



ISE 2010 Annual Report



**ISTANBUL
STOCK
EXCHANGE**



*Yirmi Beşinci Yıl
Twenty Fifth Year*

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Chairman's Message



2010 has been a successful year for the ISE, with 35% of increase in the stock trading value on in U.S. dollar terms and a 21% rise in the ISE 100 Index. Additionally, the ISE had the highest number of IPOs since 2000, reaching 22 companies at the year end.

Hüseyin ERKAN
ISE Chairman and CEO

2010 was a momentous year for the ISE as it celebrated its 25th anniversary, leaving a quarter-century behind since its inauguration on December 26, 1985. Being proud to have provided significant amount of funds to the Turkish economy during 25 years of success, the ISE shared its joy with all its stakeholders by organizing an international conference and a series of events.

The world economy has gone through a recovery period in 2010 following the contraction experienced in the last two years. Developing countries, which were relatively less affected from the crisis, have been the driving force behind the global growth while growth in developed countries has been limited. The Turkish economy, which entered a rapid recovery period after the crisis, has achieved a growth rate of 8.9% in 2010 and has become the second fastest growing economy among the G-20 countries.

2010 has been a successful year also for the ISE, with a 35% increase in the traded value in U.S. dollar terms and a 21% rise in the ISE 100 Index. In the meantime, the concerted efforts to encourage initial public offerings have continued in 2010 with the organization of two major IPO Summits. As a result, the IPO campaign started to bear fruit with 22 companies offering their stocks to public during the year; the highest number of IPOs since 2000. Similarly, owing to the decrease in the interest rates, 16 corporate bonds were issued which was groundbreaking for the market after years of stagnation.

In 2010, new practices have been put into place at the ISE markets. The capacity of EX-API was increased, continuous auction with market maker system and single price auction methods were implemented, order cancellation became possible and price ticks were reduced. Display of the identities of the brokers on the executed transactions was discontinued so as to support a more effective price formation. Additionally, in line with our efforts to offer new markets and financial instruments to investors, the Warrants Market was launched, Emerging Companies Market was initiated and three sub- markets under the Bonds and Bills Market (the Offerings Market for Qualified Investors, the Repo Market for Specified Securities and the Interbank Repo Market) were introduced. Furthermore, the ISE has started calculating the "TSKB Energy Index" and the "Participation Index" in line with its index creation services for third parties.

2010 has been a busy year in terms of ISE's international activities. During the year, along with the ISE's 25th anniversary, the 15th anniversary of the Federation of Euro-Asian Stock Exchanges (FEAS), which has been presided over by the ISE since 1995, was also celebrated. Moreover, the ISE has become one of the four signatory exchanges to the United Nations Responsible Investment Principles, a full member of both the Federation of European Stock Exchanges (FESE) as well as an observer member of the Islamic Financial Services Board (IFSB) and International Islamic Financial Market (IIFM). The Fourth Meeting of the OIC (Organization of Islamic Cooperation) Member States' Stock Exchanges Forum was hosted by the ISE in Istanbul with an ambitious agenda to enhance visibility of the relevant markets.

Our primary goal for 2011 is to ensure that companies gain international competitiveness by going public and by this means foster development of our capital markets in order to make it a center of attraction. Meanwhile, we aim to strengthen the demand side with an "Investor Awareness Campaign". We strongly believe that the concerted efforts of the sectoral institutions will lead us to create synergy and success on all the targeted areas.

Istanbul Finance Center Project has become even more widely known, thanks to international and regional promotional activities. The ISE, along with other Turkish exchanges and post-trade institutions, is to establish an operation company, which will serve all the exchanges operating in the Turkish capital markets, enabling them to benefit from centrally routed orders from a common trading platform with a single risk center and settlement and registration system, under an operationally integrated structure. This structure will consolidate the liquidity of the markets and as a consequence, increase the international competitiveness of the Turkish capital markets. Our key motive for the achievement of this target will be the continued support and cooperation provided by our members and all other stakeholders during the last 25 years.



Hüseyin ERKAN
Chairman and CEO

Executive Council and Audit Committee



Hüseyin ERKAN



Yusuf SERBEST



Sudi AYDEMİR

Executive Council

Hüseyin ERKAN

Chairman and CEO

Born in 1958, Mr. Hüseyin ERKAN graduated from New York University Stern Business School with a BS degree in Economics in 1981, and an MBA in the fields of International Business and Finance in 1984. Mr. ERKAN joined the ISE in 1994, and worked as director of various departments of the ISE. He was promoted to Executive Vice Chairman in 1996, and until his departure from the ISE in 2006, he led important visionary projects. Mr. ERKAN initiated the foundation and coordinated the Federation of Euro-Asian Stock Exchanges (FEAS). Mr. ERKAN was appointed as the ISE Chairman and CEO in November 2007. Mr. ERKAN is also the President of the Federation of Euro-Asian Stock Exchanges (FEAS), Board Member of the World Federation of Exchanges (WFE).

Yusuf SERBEST

Deputy Chairman, Executive Council

Mr. Yusuf SERBEST was born in 1968. He graduated from Istanbul University Faculty of Business Administration and has been Deputy Chairman of the ISE Executive Council since 2005.

Sudi AYDEMİR

Member, Executive Council

Born in 1960, Mr. Sudi AYDEMİR earned his BS degree from Istanbul University Faculty of Business Administration and MS degree from Yıldız Technical University Faculty of Business Management



Mehmet OSMANOĞLU



Dr. Berra DOĞANER



Didem GORDON



Hakan DEMİRBİLEK

Mehmet OSMANOĞLU

Member, Executive Council

Born in 1963, Mr. Mehmet OSMANOĞLU graduated from Marmara University Faculty of Business Administration and has been member of the ISE Executive Council since 2007.

Dr. Berra DOĞANER

Member, Executive Council

Dr. Berra KILIÇ was born in 1962. She graduated from Marmara University Faculty of Economics and Administrative Sciences, Department of Business Administration. She earned her MS and PhD degrees at Ankara University Faculty of Political Sciences, Department of Business Administration. She has been the member of the ISE Executive Council since 2007.

Audit Committee

Didem GORDON

Member, Audit Committee

Ms. Didem GORDON was born in 1965. She is a graduate of Boğaziçi University Faculty of Business Administration. She earned her MS degree on finance from San Diego State University. Ms. GORDON became member of the ISE Audit Committee in 2008.

Hakan DEMİRBİLEK

Member, Audit Committee

Born in 1972, Mr. Hakan DEMİRBİLEK, graduated from Anadolu University Faculty of Economics and Administrative Sciences, Department of Business Administration. Mr. DEMİRBİLEK became a member of the ISE Audit Committee in 2010.

Top Management



From left to right: Dr. Saim KILIÇ, Adalet POLAT, Dr. Esin AKBULUT, Emin Ali GÜNDEZ, Tangül DURAKBAŞA

Hüseyin ERKAN
Chairman and CEO

İbrahim KURBAN
Senior Vice Chairman

Born in 1959, Mr. İbrahim KURBAN graduated from the Middle East Technical University, Faculty of Economic and Administrative Sciences. He joined the ISE in 1999, was promoted to Executive Vice Chairman in 2008, and Senior Vice Chairman in 2009.

Emin Ali GÜNDEZ
Executive Vice Chairman

Born in 1958, Mr. Emin Ali GÜNDEZ graduated from Ankara University Faculty of Political Sciences, Department of Economics. Mr. GÜNDEZ joined the ISE in 1990 and has been Executive Vice Chairman since 1994.

Dr. Esin AKBULUT
Executive Vice Chairman

Dr. Esin AKBULUT was born in 1957. She graduated from Ankara University Faculty of Political Sciences, Department of Economics and Finance and completed her MS on mathematical economics at the University of East Anglia, England, and her PhD on economics at Ankara University Faculty of Political Sciences. She joined the ISE in 1993 and has been Executive Vice Chairman since 1994.

Dr. Aydın SEYMAN
Executive Vice Chairman

Dr. Aydın SEYMAN was born in 1968. He graduated from Istanbul Technical University Faculty of Business Administration, Department of Industrial Engineering. He earned his MS degree from Istanbul University Faculty of Economics in 1996 and PhD degree from the same Faculty in 2004. He joined the ISE in 1990, and was promoted to Executive Vice Chairman in 2008.

Adalet POLAT
Executive Vice Chairman

Born in 1965, Mr. Adalet POLAT graduated from Ankara University Faculty of Political Sciences in 1988. He earned his MS degree from Istanbul University in 1994. Mr. POLAT joined the ISE in 1990 and was promoted to Executive Vice Chairman in 2009.



Hüseyin ERKAN, Mustafa BALTACI, İbrahim KURBAN, Dr. Aydın SEYMAN, Canan Güven OKAN

Mustafa BALTACI

Executive Vice Chairman

Mr. BALTACI was born in 1973 in Ankara. He graduated from Ankara University, Faculty of Political Sciences in 1994. He earned his masters degree in Government at Pennsylvania University, where he also earned a diploma in Financial Management. He worked as Deputy Director of the Prime Ministry Inspection Board, Research Analyst at the World Bank, Chairman of the Prime Ministry Regulatory Reform Group, Advisor to the Deputy Prime Minister and Member of the Audit Board of Ziraat Bank. Mr. BALTACI joined ISE as Executive Vice Chairman in 2010.

