
Profit Before Tax (norm)	52,860	127,351	112,684	118,475	124,511	
Tax	(10,965)	(13,220)	(14,493)	(15,402)	(16,186)	
Profit After Tax (norm)	41,896	114,131	98,191	103,073	108,325	
Minority interest	(2,810)	46,581	34,027	25,000	20,000	
Net income (norm)	44,706	67,550	64,164	78,073	88,325	
Average Number of Shares Outstanding (m)						
		119.4	119.4	160.2	200.0	200.0
EPS - normalised (Kr)	37.4	56.6	40.0	39.0	44.2	
Dividend per share (Kr)	10.8	16.7	10.0	11.7	13.2	
BALANCE SHEET						
Current Assets	1,428,563	2,457,179	2,575,972	2,741,502	2,917,603	
Financial assets	244,015	447,787	454,835	486,674	520,741	
Debtors	239,700	619,221	540,759	594,835	654,319	
Cash	933,050	1,381,280	1,572,374	1,650,993	1,733,542	
Other	11,798	8,891	8,003	9,000	9,001	
Current Liabilities	(1,071,644)	(1,939,523)	(2,033,596)	(2,152,443)	(2,275,234)	
Creditors	(166,592)	(697,945)	(497,308)	(622,174)	(548,282)	
Financial liabilities	(892,189)	(1,326,527)	(1,520,160)	(1,611,370)	(1,708,052)	
Tax and social security	(4,364)	(6,092)	(6,780)	(8,900)	(8,900)	
Other short term liabilities	(8,498)	(8,958)	(9,348)	(10,000)	(10,000)	
Long Term Liabilities	(1,266)	(1,777)	(2,083)	(2,500)	(2,500)	
Long term borrowings	0	(46)	(187)	0	0	
Other long term liabilities	(1,266)	(1,731)	(1,897)	(2,500)	(2,500)	
Net Assets	409,930	597,464	650,022	704,028	765,486	
Minority interest	137,241	268,577	275,347	281,611	306,194	
Shareholders equity	272,689	328,887	374,675	422,417	459,292	
Net Cash	924,552	1,372,275	1,562,839	1,640,993	1,723,542	

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 08-12e	4.2	ROE 11e	18.5	Gearing 11e	N/A	Address:	
EPS CAGR 10-12e	5.0	Avg ROE 08-12e	18.9	Interest cover 11e	N/A	İş Kuleleri, Kule-2 Kat 12 34330 4. Levent, İstanbul Turkey	
EBITDA CAGR 08-12e	N/A	ROCE 11e	N/A	CA/CL 11e	N/A		
EBITDA CAGR 10-12e	N/A	Gross margin 11e	N/A	Stock turn 11e	N/A	Phone	+90 212 350 2000
Sales CAGR 08-12e	13.5	Operating margin 11e	N/A	Debtor days 11e	N/A	Fax	+90 212 350 2001
Sales CAGR 10-12e	6.0	Gr mgn / Op mgn 11e	N/A	Creditor days 11e	N/A	www.isinvestment.com/wwwa_ir.asp	

Principal shareholders		%	Management team
Is Bank		65.7	General Manager: İlhami Koç 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 Factoring		2.4	
Is Leasing		2.4	
Camis Investment Holding		0.2	
Forthcoming announcements/catalysts		Date	
AGM		28 April 2011	Assistant General Manager: Mert Erdoğan Phone: +90 0212 350 24 12 Fax: +90 0212 350 20 01 Email: merdogmus@isinvestment.com
Q1 results*		13 May 2011	
Q2 results*		26 August 2011	
Q3 results*		11 November 2011	
Note: * = estimated			Vice President: Ozan Altan Phone: +90 0212 350 28 72 Fax: +90 0212 350 20 01 Email: oaltan@isinvestment.com
Companies named in this report			
Is Bank			

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