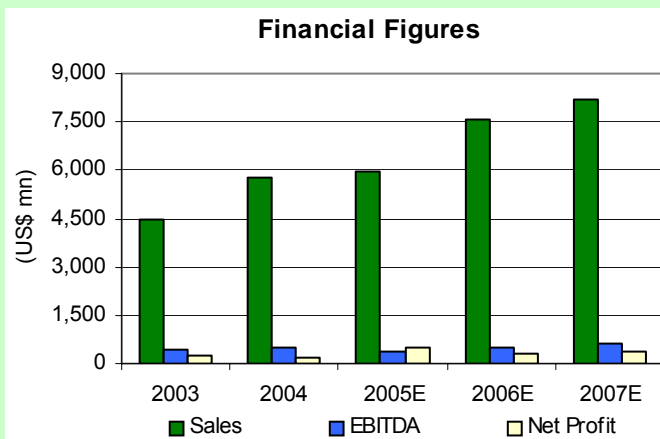

**STOCK MARKET DATA (29 March 2006)**

Relative Performance		
1 mth	3 mths	12 mths
-10.5%	25.9%	1.2%
<b>52 Week Range (US\$):</b>		2.14 - 5.68
<b>Market Cap (US\$mn):</b>		<b>3,167</b>
<b>Average Daily Vol (US\$mn) 3 mths:</b>		63.0
<b>YTD US\$ Return (%):</b>		31.4
<b>Shares Outstanding (mn):</b>		735
<b>Free Float:</b>		34%


**FIGURES & FORECASTS**

	Net Sales (US\$mn)	EBITDA (US\$mn)	Net Income (US\$mn)	EBITDA Margin (%)	P/E	P/Sales	P/EBITDA
<b>2003</b>	4,470	464	275	10%	11,5	0,7	11,5
<b>2004</b>	5,769	487	179	8%	17,7	0,5	17,7
<b>2005E</b>	5,979	396	498	7%	6,4	0,5	6,4
<b>2006E</b>	7,595	479	285	6%	11,1	0,4	11,1
<b>2007E</b>	8,203	639	350	8%	9,1	0,4	5,0

**UNLEASHING THE BEAST**

Dogan Holding has signed a favorable agreement with OMV to sell Petrol Ofisi's 34% shares for US\$1,054mn, which is significantly higher than its current mcap. We therefore, revised our NAV model and increased our target value for Dogan Holding to US\$4.67bn, indicating an attractive 47% upside potential. Hence, we reiterate our BUY recommendation.

- ◆ **Renaming the energy game.** Dogan Holding has agreed, with the recipient OMV, to sell 34% of PO for US\$1.05bn, valuing PO at US\$3.1bn. Cooperating with OMV, PO the leading distributor of refined oil products in Turkey, stands on the verge of being an important player in the energy sector. PO's business fields will not only expand and cover the supply and distribution of petroleum and gas products, but will also handle oil extraction and refining.
- ◆ **The single most attractive vehicle to invest in both the emerging media and energy sectors...** Dogan Holding offers investors a golden opportunity to be exposed to Turkey's promising energy and media sectors through its leading subsidiaries, and most importantly, does so at a discounted value. New acquisition possibilities such as electricity distribution and the National Lottery present room to create additional value for the company.
- ◆ **Transparent and simple subsidiary structure...** Petrol Ofisi and DYH are the largest contributors to Dogan Holding's NAV, accounting for 93%. These listed companies make Dogan Holding the most transparent company amongst all other listed conglomerates.
- ◆ **Media - Plenty of room for growth.** Turkey's ongoing EU accession process will continue to be the main driver behind ad spending growth. The ad spending/GDP ratio in Turkey is expected to reach 0.47% in 2005, which is far lower than in Eastern Europe where the average ad spending/GDP ratio stands at almost 1.5%. Being the market leader with more than a 40% share, DYH will benefit most from the anticipated growth in ad spending.

## **WHAT HAS CHANGED?**

Benefiting from its dynamic management, Dogan Holding conducted a number of corporate transactions in 2005. These transactions have helped to create a more focused portfolio structure for the company. Once again, Dogan Holding has proved its expertise in acquiring undervalued companies and creating value by turning them into highly profitable companies. The most recent examples are Disbank and Petrol Ofisi. As may be recalled, in our previous Dogan Holding report, dated Feb. 24, 2006, we mentioned that a PO - OMV partnership can produce positive results.