Dr. Saim KILIÇ

Head of Inspection and Surveillance Board

Born in 1972, Dr. KILIÇ graduated from Ankara University Faculty of Political Sciences, Department of International Relations in 1993. He earned an MA on finance from the University of Illinois at Urbana-Champaign, USA in 2001 and an MBA from Ankara University Faculty of Political Sciences in 2002. He earned his PhD on accounting-finance from Gazi University in 2007. Dr. KILIÇ assumed the positions of expert and senior expert at the Capital Markets Board of Turkey during 1994-2009, and also worked as Advisor for the Prime Ministry and Interim Expert for the State Audit Board. Dr. KILIÇ was appointed as Head of the ISE Inspection and Surveillance Board in 2009.

Tangül DURAKBAŞA

Chief Legal Advisor

Ms. F. Tangül DURAKBAŞA was born in 1945. She graduated from Istanbul University Faculty of Law. Ms. DURAKBAŞA working as the Chief Legal Advisor of the ISE since 1994, retired from her position at the end of 2010.

Canan Güven OKAN

Chief Information Officer

Born in 1957, Ms. Canan Güven OKAN earned her BS degree on Computer Science Engineering from Kingston University in 1979 and her MS degree from London School of Economics and Political Science, Operational Research in 1981. She joined the ISE in 1996 and has been Chief Information Officer since 1997.

Arbitration Committee



From left to right: Ayşe Elçi TERZİ, Yasemin Öney CANKURTARAN, Tamer AKBAL

Yasemin Öney CANKURTARAN

Chairman

Born in 1970, Ms. Yasemin Öney CANKURTARAN graduated from Ankara University, Political Sciences, Department of Business Administration. Ms. CANKURTARAN has been the Chairman of the ISE Arbitration Committee since 2004.

Ayşe Elçi TERZİ

Member

Ms. Ayşe Elçi TERZİ was born in 1968. She graduated from Istanbul University, Faculty of Law. Ms. TERZİ has been member of the ISE Arbitration Committee since 2004.

Tamer AKBAL

Member

Born in 1974 Tamer AKBAL graduated from Marmara University Faculty of Economics and Administrative Sciences, Department of Business Administration. He became member of the ISE Arbitration Committee in 2010.

Disciplinary Committee



From left to right: O. Sencer TANRIVERDİ, Bedii ENSARİ, Hayati ÖZTORNACI

Bedii ENSARİ

Chairman

Bedii ENSARİ was born in 1935. He is a graduate of Ankara University Faculty of Law. Mr. ENSARİ has been the Chairman of the ISE Disciplinary Committee since 1993.

Hayati ÖZTORNACI

Member

Born in 1962, Mr. Hayati ÖZTORNACI graduated from Gazi University Faculty of Economics and Administrative Sciences. Mr. ÖZTORNACI has been member of the ISE Disciplinary Committee since 2006.

O. Sencer TANRIVERDİ

Member

Mr. O. Sencer TANRIVERDİ was born in 1964. He graduated from Istanbul University Faculty of Economics. Mr. TANRIVERDİ was elected member of the ISE Disciplinary Committee in 2008.

Turkish Economy and Capital Markets in 2010

The Gross Domestic Product of Turkey increased by 8.9% in 2010 while Turkish Economy became the second fastest growing economy among the G-20 countries with 9.2% of growth achieved in the last quarter of 2010.

ISE 100 index, hitting an all-time high closing value of 71,543.3 during the year, was among the best performing indexes in 2010 with 24.9% of return in TL terms and 20.9% on US dollar basis.

World Economy

The world economy has gone through a recovery period in 2010 following the contraction experienced in 2009. While growth in developed countries has been limited, the developing countries, which were relatively less affected from the crisis, have been the driving force behind the global growth.

As the pace of recovery remained at moderate levels in developed economies compared to the size of the contraction experienced, the central banks preserved their expansionary monetary policies. The central banks in USA, Euro zone, United Kingdom and Japan continued to hold the policy rates at a level close to zero, during the year. The dependence of economic activities to supportive policies still continues whereas in a decreasing manner.

The issues pertaining to public finance have come forward in the Euro zone. The burden of high public debt and the budget deficits of the developed economies have been among the significant risk factors. Fiscal austerity measures including budget restraints have been implemented in Germany and United Kingdom.

In the meantime, developing countries, which have been the driving force behind the global growth, faced risks related to inflation and financial instability. As their competitiveness was challenged and the risks related to financial instability increased as a result of the pressure created on the exchange rates by foreign capital flows, the central banks of developing countries headed for implementation of tightening monetary policies hence, the central banks of many developing countries increased the policy rates and the reserve requirements.

Turkish Economy

Turkish economy, which entered a rapid recovery period after the global crisis, has achieved an 8.9% of growth rate in GDP in 2010 and became the second fastest growing economy among the G-20 countries with 9.2% of increase registered in the GDP in the last quarter of 2010 (2010-Q1: 12%, 2010-Q2: 10.3%, 2009-Q3: 5.2%). Industrial production ratched up by 16.9% in 2010 and the capacity utilization rate went up to 75.6% (December 2009: 67.7%) as of the year-end. Unemployment rate has been 11.4% (December 2009: 13.5%) as of the year-end. The current account deficit, undergoing a rise due to increasing domestic demand and the private investments, registered US\$ 48.5 million in 2010. Foreign direct investment inflow surged a bit to US\$ 9 billion (2009: US\$ 8.4 billion) in 2010.

Rising trend of inflation in the consumer prices, has turned around and fallen again during the year to the level of 6.4%, which was below the Central Bank of Turkey's target of 6.5%. At year-end, the Central Bank of Turkey started to implement the policy combination of reducing the policy rates at a limited level and in return increasing the reserve requirements. The implementation aims to control the increasing fund inflow without creating a pressure on the inflation and to decelerate the surge in the loan volume. Within this context, policy rate was pulled down to 6.5%, the reserve requirements were re-adjusted according to the term structure.

Public finances have sustained robustness and efficiency in the same period, the ratio of the EU-defined debt stock to GDP fell to 41.6% (2009: 45.5%), the ratio of the central government budget deficit to GDP declined to 3.6% (provisional, 2009: 5.5%). The real interest rate of the domestic public debt fell to 1.64% at the end of 2010 compared to 2.53% at the end of 2009.

Long-term credit rating of Turkey was increased to BB+ (positive) and Ba2 (positive) by Standard & Poor's and Moody's, respectively and was changed from stable to positive (BB+) by Fitch. The decrease in public debt, sound banking system and the pace of the economic recovery were emphasized as the reasons behind the revision. Likewise, Turkey was promoted to "Advanced Emerging Market" status by FTSE in September.

Global Capital Markets and the Istanbul Stock Exchange

The uptrend in the equity markets as the result of the economic recovery and the central banks' easing policies, though interrupted with the European debt crisis during the year, regained momentum in September.

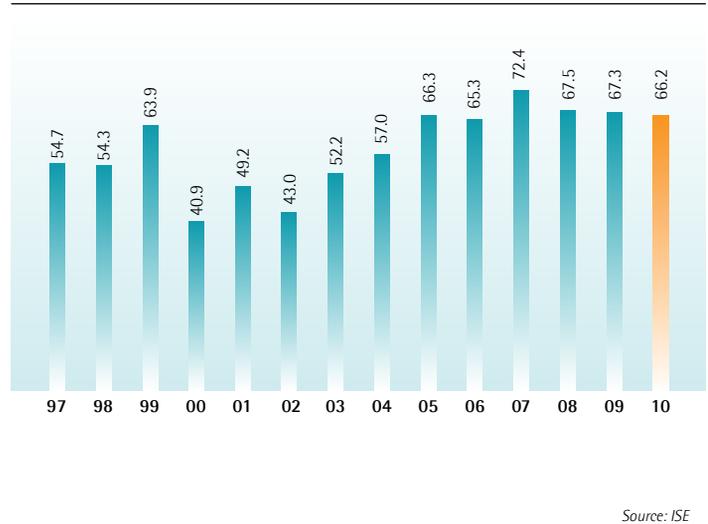
In 2010, the return of the ISE 100 Index on US dollar basis was registered as 21% while the returns of the MSCI Developed Markets and the MSCI Emerging Markets indexes were 10% and 16%, respectively. ISE 100 index, hitting the all-time high closing value of 71,543.3 during the year, was among the best performing indexes in 2010 with 24.9% of return in TL terms.

The portfolio investment in the Turkish stocks amounted US\$ 3.5 billion while the foreign investors kept holding the similar levels of equity portfolio. ISE traded stocks maintained their high potential with lower price/earnings ratios compared to the stocks in developed and developing countries.

ISE 100 and MSCI Indexes (US\$, January 2, 2009 = 100)



Equity Portfolio Holdings by International Investors in the ISE (% within the free-float market capitalization)

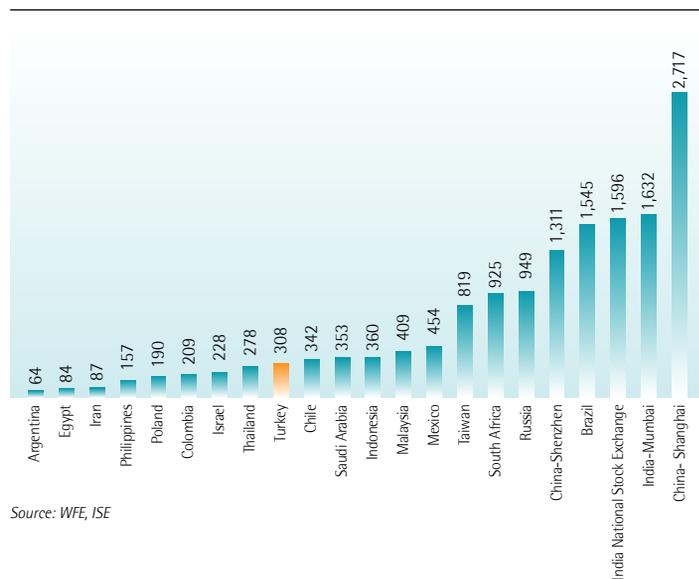


With a market capitalization of US\$ 308 billion, the ISE ranks fourteenth among emerging markets in terms of market capitalization.