### **Dogan Holding's brilliant moves with Petrol Ofisi**

#### **1 - Initially, Dogan Holding took control of the company.**

In September 2005, Dogan Holding acquired 44.06% of Petrol Ofisi (PO) shares from Isbank for US\$616mn, valuing PO at US\$1.4bn. Shortly thereafter, in a tender offer to third party shareholders, a further 4.62% was acquired, thereby increasing Dogan Holding's stake in PO up to 92.98%. After taking primary control of PO, Dogan Holding then entered Tupras' privatization tender, however, emerged unrewarded from the tender.

#### **2 - Sold 6.25% to international investors at a premium.**

A few months later, in January 2006, Dogan Holding sold 6.25% of its PO shares to international investors, valuing the company at US\$1.68bn, indicating a 20% premium to its acquisition value from Isbank. Accordingly Dogan Holding generated US\$30mn in profit simply by selling its acquired shares. Nevertheless, with 86.73%, Dogan Holding is still PO's largest shareholder and exercises full control over PO's future strategy.

#### **3 - Last but not the least: OMV acquired 34% of PO**

After sitting tight in PO's pilothouse, Dogan Holding immediately began talks with Austrian OMV for a possible strategic partnership in PO. Recently, OMV made an agreement with Dogan Holding to acquire 34% of PO for US\$1.05bn, valuing PO at US\$3.1bn, which is 30% higher than its current mcap of US\$2.4bn.

**The main goal is to transform PO from being a fuel distributor to an energy company.** The strategic cooperation with OMV will cover areas such as oil extraction, production, as well as the distribution of petroleum products and natural gas. Among these possibilities, the main focus is on establishing a refining capacity. This may be either through building up a refining capacity in Turkey or through acquiring a refinery in the Black Sea or Mediterranean regions. Such an integration could give the Company the opportunity to manage its operations in a more productive and consolidated way.

**OMV is Austria's biggest oil and gas company**, and is active in a total of 13 countries in both the refining and marketing fields, with revenue exceeding EUR10bn. As a leading oil and gas company in Central and Eastern Europe, OMV has proved itself of having reserves equivalent of 410 million barrels of oil. With the petroleum products marketed through OMV gas stations and direct distributors, OMV has a 14% retail market share in Central and Eastern Europe. OMV plans to expand its refining and marketing business in the EU region. Furthermore, OMV aims to continue its growth internationally, by evaluating opportunity for acquisitions or through focusing on organic growth.

Dogan Holding's share at PO will drop from 86.7% to 52.7%. Dogan Holding and OMV will jointly control the company's business activities by operating as equal partners. The Board will have 8 directors, four of which would be appointed by OMV and four by Dogan Holding. Currently 13.2% of PO shares are listed on the ISE. However, there may be a requirement issued by the Capital Markets Board (CMB) for a tender offer to PO's minority shareholders. On the other hand, there are cases of exceptions, in which the acquirer party may be able to obtain an exemption from the CMB.

## VALUATION

**OMV deal added US\$270mn to our target value.** Based on our revised Net Asset Value (NAV) model, we calculate a US\$4.67bn target value, up from previous US\$4.4bn, for Dogan Holding, indicating a 47% upside potential. After the announcement of the OMV acquisition, we revise our NAV model by adding a US\$1,054mn payment into Dogan Holding's cash position and adjusting its shares in PO down to 52.7%. However, we did not change our target mcap for PO, which was previously US\$2.75bn. In addition, our current NAV calculation for Dogan Holding stands at US\$4.46bn. Accordingly, Dogan Holding's current NAV offers an upside potential of 41% to its current Mcap of US\$3.2bn.

Petrol Ofisi and DYH are the largest contributors to Dogan Holding's NAV, accounting for 93%. The total market value of its listed subsidiaries stands at US\$3.25bn, which is in fact 3% higher than Dogan Holding's current Mcap.