ISE maintaining its position as the most developed and liquid exchange in its region, ranks sixth among the emerging markets in terms of stock trading value and third in terms of bond trading value.

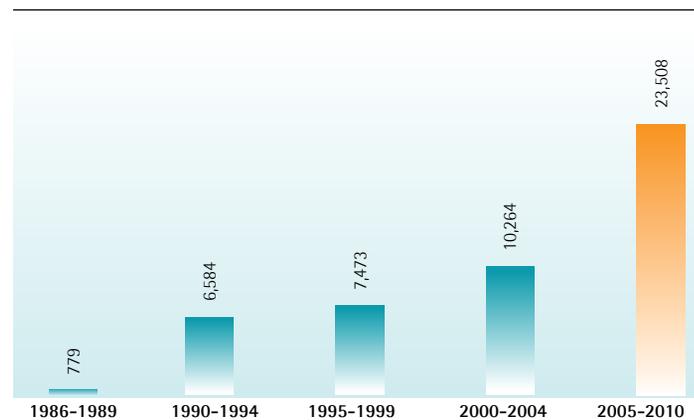
The total amount of funds raised through the ISE from its establishment in 1986 to the end of 2010 totalled US\$ 48.6 billion. 2010 was a fruitful year in terms of public offerings with 22 companies offering their stocks to public and 13 companies issuing 16 corporate bonds.

Market Capitalization (Emerging Markets, End-2010, US\$ million)



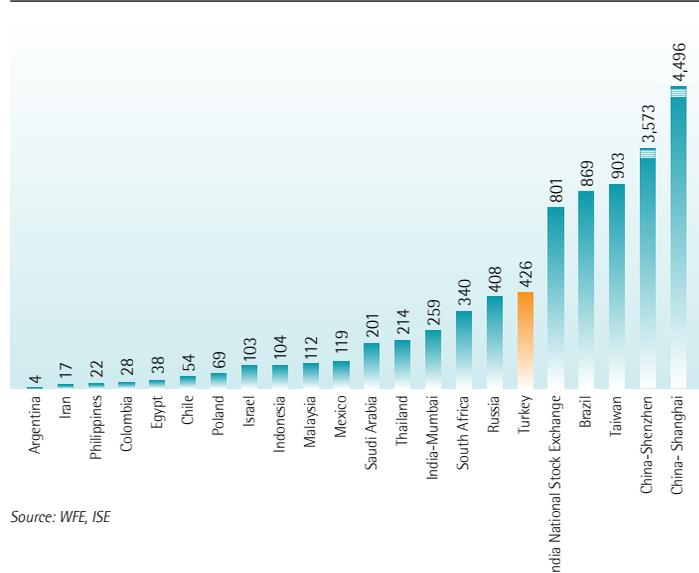
Source: WFE, ISE

Funds Raised through the ISE (1986-2010, US\$ million)



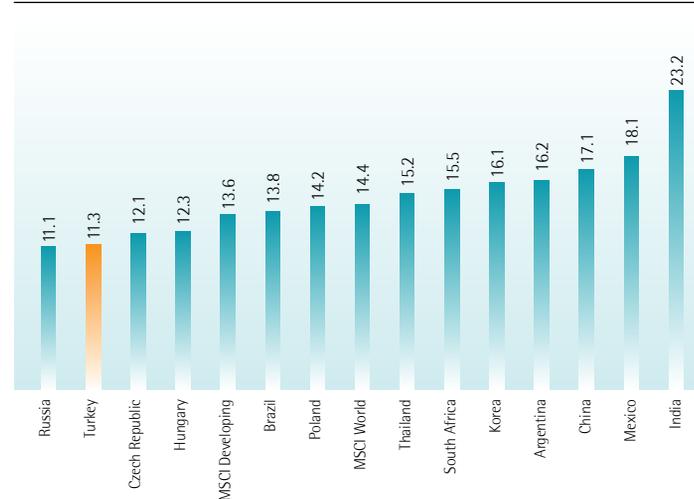
Source: ISE

Stock Market Traded Value (Emerging Markets, Yearly Total 2010, US\$ billion)



Source: WFE, ISE

Emerging Markets Price / Earnings Ratios (31.12.2010)



Source: Bloomberg

In 25 years...

Historical Development of Stock Market

1986

January 3
First trading day

1987

November 17
Multiple price - continuous auction trading

1990

October 6
Abridging of the settlement period to T+1

October 22
Introduction of odd-lot trading

1993

January 4
Launch of the Rights Coupon Market and New Shares Market

December 3
First electronic trading

1994

July 14
Double session
Extension of the settlement period to T+2

November 21
Full automation
Electronic trading system used for all stocks

December 23
Establishment of the National Market

1996

November 27
Launch of the Watchlist Companies Market

1995

January 2
Establishment of the Regional Market

February 6
Launch of the Wholesale Market

April 3
Establishment of the New Companies Market

Historical Development of Bonds and Bills Market

1991

June 17
Inauguration of the Bonds and Bills Market and Launch of the Outright Purchases and Sales Market

1992

August 6
Security trades on behalf of investment trust/ investment funds became compulsory to be carried out through the Bonds and Bills Outright Purchases and Sales Market

1993

February 17
Inauguration of the Repo-Reverse Repo Market

September 1
Repo-Reverse Repo transactions on behalf of investment funds became compulsory to be carried out through the Repo-Reverse Repo Market

1996

January 2
Government Debt Securities Indexes started to be disseminated

September 26
FX-denominated Government Debt Securities issued by the Turkish Treasury started to be traded



ISE Celebrated its 25th Anniversary

A special logo has been prepared for the 25th anniversary of the ISE, which was established on December 26, 1985. The logo, reflecting the international competence, dynamism and the pace of the ISE with its spherical form and lithe lines, has been used in the events organized as well as on the printed materials and the website along with the ISE's main logo.



Within the context of the ISE's 25th anniversary, an international conference has been organized on December 9-10, 2010 with the attendance of the leading representatives of the capital markets. In the conference, opened by the Turkish Prime Minister Recep Tayyip Erdoğan, Nobel laureate economist Robert Mundell, IMF Former President Rodrigo de Gato and Chairman of the World Federation of Exchanges (WFE) Ronald Arculli were among the key speakers.

History Foundation (Türk Tarih Vakfı) has put together an exhibition of materials and photographs animating the ISE's progress over 25 years.

The book titled "Istanbul Stock Exchange from Galata to Istinye: A Historical Perspective", was published in Turkish and English within the context of the "Research, Writing, Creation of Verbal Archive and Documentary Production on the history of the ISE" project. The book is based on archives, personal records, media research as well as interviews carried out with nearly 50 participants. A documentary film was also prepared in the context of the same project.



Prime Minister Recep Tayyip Erdoğan at the opening ceremony of the ISE's 25th Anniversary Conference.



Deputy Prime Minister Ali Babacan at the opening ceremony of the ISE 25th Anniversary Conference.

An international article competition was organized jointly with the Boğaziçi University Department of Business Administration. The "Complicated Firms" (by Lauren Cohen, Harvard Business School, NBER and Dong Lou, London School of Economics) was awarded as the winner of the competition among the 155 articles from 36 countries. Two articles have been chosen as runners-up; "The Vote is Cast: The Effect of Corporate Governance on Shareholder Value" (Vincent Cunat, London School of Economics; Mireia Gine, University of Pennsylvania, WRDS, ESADE Business School and Maria Guadalupe, Columbia University, CEPR, IZA, NBER) and "Tobin's Q Does Not Measure Performance: Theory, Empirics and Alternative Measures" (Philip H. Dybvig, Washington University in Saint Louis and Mitch Warachka, Singapore Management University).

A painting competition with a theme of "Istanbul" was organized among the students of the ISE Schools (302 primary and high schools) built in 74 cities within the context of the "Substantial Support for National Education Project" initiated in 1997.

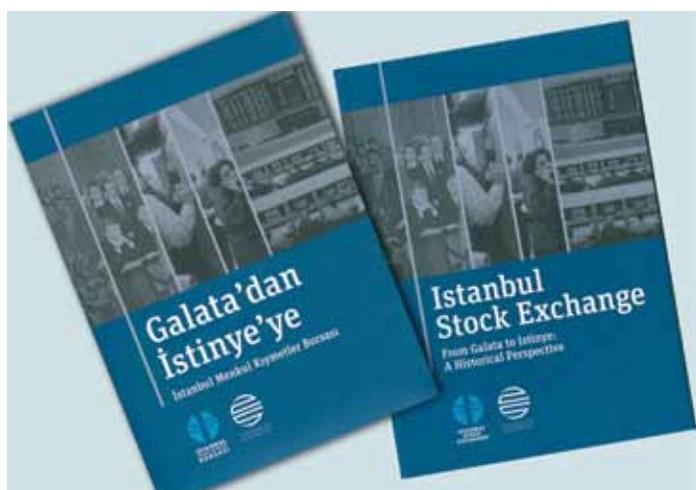
The winners, 14 students of different categories, were awarded laptops and four-day Istanbul visit. The students visiting the Istanbul Stock Exchange from all over the country for the award ceremony rang the opening bell on December 24, 2010. A selected collection of paintings have been exhibited at the ISE's Art Gallery.



Concert by Kudsî Ergüner Ensemble, La Banda Alla Turca for the 25th Anniversary of the ISE



The award ceremony of the "Painting Competition amongst the ISE Schools"



ISE Markets

The daily average stock trading value of the ISE, which is among the leading emerging markets with its steady growth and high traded value, escalated to TL 2.5 billion (US\$ 1.7 billion).

The annual traded value on the Bonds and Bills Market increased to TL 3.46 trillion (US\$ 2.31 trillion) at the end of 2010.

During the year, the ISE has added 22 new stocks and 16 corporate bonds for trading.

Stock Market

Market Data

The rapid development of the ISE continued in 2010 with the positive progress experienced in the Turkish economy after the global crisis, which was triggered by the financial markets but nevertheless made an adverse impact on the real sector. The ISE Stock Market indicators registered significant increases.

The daily average traded value of the Stock Market rose by 33% to TL 2.54 billion in 2010, compared to the previous year. The increase on US dollar basis was registered as 35.7% marking the daily average traded value US\$ 1.7 billion. The daily average traded value reached its highest value of TL 4.6 billion (US\$ 3 billion) during the year on December 17, 2010. The daily average number of contracts, which stood at 273,000 in 2009, reached 326,000 in 2010, registering an increase of 19%. The daily average traded volume stood at TL 816.3 million.

The total traded value of the ISE Stock Market registered 32% of increase to reach TL 635.7 billion (35% of increase to reach US\$ 425.7 billion) in 2010 over the previous year.

The ISE 100 Index closed the year at a level of 66,004.48 representing an increase of 25% (21% of increase on US dollar basis to a level of 2,499.75) compared to the end of the previous year.

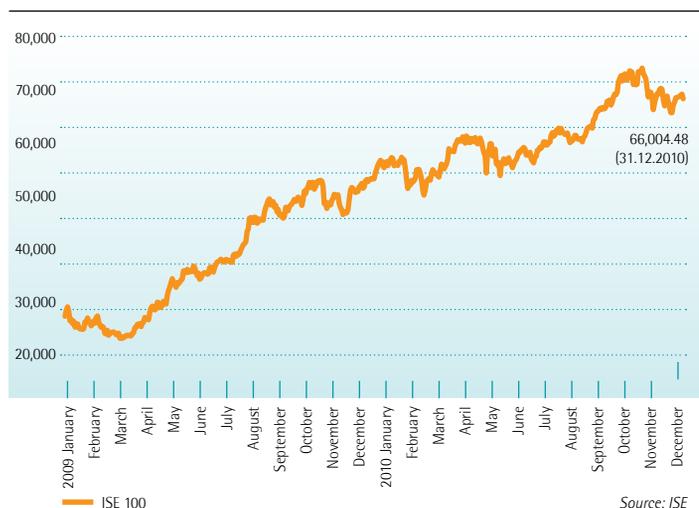
While the European stock markets were far below their pre-crisis values in 2010 with the adverse impact of the crisis experienced in the European countries, the ISE indexes broke records in terms of return and the ISE 100 index increased to an intra-day level of 71,776.92 on October 25, 2010.

With its steady growth, high traded value and liquidity, the ISE ranked 11th among the best performing exchanges in the World Federation of Exchanges (WFE) list in terms of return in 2010.

As of end-2010, 103 brokerage houses were authorized to trade on the ISE Stock Market.

With the positive impact of the recovery period in the global economy, which started towards the end of 2010, and the increase in the number of public offerings, the total market capitalization of the companies traded on the ISE registered 35% of increase to reach the level of TL 472.6 billion (30% of increase to reach US\$ 307.6 billion) in 2010 compared to the previous year.

ISE 100 Index (2009-2010)



New Practices

In 2010, ISE started to provide an index creation and calculation service to other institutions. The "TSKB Energy Index", which started to be calculated in this context for Türkiye Sınai Kalkınma Bankası A.Ş. on May 3, 2010, constitutes the ISE traded companies operating in the energy sector with a minimum of 40% of consolidated revenues generating from the energy sector.

The work on calculation of the "Participation Index" for Bizim Menkul Değerler A.Ş., comprising of the stocks which could be invested in by the customers of the participation banks in line with their operation principles, has been accomplished in 2010.

The principles of the ISE stock indexes were amended on December 2, 2010 in line with the decision of the Capital Markets Board with respect to the definition and uses of the "shares in circulation" and the changes were announced with the Circular no.353.

The ISE indexes have continued to be a favorable underlying instrument for financial products while the number of the financial products written on the ISE indexes reached 44. Of the relevant financial products, 2 are on the ISE sectoral indexes, 4 on the ISE 100 Index and 38 on the ISE 30 Index. The warrants and one ETF on the ISE 30 Index is traded on the ISE while futures contracts written on the ISE 100 and the ISE 30 Indexes are traded on TURKDEX, and 5 structured products written on the ISE 30 Index are traded on the overseas markets. Furthermore, a total of 33 financial products, including investment funds, variable interest rate deposits, principal-protected/guaranteed funds and OTC derivative products that are not traded on an organized market, are directly offered by banks and brokerage houses to their clients.

A new Exchange Traded Fund, based on the "Greece-Turkey 30 Index (GT-30)", a product of the cooperation of the ISE, Athens Exchange and Stoxx Ltd., started trading on the Istanbul Stock Exchange (ISE) on November 3, 2010.

The ETF written on the GT-30 Index, comprised of 15 companies from each Exchange, is the first international ETF to enable the access of individual and institutional investors in both countries to big and liquid companies at a low cost.

The groundwork for "historical volatility" data of the ISE 30 and ISE 100 indexes for 21, 42, 63, 126, 252 days, have been carried out and the data is now available on the ISE Daily Bulletin as well as on the Turkish and English websites of the ISE as of January 3, 2011.

The ISE introduced the Warrants Market in 2010 and the first warrant was issued on August 13, 2010. The number of warrants trading on the Warrants Market operating under Stock Market, rose from 4 to 22 at the end of the year.

The warrants now trade on continuous auction via market making system, and they are based on a single equity or a basket of equities included in the ISE 30 Index or any ISE equity index. The maturity of the warrants traded on the ISE vary between two months and five years.

As of July 2010, "Continuous Auction via Market Making" system was put into force with an aim to increase the liquidity of the securities under Collective Products Market. The system aims to support the liquidity of a security, trading on the continuous auction system, with market maker's continuous price and quantity quotations.

The continuous auction via market making system is mandatory for the investment trusts, free-float market capitalization of which is below TL 10 million, as well as the Exchange Traded Funds (ETFs) and warrants traded under Collective Products Market.



The ceremony at the ISE for the first warrant offering

The securities traded on the ISE at the same time included in the ISE 100 index are traded on the continuous auction system. Real estate investment trusts, venture capital investment trusts, and investment trusts, free-float market capitalization of which are above TL 10 million, are traded via continuous auction system.

The securities traded on the Collective Products Market via continuous auction system, except for the constituents of the ISE 100, may be traded via market making system provided that a market making application is received for that security and the application is approved by the ISE.

"Single Price Auction" is a method where the prices are determined at specific time intervals during the session and the transactions are executed over the single price determined.

ETFs and the stocks of investment trusts with free-float market capitalization of below TL 10 million can be traded on single price auction method in the event that no market maker is registered.

In the single price auction method, orders are collected at the stock trading system at a specific time interval without being matched. At the end of this period, price level allowing the execution of the maximum number of transactions is calculated and all transactions are realized over this price. The price determination takes place twice at each trading session making a total of four times a day.

The securities on the Watchlist Companies Market are traded via single price auction method. As there is one daily trading session at the Watchlist Companies Market, the price determination takes place twice a day.

Successive Order Numbering

In line with the respective Communiqué of the Capital Markets Board, the technical infrastructure to enable the transmission of the orders entered through the terminals located at the ISE premises to the systems of the members at their headquarters for successive numbering, has been completed. This way, the orders can be followed by the members and when deemed necessary the transactions of the member representative can be halted by the member.

Increase in the Order Entry Capacity of the ExAPI Terminals and Allocation of ExAPI Terminals for Quotation Orders

The order entry capacity of 6 orders/second, which can be purchased by the members additionally, was increased to 12 orders/second, therefore the members were enabled to increase their capacity up to 24 orders/second in total. The market making members with a second access point will be given two extra terminals for quotation orders, upon request.

Calculation of Daily Weighted Average Prices

As of April 30, 2010, ISE started to calculate the daily weighted average prices on stock basis and disseminate the relevant prices on the Stock Trading System terminals as well as on the data vendors' screens. The weighted average price, calculated by division of the trading value of a stock to the number of shares traded, is calculated for each stock on real-time basis and disseminated throughout the day. Additionally, the end-of-day values are published on the ISE bulletin.

Classification of the ISE Traded Companies

The ISE traded companies were classified under A, B, C groups according to their shares in circulation as of October 1, 2010 in line with the respective decision of the Capital Markets Board. Accordingly, a distinction was made on the trading principles based on specific criteria.