### Summary NAV Table

(US\$ mn)	Current NAV	Target NAV
Market Value of Listed Companies	3,251	3,464
Est. Market Value of Unlisted Companies	47	47
Net Cash	1,159	1,159
<b>Total NAV</b>	<b>4,457</b>	<b>4,670</b>
Dogan Holding's Current M.Cap.	3,167	3,167
<b>Premium / (Discount) to NAV</b>	<b>-29%</b>	<b>-32%</b>
<b>Upside / (Downside) Potential</b>	<b>41%</b>	<b>47%</b>

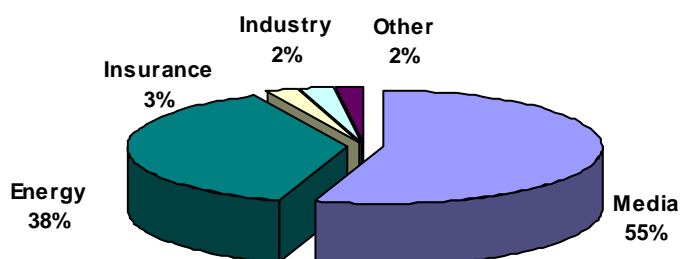
After divesting from the banking business and acquiring the remaining shares of Petrol Ofisi, the media and energy segments became the largest contributors to Dogan Holding's NAV with 55% and 38% shares, respectively. Meanwhile both the insurance and industry segments' contribution remains very limited.

For the media business, we value DYH at US\$2.76bn based on a sum of the parts valuation model. Meanwhile, DYH's US\$2.72bn current Mcap is 1% lower than our target value for the company.

We use a DCF valuation model for PO and calculated a US\$2.75bn target value, which is 15% higher than its current Mcap. However, our target Mcap is 13% lower than OMV's acquisition value and does not include the possible synergies created from the acquisition.

For Dogan Holding's smaller businesses, we use the current Mcap of the listing subsidiaries; Celik Halat (steel wire), Ditas (automobile parts supplier), Ray Sigorta (insurance) and Milpa (marketing).

### Segmental Breakdown of Dogan Holding's NAV



**DOGAN HOLDING - CURRENT NAV TABLE**

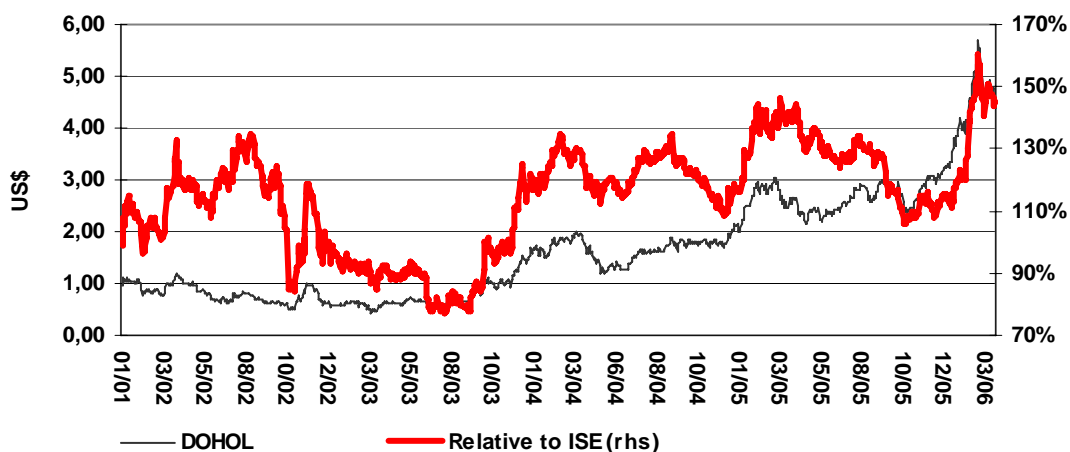
	Direct Stake (%)	Total Value (US\$mn)	DOHOL'S Stake (US\$mn)	Weight in NAV (%)
<b>Media</b>		<b>2,722.9</b>	<b>1,812.6</b>	<b>55.0%</b>
Dogan Yayin Holding	66.57%	2,722.9	1,812.6	55.0%
<b>Insurance</b>		<b>105.6</b>	<b>82.6</b>	<b>2.5%</b>
Ray Sigorta	78.20%	105.6	82.6	2.5%
<b>Energy</b>		<b>2,387.4</b>	<b>1,258.9</b>	<b>38.2%</b>
Petrol Ofisi	52.73%	2,387.4	1,258.9	38.2%
<b>Industry</b>		<b>58.5</b>	<b>30.2</b>	<b>0.9%</b>
Ditas	50.94%	30.5	15.5	0.5%
Celik Halat	52.44%	28.0	14.7	0.4%
<b>Others</b>		<b>103.0</b>	<b>67.0</b>	<b>2.0%</b>
Milliyet Pazarlama	65.00%	103.0	67.0	2.0%
<b>Unlisted Participations</b>			<b>47.1</b>	
Net Cash			1,159	
<b>Total Net Asset Value</b>			<b>4,457</b>	<b>100%</b>
<b>Market Value of DOHOL</b>			3,167	
<b>Premium / (Discount) to NAV</b>			<b>-29%</b>	