In this regard;

- Group A companies are traded via continuous auction system and may be subject to margin trading and short selling.
- Group B companies are traded via continuous auction system however, may not be subject to margin trading and short selling. The following companies are classified and traded under Group B.
 - Companies with a free-float market capitalization below TL 10 million and number of shares in circulation below 10 million,
 - Companies with a free-float market capitalization below TL 45 million and ratio of shares in circulation below 5%,
 - Investment trusts with portfolio values equal to or above 1.5 times of their share prices
- Single price auction is run for all companies classified under Group C and these companies may not be subject to margin trading and short selling. The following companies are classified and traded under Group C.
 - All companies traded on the ISE Watchlist Companies Market,
 - Companies with number of shares in circulation below 250,000,
 - Investment trusts with portfolio values, minimum twofold of their share prices

The number of shares in circulation for traded companies are reviewed quarterly, the A, B, C lists are updated accordingly and the updated lists are announced on the ISE website and on the Public Disclosure Platform.

Extension of Trading Hours on the Watchlist Companies Market

The trading hours of the Watchlist Companies Market, which was previously between 14:00-15:00, was extended as of October 1, 2010 necessarily due to the implementation of the single price auction method. The closing of order collection was determined as 17:25 while the closing of the trading session was set as 17:30. This way, the price determination for the shares traded on the Watchlist Companies Market take place twice on a trading day.

Unconditional Order Cancellation

Order cancellation has been unconditionally allowed on the ISE Stock Market, to be effective from October 8, 2010. Henceforth, normal or special orders pending in the Stock Market trading system may be cancelled one by one, on order basis, or in full or the amount of the orders may be decreased.

This new arrangement however, does not hold for the quotation orders entered for the securities traded with market maker on the Collective Products Market and the Warrants Market. The quotation orders cannot be cancelled, yet can be decreased to minimum quotation amount.

Order cancellation can be realized during the sessions by all users having access to the system by the authorization of the brokerage houses trading on the ISE Stock Market.

Anonymity of Parties in Transactions

The anonymity of parties in executed transactions was introduced on October 8, 2010. Accordingly, trading party member codes included in inquiries of executed transactions and counter-party member codes in the inquiries of active orders are not displayed during the sessions. The executed transactions are sent to the data vendors without buyer and seller information. The counter-party details which were previously displayed in the ISE Stock Market order book at the end of each session, started to be revealed at the end of the day T+1.

Reduction in Price Ticks

The Stock Market price ticks above 1 kurus were reduced to half for stocks and exchange traded funds starting from November 1, 2010. The work towards reducing the price tick of 1 kurus as well as increasing the kurus digits to a minimum of three decimal places, have started.

Re-arrangement of Stock Trading Floors

The work on the renovation and reinforcement of the first trading floor, carried out within the framework of the renovation and reinforcement of the ISE building and the stock trading floors against a possible earthquake, has been completed and all terminals on the ISE building were moved to the first stock trading floor.

The Developments in the ISE Stock Market Sub-Markets

Following the IPO campaign pioneered by the ISE, 22 new companies and 3 exchange traded funds, 25 securities in total, started to trade on the ISE Stock Market during the year. The breakdown of 350 securities traded on the ISE Stock Market in 2010 is as follows; 241 on the National Market, 65 on the Collective Products Market, 31 on the Second National Market, 2 on the New Economy Market and 11 on the Watchlist Companies Market. The warrants started to trade on the ISE Collective Products Market as of August 13, 2010.

The total traded value of the National Market was registered as TL 578 billion (US\$ 387 billion) in 2010 representing 91% of the total traded value of the Stock Market. The total traded value in the Collective Products Market was TL 39 billion, of which TL 14 billion was ETF trading. The total traded value of the Second National Market, New Economy Market and Watchlist Companies Market were realized at TL 17.4 billion (US\$ 11.67 billion), TL 0.67 billion (US\$ 0.45 billion) and TL 0.7 billion (US\$ 0.47 billion), respectively. The total traded value of warrants traded under Collective Products Market amounted to TL 548 million (US\$ 367 million).

The equity portfolio holdings of foreign investors amounted to US\$ 71.33 billion, which was 66.2% of the free-float market capitalization.

Transactions Realized on the Wholesale Market

The total value of shares sold on the Wholesale Market reached TL 968,600,299 registering an increase of 345.03% from TL 217,650,000 recorded in the previous year.

Emerging Companies Market

The respective legislation and technical grounds for the Emerging Companies Market (ECM), which has been established with an aim to enable companies with growth and development potential to raise funds through capital markets easily and at a low cost, was completed in 2010.

"Market Advisory" system was established in order that the candidate companies could get information about the respective capital market rules and regulations as well as assistance in compliance with the relevant legislation. The companies can apply for trading on the ECM only via Market Advisors.

Market Advisor institutions determine whether the applying companies meet the market registration criteria or not and assist the companies to complete the preparations necessary for trading on the Market. Within this framework, the principles related to Market Advisory on Emerging Companies Market were determined with a Circular on March 5, 2010. Intermediary institutions holding an "Investment Consultancy License" or "Primary Market Operations License", portfolio management companies holding an "Investment Consultancy License", "Venture Capital Investment Trusts", and "Institutions Authorized to Audit in the Capital Markets" are eligible to be market advisors.

During 2010, three brokerage and six audit companies were authorized as "Market Advisors" to provide guidance to companies.

The securities are traded on the ECM over the same trading system with the securities traded on the Stock Market benefiting from the same technical facilities. Two trading methods namely; single price (call market) auction method and continuous auction with market maker method will be employed on the ECM and the rules and principles in force on the Stock Market will be applicable to both methods employed on the ECM. All members authorized to trade on the Stock Market are eligible to trade on the ECM. The trading principles Circular of the ECM as well as the Circular on issues varying from Stock Market practices were published on October 8, 2010.

Berkosan Yalıtım ve Tecrit Maddeleri A.Ş. applied for admission to the ECM Directory on November 12, 2010 and the application process was completed.

The companies applying for trading on the ECM for the first time can sell their shares issued through a capital increase at the Wholesales Market via allocation method.

"A New Market at the ISE: Emerging Companies Market (ECM)" meeting was organized within the context of investor education meetings on November 30, 2010 at the ISE premises.

Emerging Companies Market was introduced to companies with growth and development potential at the meetings organized in various cities within the framework of the initial public offering campaign.



Bonds and Bills Market

Market Data

The total annual traded value on the Bonds and Bills Market increased from its level of TL 3.40 trillion (US\$ 2.20 trillion) in 2009 to TL 3.46 trillion (US\$ 2.31 trillion) in 2010, while the average daily traded value amounted to TL 13.83 billion (US\$ 9.23 billion). Of the total traded value for 2010, 87.10% was realized on the Repo/Reverse Repo Market and 12.90% on the Outright Purchases and Sales Market.

The total traded value increased by 4.95% on U.S. dollar basis to US\$ 2.31 trillion in 2010. In the same period, the traded value in the Outright Purchases and Sales Market registered an increase of 10.27% and reached US\$ 297.71 billion, while it increased by 4.21% to US\$ 2.01 trillion in the Repo/Reverse Repo Market.

The daily average traded value of the Bonds and Bills Market, which stood at US\$ 8.73 billion in 2009, rose to US\$ 9.23 billion in 2010.

As of end-2010, there were 130 members authorized to trade on the Bonds and Bills Market, of which 89 were brokerage houses, and 41 were banks.

Off-exchange trading in 2010 decreased by 0.56% to TL 710.43 billion (US\$ 474.67 billion) compared to the previous year. Of the total traded value for 2010, 17.04% was realized off-exchange and 82.96% was realized on the ISE Bonds and Bills Market.

Monthly Traded Values in Outright Purchases and Sales Market and Repo-Reverse Repo Market of Bonds and Bill Market in US dollars



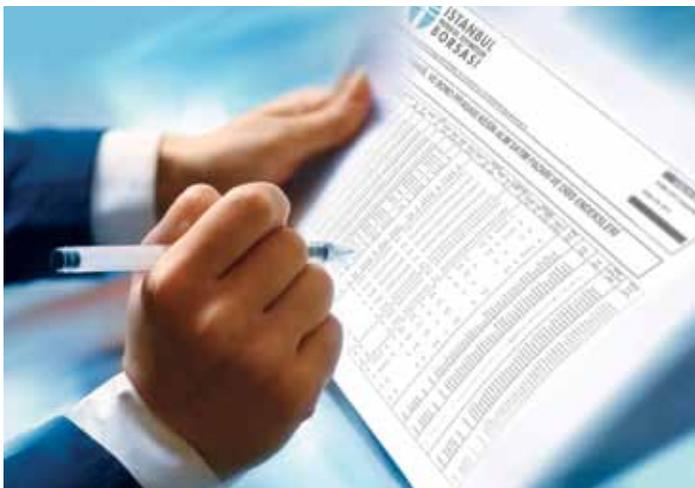
New Practices

With an aim to revive the primary market operations and secondary trading of the corporate bonds, "Offerings Market for Qualified Investors" was established. The market enables the issue of the borrowing instruments of the joint stock companies, traded on the ISE National Market, Second National Market and the New Companies Market, to "qualified investors" as defined in the capital markets legislation. The secondary trading of the borrowing instruments issued at the "Offerings Market for Qualified Investors" starts at the Outright Purchases and Sales Market, following the completion of the offering without any further requirement.

"Repo Market for Specified Securities", which enables the use of specific securities agreed upon by the buying and selling parties as underlying securities for repo transactions, was launched. With this implementation, such securities are not blocked following the trade and therefore, are available for use of the buying party during the maturity term of the repo. By this means, delivery of securities to the buyer is enabled and mobility of securities between cash and forward markets is maintained.