**DOGAN HOLDING - TARGET NAV TABLE**

	Direct Stake (%)	Total Value (US\$mn)	DOHOL'S Stake (US\$mn)	Weight in NAV (%)
<b>Media</b>		<b>2,755.0</b>	<b>1,834.0</b>	<b>52.2%</b>
Dogan Yayin Holding	66.57%	2,755.0	1,834.0	52.2%
<b>Insurance</b>		<b>105.6</b>	<b>82.6</b>	<b>2.5%</b>
Ray Sigorta	78.20%	105.6	82.6	2.5%
<b>Energy</b>		<b>2,750.0</b>	<b>1,450.1</b>	<b>41.3%</b>
Petrol Ofisi	52.73%	2,750.0	1,450.1	41.3%
<b>Industry</b>		<b>58.5</b>	<b>30.2</b>	<b>0.9%</b>
Ditas	50.94%	30.5	15.5	0.5%
Celik Halat	52.44%	28.0	14.7	0.4%
<b>Others</b>		<b>103.0</b>	<b>67.0</b>	<b>2.0%</b>
Milliyet Pazarlama	65.00%	103.0	67.0	2.0%
<b>Unlisted Participations</b>			<b>47.1</b>	
Net Cash			1,159	
<b>Total Net Asset Value</b>			<b>4,670</b>	<b>100%</b>
<b>Market Value of DOHOL</b>			3,167	
<b>Premium / (Discount) to NAV</b>			<b>-32%</b>	

**DOGAN HOLDING – HISTORICAL NET ASSET VALUE GRAPH**


Dogan Holding's average discount to its NAV has been at 22% since 2003. At its current Mcap, Dogan Holding is trading very close to its historical average discount. However, the company's Mcap/NAV remained in a narrow range of -20-0% between 01/2004 and 09/2005. Nevertheless, unlike the parent company, the companies in Dogan's NAV, especially Dogan Yayin Holding and PO, have enjoyed a strong price performance benefiting from strong investor interest in both the media and energy sectors. As a result, the discount over the NAV has widened down to 35%, and then quickly recovered. We believe that Dogan Holding will once again most likely trade over its NAV soon.

**DOGAN HOLDING – ISE-100 RELATIVE PERFORMANCE GRAPH**


In the last three month, Dogan Holding has outperformed the ISE-100 by 26%. Dogan Holding's 12 months performance however, is parallel to the ISE-100. Combined with an attractive valuation and strong prospects, we believe that the recent over performance will continue in the upcoming months.

### **Dogan Holding: Well positioned to benefit from the pick up in the Turkish economy**

**Dogan Holding, with operations in both the media and energy sectors is sensitive to domestic macroeconomic dynamics.** In a stable growth environment these businesses have high growth potential. Therefore, we feel that Dogan Holding will benefit substantially from the continuing growth and positive outlook of the Turkish economy.

### **Petrol Ofisi - Renaming the energy game**

#### **PETROL OFISI - FIGURES & FORECASTS**

	<b>Net Sales (US\$mn)</b>	<b>EBITDA (US\$mn)</b>	<b>Net Income (US\$mn)</b>	<b>EBITDA Margin (%)</b>	<b>P/E</b>	<b>EV/Sales</b>	<b>EV/EBITDA</b>
<b>2003</b>	6,009	240	218	4.0%	12.0	0.54	13.48
<b>2004</b>	7,756	302	186	3.9%	14.1	0.42	10.71
<b>2005E</b>	8,850	333	161	3.8%	16.3	0.37	9.72
<b>2006E</b>	9,582	418	201	4.4%	13.1	0.34	7.75
<b>2007E</b>	10,364	459	261	4.4%	10.1	0.31	7.04

**Turkey is a fast growing market.** Turkey is quickly becoming one of the biggest fuel markets in Europe, paralleling the expected increase of car ownership. In terms of retail sales, Turkey is the third largest market in Europe. Thanks to both the increase in the number of vehicles on the road as well as the overall growth prospects, we expect the auto market to grow by c.a 6% to 1 million vehicles by 2010. An increase, as such, in car ownership, tends to also positively affect the growth of petrol station numbers as well. In the short-term, as the market experiences consolidation and reaches 1 mn/vehicles/year, we expect the competition to intensify.

**Petrol Ofisi, is the leading distributor of refined oil products in Turkey and defines its new vision as “Renaming the Energy Game”.** To fulfill this vision, PO plans to expand its business and is evaluating potential alternatives created through the new Petroleum Law.

**The Austrian OMV Group recently agreed with Dogan Holding to acquire 34% of PO.** The strategic cooperation with OMV will cover areas such as oil extraction, production, as well as the distribution of petroleum products and natural gas. With this vertical integration, the Company’s supply side will now be active. OMV intends to further expand its leading position in the European region by 2010. Moreover, considering the strong growth potential of the Turkish oil market, OMV and DH will jointly evaluate the possibilities of cooperation in the area of refining – including the potential construction of a new refinery in Turkey to meet increasing demand.

**Petrol Ofisi is the market leader in all of its product groups,** especially in aviation and black and diesel products where the market shares exceed 73.0%, 48.9% and 35.3%, (2005-end) respectively. The company operates with unbeatable superiority in terms of number of stations (3631) and nationwide coverage. However, when it comes to throughput per station, the company is notably behind its competitors Shell and BP. We expect PO, as a market leader to retain its leadership position. Furthermore a partnership with OMV will add substantial value.

**Improving brand perception.** As the competition intensifies, PO is updating its network to create a better brand perception and customer retention. Product and service standardization leads to an increased focus on brand management, therefore we expect an enhanced effort on the side of both marketing activities and expenses.

**Investing in storage capacity.** Petrol Ofisi, with an 813.8K-m3 total storage capacity, is the second biggest in Turkey after Tupras, and is investing for an additional 160K m3 storage capacity to be operational by mid-2006. A higher storage capacity will increase PO's capability to import higher volumes.

Due to intense competition margins will be tighter, however we believe PO, thanks to a higher level of imports through higher storage capacities, will be able to keep its margins at targeted levels.

**The current shareholding structure is attractive for a strategic partnership, as in the case of OMV.** A partnership with OMV at this point, will further enhance the company's capability for growth. We believe that OMV, with its sectoral know-how and strength, could create additional value for PO in the long run. We foresee Petrol Ofisi, in line with its new vision, will integrate its business vertically, including extraction and refinery activities on the supply side (upstream) as well as retail expansion and new product development on the distribution side (downstream).

**Petrol Ofisi - Free Cash Flow Projections (US\$m)**

	2005 E	2006 E	2007 E	2008 E	2009 E	2010 E	2011 E	2012 E
<b>Net Sales</b>	9,138	9,869	10,461	11,089	11,643	12,225	12,837	13,350
<i>Growth</i>	10%	8%	6%	6%	5%	5%	5%	4%
Gross Profit	591	651	708	737	768	801	834	868
Operating Profit	311	335	355	368	396	416	436	454
Depreciation	64	82	105	105	105	104	103	107
<b>EBITDA</b>	379	421	464	478	506	525	545	566
EBITDA Margin	4%	4%	4%	4%	4%	4%	4%	4%
Change in WC	-79	-26	-31	-51	-40	-25	-25	-39
Capex	-70	-100	-100	-100	-70	-60	-45	-45
<b>Free Cash Flow</b>	230	295	333	327	396	440	475	483