In order to expand the areas of use of private sector borrowing instruments and by this means increase the preference by investors, the ISE-listed corporate bonds were allowed to be subject to repo transactions and accepted as collaterals in return for transaction limits on the "Repo Market for Specified Securities".

With the introduction of the "Repo Market for Specified Securities", the risk management system that has been used in the ISE Bonds and Bills Market so far was revised as to include the Outright Purchases and Sales Market. Within this framework,



the amount of collateral required for transactions was decreased from 5% (1/20) to 2.5% (1/40). The new practice aims to decrease the collateral required for transactions with the same value date, enable fair distribution of the costs for transactions with other value dates by receiving adequate amount of collateral from the party subject to settlement risk, to create a realistic risk management system for the transactions on the "Repo Market for Specific Securities" and to enable collateralization of private sector borrowing instruments, which differ from Government Debt Securities in terms of volatility and liquidity, in a different way.

ISE started to make daily evaluations of the collaterals used for the transactions on the "Repo Market for Specified Securities" as well as the securities subject to future value-dated transactions on the Outright Purchases and Sales Market. The relevant member's collateral is blocked or margin call is made in case of a deficit in value. The amount of the blocked transaction limit is twice if the corporate bonds are traded when compared to government bonds. In other words, the transaction limit is reduced by the transaction amount when government bonds are traded and twice that amount when corporate bonds are involved.

In order to enable trading of non-member banks through the ISE members, the size of the fixed income securities of the non member agencies of the ISE members started to be taken into consideration in calculation of the transaction limits.

Debt securities with coupon payment date on V2 started to be used in repo transactions as well.

In order to offer maturity alternatives, the value date for private sector borrowing instruments was extended to 30 days from 7 days on the Outright Purchases and Sales Market. The tick size, formerly equal to 5 basis points in the Repo/Reverse Repo Market is reduced to 1 basis point with an aim to increase the competition.

With the intention of increasing the speed in transactions, the waiting period for cross trades is reduced from 30 seconds to 10 seconds.

The historical daily bulletin data was uploaded to the ISE website in a format compatible with analysis.

Foreign Securities Market

Turkish Eurobonds, international debt securities issued by the Turkish Undersecretariat of Treasury, and other international debt securities having the nature of bonds and bills registered by the Capital Markets Board and listed and/or registered to trade by the ISE may be traded on the ISE Foreign Securities Market.

Under the Foreign Securities Market, two submarkets operate namely; International Bonds Market and Eurobond Negotiated Deals Platform.

New Practices

Eurobond Negotiated Deals Platform was launched on December 17, 2010 with an aim to increase the competitiveness of the ISE Eurobonds market through the advantages of both the organized and the over the counter markets.

The International Bonds Market operates on a multiple price-continuous auction trading system. The orders are transmitted in the minimum order size based on the nominal value of the security subject to transaction and its multiples. Matching is processed according to price and time priorities.

The Eurobond Negotiated Deals Platform is comprised of two screens namely; the "Advertisement Order Screen" where the orders are displayed with the member codes and the "Negotiated Deals Screen" where the transactions are executed. Members release their ask orders related to a specific security through

"Advertisement Order Screen" to all users. The orders are displayed on the "Advertisement Order Screen" in the order of entry with the code of the member giving the order. No matching is processed on this screen, the members execute their orders through the "Negotiated Deals Screen". Negotiated deal orders are given in the minimum order size based on the nominal value of the security plus 1000 USD/EUR and multiples.

The orders are transmitted to the International Bonds Market through the Automated Bond Trading System (OTASS)/Bonds and Bills Market Application Programming Interface terminals located at the headquarters of the members and at the alternative access points or through ISE experts. Orders are entered into the system on the currency of the relevant Eurobond. Pricing is also made on the currency of the relevant Eurobond on a basis of "100" units over the clean price which does not include the accrued coupon interest. The value date of the orders is minimum 1 business day ($V=T+1$) and maximum 15 ($V=T+15$) days.

The brokerage houses and banks authorized to trade on the ISE Bonds and Bills Market can trade on the Eurobond markets operating under Foreign Securities Market provided that they deposit a collateral of US\$ 50,000 or equivalent in any type of collateral stated in the respective legislation.

In 2010, Turkish Treasury issued new Eurobonds with nominal value totaling US\$ 4 billion (US\$ 1 billion of which is additional issue) and EUR 2 billion (EUR 0.5 billion is additional issue). The relevant bonds were listed on the ISE and started to trade on the Foreign Securities Market.



Eurobond Transactions in the Foreign Securities Market in 2010

| Total (*) | Nominal Amount of Transaction | Traded Value | Number of Contracts |
|-----------|----------------------------------|-----------------|------------------------|
| Euro | 50,240,000 | 54,137,868.31 | 89 |
| US dollar | 270,570,000 | 321,224,425.00 | 264 |

(*) includes single party transactions.

The cash and security clearing and settlement operations of the transactions realized on the International Bonds Market and Eurobond Negotiated Deals Platform is realized by Takasbank through the member accounts at Euroclearbank, international clearing agency determined by Takasbank, via delivery versus payment method. The cash settlement of the transactions is realized on the currency of the relevant Eurobond.

Market, Product Development and Special Projects

Common Technology Platform

With an aim to build an efficient structure and to improve international competitiveness of Turkish capital markets by consolidating the liquidity pools and the technological infrastructure under an operationally integrated structure, establishment of a Common Technology Platform is planned.

The Common Technology Platform, which is defined as *"An Integrated Structure which will offer a common software, hardware and communication service and will provide central collateral management"* in the Strategy and Action Plan of the "Istanbul an International Finance Center" project, aims to enable each institution to operate under a central and common structure, with the implementation of software developed according to the pre-determined software standards. Thus, the investment and operation costs related to information technology of the exchanges and the post-trade institutions will be optimized.

With the electronic infrastructure to be developed within the company to be established for the Common Technology Platform, trading of the capital market instruments, derivative products and precious metals through a common structure will be enabled. The market participants will have access to all markets and instruments over a single-access point.

The ISE plays an active role in the work carried out toward establishment of the relevant company with its sound infrastructure. Within this framework, ISE Settlement and Custody Bank, Turkish Derivatives Exchange, Istanbul Gold Exchange, Central Registry Agency and the Association of Capital Market Intermediary Institutions of Turkey signed a protocol stating their intents, on December 16, 2010.



New Practices

Meetings were held with the representatives of the brokerage houses with highest trading value on behalf of foreign investors, brokerage house representatives trading on their own behalf and domestic and foreign institutional investors trading on the ISE toward implementation of mechanisms that will allow the execution of orders in large quantities mostly given by institutional investors, without creating a market impact. At these meetings, different trading mechanisms were discussed.

The work on the development of an order book for the entry and matching of only the orders in large quantities was completed upon examination of the overseas markets and regulations. The relevant practice was approved by the ISE Executive Council and is expected to be activated in 2011 following completion of the work on the development of the relative software.

As a result of the work carried out in cooperation with the Bonds and Bills Market and the Stock Market, the stocks were enabled to be subject to repo transactions by designing of a new instrument called "Stock Repo". The stock repos which may also be used to improve securities lending market are planned to be traded on the Stock Repo Market to be established under the Bonds and Bills Market.

Work was carried out towards trading of the "Contracts for Differences (CfDs)" on the Stock Market and relevant applications were made to Capital Markets Board. The "Contract for Differences" is a contract between the buying and selling parties related to the performance of a stock in the cash market, without having the underlying stock, with the anticipation that the difference in the price of the stock between the beginning date and the termination date of the contract, will change hands.

At a period when the mergers and cooperation among global exchanges gained momentum, the work towards establishing AVRASYANET, a common trading platform planned to include Greece, Russia, Gulf countries and Central Asian countries, started.

With regards to the requests of the Kazakhstan and Kyrgyz Stock Exchanges for cooperation with the ISE in order to develop their capital markets, the work on determination of the services to be offered and the areas of cooperation started.

With an aim to get first-hand information on the needs and demands of the market, to make the necessary arrangements promptly and to exchange information regarding the new practices, "Stock Market Member Relations Committee" was established. The Committee is comprised of stock market members' representatives that stood for the majority of the market and represented the different customer profiles as well as the representatives of the relevant market departments and the Market, Product Development and Special Projects department. Starting from the beginning of 2010, the Committee convenes regularly.