**Summary of DCF Valuation**
**(US\$m)**

PV of FCF	1,488
Terminal growth rate	2.5%
PV of Terminal Value	1,824
Implied Firm Value	3,313
Net Cash / (Debt)	(563)
<b>Equity Value</b>	<b>2,750</b>
Current Mcap of Petrol Ofisi	2,387
<b>Upside Potential</b>	<b>15.2%</b>

Source :Garanti Securities

**Dogan Yayin Holding - The media's outstanding leader.**
**DOGAN YAYIN HOLDING - FIGURES & FORECASTS**

	Net Sales (US\$m)	EBITDA (US\$m)	Net Income (US\$m)	EBITDA Margin (%)	P/E	EV/Sales	EV/EBITDA
<b>2003</b>	681	117	47.1	17.21%	58.3	4.3	24.9
<b>2004</b>	1,049	181	44.4	17.26%	61.8	2.8	16.1
<b>2005E</b>	1,322	194	27.4	14.64%	99.4	2.2	15.1
<b>2006E</b>	1,587	235	43.8	14.82%	62.2	1.8	12.3
<b>2007E</b>	1,825	259	45.8	14.21%	59.5	1.6	11.2

**Media: Appealing to EU convergence and playing for growth.** Turkey's ongoing EU accession process will continue to be the main driver behind FDI inflow in upcoming years. The positive impact of FDI on the development of the advertising market is clearly observable in Eastern Europe. In Turkey ad spending is expected to grow by 30% in 2005 to US\$1.7bn and we expect a further 25% growth in 2006 to US\$2.1bn.

**Privatizations, M&As and mortgage will be the major triggers behind the ad market's expansion.** Following the Turk Telekom privatization and the sale of Telsim, we expect a substantial increase in the telecommunication sector's ad spending in 2006.

**The Banking sector tends to be one of the largest advertisers in Turkey.** The recent acquisitions in the Turkish banking sector, such as the welcoming of major foreign banks and the upcoming mortgage system will further increase the banking sector's ad spending as competition is expected to become tougher.

**Turkey is way behind Eastern European countries in advertising spending.** The ad spending/GDP ratio in Turkey is expected to reach 0.47% in 2005, which is far lower than in Eastern Europe where the average ad spending/GDP ratio stands at almost 1.5%. By 2010, we expect Turkey's ad spending to exceed US\$3.3bn and the ad spending/GDP ratio to reach to 0.70%. Per capita ad spending in Turkey is US\$23 for 2005, which is substantially lower than in Poland (US\$65) and in Europe (US\$170).

**DYH is Turkey's largest and leading media conglomerate** with a 40% share in the total advertisement market. DYH has the leading market shares of 61% in newspaper advertising, 46% in magazine advertising and 28% in TV advertising. In addition, DYH commands the market in its circulation share (37%), magazine sales (38%) and viewer ship share (26% including Star TV).

**Taking advantage of the growing ad market.** With its low penetration level, the unsaturated ad market is one of the main high-growth markets in Turkey. Taking advantage of the leading position in the market, DYH will benefit significantly from the expected growth in ad spending.

**Broadcasting will be the main area of expansion.** Television is the advertisers' most preferred advertising vehicle and TV ads capture a 50% share from Turkey's total ad spending. Accordingly, DYH has strengthened its leading position in the broadcasting segment with the acquisition of Star TV. We predict DYH will increase its share in the broadcasting segment by up to 40%, in the short term. Furthermore, DYH will increase its profitability by utilizing its infrastructure and resources more efficiently through the synergy created from its two mainstream channels (Kanal D and Star TV).

**Seeking investment opportunities in the neighboring region.** DYH is planning to expand its broadcasting business in neighboring countries such as, Bulgaria, Ukraine, Romania and Russia. DYH's first investment abroad will be a TV station in Romania, which is expected to become operational in 2006.