Listing Activities

Total Number of Companies Traded on the ISE

| 2009 | 2010 | Change (%) |
|------|------|------------|
| 322 | 344 | 6.8 |

Total Number of Other Securities Traded on the ISE Markets

| Type of Security | 2009 | 2010 |
|--|------|------|
| Exchange Traded Funds | 10 | 12 |
| Corporate Bonds | 2 | 12 |
| Bank Bills | - | 4 |
| Warrants | - | 23 |
| International Bonds (US\$-denominated) | 17 | 18 |
| International Bonds (Euro-denominated) | 7 | 7 |

Total Nominal Value of the Securities Listed on/Registered with the ISE

| Type of Security | 2009 | 2010 | Change (%) |
|--|----------------|----------------|------------|
| Stocks (TL) | 70,051,297,386 | 81,943,195,171 | 14.93 |
| Exchange Traded Funds (TL) | 2,036,200,000 | 2,651,200,000 | 30.20 |
| Corporate Bonds | 200,000,000 | 710,500,000 | 255.25 |
| Bank Bills | - | 1,220,000,000 | - |
| Warrants | - | 20,008,000 | - |
| International Bonds (US\$-denominated) | 29,247,880,000 | 33,250,000,000 | 13.68 |
| International Bonds (Euro-denominated) | 7,250,000,000 | 8,250,000,000 | 13.79 |

New Practices

Many new practices were introduced in 2010 with regards to listing activities;

- The warrants with the underlying assets of non-voting shares, common shares and indexes were listed on the ISE for the first time and were introduced as an investment alternative.
- During the year, three bank bills with nominal value of TL 1.2 billion were listed and started to trade on the Bonds and Bills Market while one bank bill with nominal value of TL 20 million started to trade without being listed.
- The companies whose stocks are traded on the ISE were given the opportunity to issue debt securities without prospectus and circular with the establishment of the "Offerings Market for Qualified Investors". The secondary market transactions of the debt securities issued on this market can directly be executed on the Outright Purchases and Sales Market under ISE Bonds and Bills Market.
- With the amendments made in the ISE Listing Regulation, listing criteria regarding the profitability and minimum capital requirement as well as the market capitalization of the shares to be offered to public and its ratio to the paid-in capital of the company were divided into three groups. Hence, the listing criteria became more flexible allowing the companies to be listed on the ISE provided that they meet the criteria under one of these groups.
- As the minimum free float rates for initial public offerings were annulled by the Capital Markets Board, new criteria such as the ratio of the shares to be offered to public to the capital and the market capitalization of the shares to be publicly offered were introduced for the companies to be traded on the Second National Market. The requirements for trading of the companies, registered by the Capital Markets Board, on the ISE were re-defined.
- The Second National Market and the New Companies Market merged as of January 1, 2011 due to the fact that the trading principles and registration on both markets were the same. With the merge of the two markets, the fee incentive applied to companies traded on the New Economy Market was annulled.
- The companies to start trading on the National and Second National Markets with a minimum free-float rate of 25% and free-float market capitalization of TL 100 million were granted 25% of discount in the initial listing/registration fees to be valid until December 31, 2012. The reasons behind this practice were to accelerate the work carried out within the context of "Initial Public Offering Campaign", to encourage the public offerings in order to reach the minimum free-float rate of 25% in line with the European Union standards, and to support the achievement of the target of "increasing the number of public offerings and the free-float rate" included in the action plan of the "Istanbul International Finance Center" project.
- The principles in regards to listing and trading of the shares of foreign companies on the ISE were regulated for the first time with a circular. Accordingly, the shares of a foreign company, trading on the Vienna Stock Exchange with headquarters in Austria, with nominal value of Euro 19,488,000 were listed on the ISE and started trading on the National Market. 2,815,790 shares of the relevant company offered to public on November 25-26, 2010 were purchased by 1,027 investors and TL 134 million of funds were raised through the offering which was realized by means of capital increase.

Initial Public Offering Campaign

The work related to the Initial Public Offering Campaign which was initiated with an aim to encourage companies to benefit from the opportunities offered by the capital markets, continued intensely in 2010.

During the year, 31 companies, issuing securities to trade on the ISE, raised funds amounting to TL 5.5 billion. The private sector debt securities market experienced a significant revival in 2010.

The work related to the Initial Public Offering Campaign, which was initiated with an aim to encourage companies to benefit from the opportunities offered by the capital markets upon the protocol signed among the ISE, Capital Markets Board (CMB), the Union of Chambers and Commodity Exchanges of Turkey (TOBB), and the Association of Capital Market Intermediary Institutions of Turkey (TSPAKB), continued intensely in 2010.

The average number of initial public offerings, which was 23 between the years 1990-1999 and decreased to 9 between the years 2000-2009, was registered as 22 in 2010. The best performance was achieved in terms of public offerings since 2000 as a result of the increase in the interest for capital markets following the Initial Public Offering Summit, which was held between May 6-7, 2010.

During the year, 31 companies, which issued securities to trade on the ISE, raised funds amounting to TL 5.5 billion. The private sector debt securities market experienced a significant revival in 2010.

The work related to the Initial Public Offering Campaign is planned to be continued jointly with CMB, TOBB and TSPAKB in various cities with the participation of the respective chambers of industry and commerce, thus accelerating the development of Turkish capital markets. Our objective is to increase the number of companies traded on the ISE to 1,000 in 2023 when the 100th anniversary of Turkish Republic will be celebrated.

| Funds Raised Through Security Issues | | |
|--------------------------------------|---------------|---------------------------|
| Type of Security | No. of issues | Funds Raised (TL million) |
| Stocks (TL) | 23 | 3,519 |
| Initial Public Offering | 22 | 3,122 |
| Sales through allocation | 1 | 397 |
| Exchange Traded Funds (TL) | 3 | 11.4 |
| Debt Securities (Bonds/Bills) | 16 | 1,930.5 |
| Public Offering | 13 | 1,850.5 |
| Sales to Qualified Investors | 3 | 80 |
| Non-voting shares | 1 | 78.3 |
| TOTAL | 43 | 5,539.2 |

The "Initial Public Offering Campaign" plays an important role in the realization of the Article 11 of the Strategy and Action Plan of "Istanbul International Finance Center", which states "Non-public companies will be encouraged to go public and the investor base will be broadened. The relevant measures including tax will be taken".

The Initial Public Offering Campaign Summits and Meetings

"Initial Public Offering Campaign: Istanbul Summit" was held at Haliç Congress Center in Istanbul, on May 6-7, 2010. At the Summit, which was a first in Turkey, intermediary institutions offering services in public offerings, audit companies, legal consultants, domestic and international private equity funds intending to take advantage of the investment opportunities in Turkey, various institutional investors and sectoral associations, had the opportunity to directly promote their services to the participants through opening stands and organizing workshops. The number of the participants was over 2,000.

"The Initial Public Offering Campaign: Bursa Summit" was held at Merinos Atatürk Congress Culture Center in Bursa, on November 23-24, 2010. The Summit was attended by 618 individuals, 111 companies (4 already trading on the ISE), 19 brokerage houses, 18 audit and financial consultancy firms.

Seminars were held in Konya (March 5-6), in Düzce (April 12), in Samsun (June 12) and in Kocaeli (September 24) with an aim to inform the companies about raising funds through public offerings and meetings were held with the executives of various companies.



The Initial Public Offering Campaign Bursa Summit

Initial Public Offering Campaign Website

Within the context of the Initial Public Offering Campaign, ISE launched the website <http://www.ipoturkeysummit.com>.

The site includes;

- The procedures on public offerings and trading on the ISE
- Information on the authorized intermediaries and audit firms
- Public Offering Campaign Promotional Film
- Information, pictures and video recordings related to Istanbul and Bursa summits as well as Konya, Düzce, Samsun and Kocaeli meetings.

Public Offering Campaign Promotional Film

A promotional film was prepared for non-public companies about the benefits of going public also giving an emphasis on "sustainability".



Public Offerings, Exchange Traded Funds and Warrants in 2010

| COMPANY | TYPE | INITIAL TRADING ON | TICKER SYMBOL | MARKET |
|---|---------|--------------------|----------------------------------|---|
| Koza Altın İşletmeleri A.Ş. | Stock | February 12 | KOZALE | National Market |
| TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. | Stock | April 9 | TSGYO.E | Collective Products Market |
| Latek Lojistik Ticaret A.Ş. | Stock | April 27 | LATEK.E | National Market |
| Akfen Holding A.Ş. | Stock | May 14 | AKFEN.E | National Market |
| Aksa Enerji Üretim A.Ş. | Stock | May 21 | AKSEN.E | National Market |
| Mango Gıda Sanayi ve Ticaret A.Ş. | Stock | May 24 | MANGO.E | Second National Market |
| İhlas Gazetecilik A.Ş. | Stock | June 14 | IHGZT.E | National Market |
| Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. | Stock | June 16 | ANELE.E | National Market |
| Euro Yatırım Menkul Değerler A.Ş. | Stock | June 21 | EUROM.E | Second National Market |
| İdealist Gayrimenkul Yatırım Ortaklığı A.Ş. | Stock | July 1 | IDGYO.E | Collective Products Market |
| Çemaş Döküm Sanayi A.Ş. | Stock | July 2 | CEMAS.E | Second National Market |
| Reysaş Gayrimenkul Yatırım Ortaklığı A.Ş. | Stock | July 12 | RYGYO.E | Collective Products Market |
| T. Garanti Bankası A.Ş. MSCI Türkiye Endeksi A Tipi Borsa Yatırım Fonu | ETF | July 12 | GAREN.F | Collective Products Market ETF Market |
| Ekiz Yağ ve Sabun Sanayi A.Ş. | Stock | July 20 | EKIZ.E | Second National Market |
| Gedik Yatırım Menkul Değerler A.Ş. | Stock | July 29 | GEDIK.E | Second National Market |
| Kuveyt Türk Katılım Bankası A.Ş. B Tipi Altın Borsa Yatırım Fonu | ETF | August 2 | GOLDP.F | Collective Products Market ETF Market |
| Deutsche Securities Menkul Değerler A.Ş. (Deutsche Bank A.G. London Branch) | Warrant | August 13 | OZDAA OZDPP GADAA GADPP | Collective Products Market Warrants Market |
| Martı Gayrimenkul Yatırım Ortaklığı A.Ş. | Stock | September 24 | MRGYO.E | Collective Products Market |
| Torunlar Gayrimenkul Yatırım Ortaklığı A.Ş. | Stock | October 21 | TRGYO.E | Collective Products Market |
| İş Yatırım İMKB 30 Warrants | Warrant | November 1 | OZIAA OZIPP | Collective Products Market Warrants Market |
| Finansbank A.Ş. GT-30 A Tipi Borsa Yatırım Fonu | ETF | November 3 | GT30 | Collective Products Market ETF Market |
| İhlas Yayın Holding A.Ş. | Stock | November 5 | IHYAY.E | National Market |
| Katmerciler Araç Üstü Ekipman Sanayi ve Ticaret A.Ş. | Stock | November 11 | KATMR.E | Second National Market |
| Uyum Gıda ve İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. | Stock | November 22 | UYUM.E | National Market |
| Emlak Konut Gayrimenkul Yatırım Ortaklığı A.Ş. | Stock | December 2 | EKGYO.E | Collective Products Market |
| DO&CO Restaurant ve Catering Aktiengesellschaft | Stock | December 2 | DOCO.E | National Market |
| Despec Bilgisayar Pazarlama ve Ticaret A.Ş. | Stock | December 8 | DESPC.E | Second National Market |