**DOGAN YAYIN HOLDING - TARGET NAV TABLE**

	<b>Direct Stake (%)</b>	<b>Total Value (US\$m)</b>	<b>DYHOL'S Stake (US\$m)</b>	<b>Weight in NAV (%)</b>
<b>Printing&amp;Publishing</b>		<b>2,265.7</b>	<b>1,428.7</b>	<b>51.4%</b>
Hurriyet	60.00%	1,749.8	1,049.9	37.8%
Dogan Gazetecilik	79.76%	249.0	198.6	7.1%
Dogan Burda	40.72%	106.1	43.2	1.6%
Dogan Ofset	99.86%	100.2	100.0	3.6%
Dogan Daily News	94.25%	5.0	4.7	0.2%
DMG International	58.00%	55.7	32.3	1.2%
<b>Broadcasting</b>		<b>1,198.2</b>	<b>1,106.1</b>	<b>39.8%</b>
Dogan TV	100%	950.4	950.3	34.2%
Ultra Kablo	50%	27.6	13.8	0.5%
Dogan Online	60%	159.5	95.7	3.4%
Alp Gorsel Yayincilik	100%	12.7	12.7	0.5%
Ans Production	70%	48.0	33.6	1.2%
<b>Distribution</b>		<b>165.5</b>	<b>136.5</b>	<b>4.9%</b>
Yay Sat	75.00%	80,0	60,0	2,2%
D&R	89.47%	85,5	76,5	2,8%
<b>Others</b>		<b>106.3</b>	<b>106.3</b>	<b>3.8%</b>
<b>Unlisted Participations</b>			<b>1,485.9</b>	
<b>Total Net Asset Value</b>			<b>2,755</b>	<b>100.0%</b>
<b>Market Value of DYHOL</b>			2,723	
<b>Premium / (Discount) to NAV</b>			-1.2%	

## WHAT NEXT?

**Well positioned to take its share from upcoming privatizations.** Aside from focusing on its core businesses, media and energy, Dogan Holding is particularly interested in the upcoming privatization of the electricity distribution networks and the National Lottery. Benefiting from its cash rich balance sheet with a US\$1.16bn net cash position, we believe that Dogan Holding will be one of the most serious contenders of the aforementioned privatizations. In addition, recently Dogan Holding announced that it has established a company to provide services for home loans.

**Electricity Distribution Networks:** Turkey is going to privatize its electricity distribution networks, in accordance with an agreement made with the World Bank in 2004. Accordingly, the deadline for the privatizations expired on May 2005. However, as the necessary legal infrastructure was not ready at the time, the government failed to open the tenders. There are 20 different regions to be privatized. We expect the first tenders of 5-6 regions will be opened in the coming months, right after the completion of the legal framework and the approval of the new law that regulates the electricity market.

As a company with an important share in the energy distribution market, Dogan Holding is particularly interested in the privatization of the electricity distribution networks. The company is targeting to acquire at least one large region that has high electricity consumption, in addition to several smaller regions.

**National Lottery:** The privatization tender of the National Lottery is likely to be announced in the second quarter of 2006. However, the method of the tender has not yet been defined. It is most likely to be a revenue sharing - plus upfront fee method. Dogan Holding will participate in the tender with an international player that has profound experience in the business. The National Lottery is a high cash generating business and will create synergies with Dogan Holding's existing businesses. Dogan has one of the most extensive distribution, marketing and advertising networks in Turkey. With its media companies, Petrol Ofisi stations, D&R stores, exclusive Yaysat branches, Hurpa and Milpa distribution networks Dogan Holding has access to almost every crevice and corner in Turkey.

**Home Loan Unit:** Dogan Holding and Dogan Yayin Holding will establish a mortgage unit, entitled Real Estate Development and Marketing Services AS, in order to provide full service in home loans, ranging from loan application to the delivering of property. The newly established company will merge all CRM units of DH and DYH, such as distribution, logistics, advertising, marketing and call centers. The new mortgage unit will benefit from both the Group's strong distribution network as well as media exposure. DH and DYH will hold 48% stakes each in, Real Estate Development and Marketing Services AS, which will have a capital of YTL1.6mn.

Housing loans in Turkey are expected to reach US\$12bn in 2006, from only US\$600mn in 2003. Furthermore, it is anticipated that the share of housing loans in Turkey's GDP will reach to that of Poland's (4.4%), the Czech Republic's (6%) and Spain's (9.7%) levels, in the long run. We believe that the demand for housing loans will further accelerate after the implementation of the mortgage system.

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