ETF: Exchange Traded Fund

Inspection, Supervision and Surveillance Activities

Market Surveillance

In order to ensure trading of securities in a reliable and stable environment, and to prevent any actions that might hinder the transparent, orderly and fair functioning of the markets, the unusual price movements and traded values in the securities markets, particularly the ISE Stock Market, were monitored and reported through the electronic surveillance system.

The issues potentially in conflict with the capital markets legislation, detected as a result of the examinations carried out on the ISE and the members' records were reported to the Capital Markets Board for further investigation, while events in conflict with the ISE legislation were reported to the relevant departments and committees of the ISE.

As a result of the work on software and system development that was completed in 2010, the alert and analysis modules for the surveillance of the warrant trades were integrated into the Electronic Surveillance System.

With an aim to execute the surveillance activities more effectively, the "ISE Action Plan for Effective Surveillance" was prepared. The work towards introduction of "ISE Automatic Circuit Breaker System", the main component of the action plan, was completed and the system is expected to be launched at the beginning of 2011. In the event of an abnormal price or quantity movement in a certain stock, the system envisions a two-tier automatic structure which;

- automatically suspends the trading of that specific stock for a pre-defined period of time and in case that the abnormal price or quantity movement persists applies gross settlement for that stock,
- broadcasts the messages related to suspension and gross settlement implementations automatically and simultaneously through the Public Disclosure Platform.

The work on software and development of modules for the surveillance of option contracts, which are expected to trade on the ISE, continued. The system is planned to be activated upon the start of the trading of option contracts.

Auditing Activities

Short-term audits of members were carried out in response to extraordinary market activities detected as a result of the market-specific analysis methods and/or investor complaints. Violations of the ISE regulations and the capital markets legislation uncovered as a result of these audits were reported to the relevant departments, committees, and/or the Capital Markets Board of Turkey.

Internal control activities continued and investigations were conducted within the ISE upon request of the Chairman's Office. The authenticity of the ISE data vendors' statements, which serve as basis for the data sales, was inspected. Additionally, special audits were conducted on the off-exchange fixed income security trades requested to be cancelled due to faulty registration.

In addition to the auditing, supervision and surveillance activities, inspections were carried out in line with the ISE legislation upon the investors' complaints about the ISE members.



Information Systems

Stock Market Related Activities

The market making and single price auction methods were applied to the stock trading system.

In order to enable the trading of warrants on the submarkets of the Stock Market, the new implementations developed within the context of market making method and pre-defined new functions were activated.

The work related to classification of stocks as A, B, C was carried out and the implementation started.

The cancellation of all pending orders was allowed on the Stock Market, while previously cancellation of only the last order was possible. Moreover, the calculation of the weighted average price on daily basis started in addition to on session basis.

Work was carried out towards the anonymity of the parties in executed transactions. The data on the traded value on member basis and the ratio of the member's traded value to the total traded value started to be generated and displayed on the ISE website.

The work on software development with an aim to build a new infrastructure for the stock trading system has started.

Bonds and Bills Market Related Activities

The work toward the launch of the "Offerings Market for Qualified Investors" was completed.

The work toward the development of the new risk management structure and the launch of Repo2 market was completed.

The work for allowing the use of corporate bonds as collateral for repo transactions and the work related to the changes in calculation of the exchange fee in repo transactions were concluded.

The work toward excluding the Foreign Securities Market transactions from the trading limits of the members as well as the work for the launch of the "Eurobond Negotiated Deals Platform" were accomplished.

Derivatives Market Related Activities

The work related to software development for execution of option transactions on the ISE Derivatives Market has started. The work carried out within the framework of the needs determined by the Derivatives Market Working Group was completed and the respective tests were executed.

The work toward integration of Derivatives Market with Takasbank has come to testing phase. The document on the Derivatives Market Application Programming Interface (VipAPI) application, which has been developed for direct order transmission of members from their systems, was announced on the ISE website in order to enable the members to make the necessary preparations.

Wide Area Network Project

The management system allowing proactive monitoring of the wide area network was offered for use in November 2010.

The research studies towards using multi protocol label switching (mpls) technology in the wide area network have been initiated.

Member Automation Services

Quotation order entry, order follow-up and backoffice integration operations have been renewed for market maker brokerage houses.

The Bonds and Bills Market API (BBM API) application was developed and integrated to bond backoffice system. Work on the infrastructure enabling momentary risk follow-up pertaining to bond transactions was completed.

The necessary arrangements were made in the electronic order transmission client risk control infrastructure with regards to gross settlement implementation in some of the ISE traded stocks in line with the respective CMB Communiqué.

In accordance with the enabling of unconditional order cancellation and application of the relevant fee on the Stock Market, the necessary arrangements were made in the electronic order transmission and client expense infrastructure.

The Derivatives Market trading system was developed and made available for the brokerage houses using the Member Automation Software. The system includes contract and order entry, transaction follow-up, accounting operations and reporting modules.

In line with the CMB Communiqué related to warrant transactions, the change in the definition of the accounting process was completed.

The screens related to lending of securities were completed.

The software was updated to include the amendments made in the legislation during the year.

Turkish Derivatives Exchange, Inc. (TURKDEX) Related Activities

In accordance with the agreement signed with the Turkish Derivatives Exchange, Inc. (TURKDEX) in April 2004, ISE continued to support the trading software of TURKDEX.

Upon the request of TURKDEX, the multicurrency feature allowing the execution of trades in currencies other than Turkish liras were added to the system.

and Custody Bank, Central Registry Agency, the Association of Capital Market Intermediary Institutions of Turkey, and other institutions to be determined by the CMB) must be sent to the Public Disclosure Platform starting from June 1, 2009.

Nevertheless, in order to prevent any unforeseen problems in disclosure activities, which may occur during the so-called "Transition Period", notifications continued to be sent by fax and/or mail to the ISE and were announced in the ISE daily bulletin and the ISE web site.

The "Transition Period" of PDP ended on December 31, 2009, and all information and documents required to be disclosed by the CMB and ISE regulations, by the companies traded on the ISE, Exchange Traded Funds whose participation certificates are traded on the ISE, ISE members, and the other related institutions are sent to the Public Disclosure Platform (PDP) only, starting from January 1, 2010. All information and documents sent to PDP can be accessed through www.kap.gov.tr.

New Practices

The following were offered for use within the framework of the second stage of the PDP improvement project.

In August 2010, the English version of PDP was activated and the balance sheets and income statements of companies started to be published in English. As per the other disclosures, the section titles are in English while the content is in Turkish. Furthermore, query of balance sheets and income statements with English content through the information inquiry section were enabled.

A series of technical improvements were made such as the enhancement of the performance of the PDP website and renewal of the PDP data dissemination software in a way to support server-based operation which would allow the data vendors to get information and data through connection to the site.

Upon the amendments made in the CMB Communiqué on the "Principles Related to Submission of Information, Documents and Notifications to PDP Electronically" and the necessary arrangements made at PDP regarding use of qualified electronic certificate, the use of the certificates as defined in Electronic Signature Law no. 5071 started as of December 27, 2010.

Data Dissemination

As of end-2010, five data vendors disseminated market-by-price data and 86 sub-vendors disseminated basic data. Of the 86 sub-vendors, 47 are ISE member intermediary institutions, 11 are TV channels, 11 are foreign financial institutions, and 17 are companies active in various other sectors such as financial portals, GSM operators, and so forth.

Of the 86 sub-vendors disseminating basic data, 61 use the Internet media. Basic data are also broadcast by 11 TV channels, disseminated by 10 financial institutions in a closed communication network, by 6 companies over WAP, by 7 companies over the GSM network, 1 company over landlines and 1 company over LED screens.

Turkish Investors' Consultancy Center

Turkish Investors' Consultancy Center responds to investor inquiries in line with the publicly disclosed information and the respective legislation and practices.

Accordingly, during the year, 2,720 e-mail applications received through the ISE websites and 4,332 telephone inquiries were replied or referred to the relevant ISE departments and followed up, by the Turkish Investors' Consultancy Center. If deemed necessary, the relevant institutions were informed about these applications classified as information request/opinion/complaint.

Within the context of maintaining these services, Turkish Investors' Consultancy Center, had significant contributions in maintenance and strengthening of the corporate image, as well as establishing trust and respectability before investors.

In this respect, among the groups that benefited from the services of the Turkish Investors' Consultancy Center are mainly; the employees of intermediary institutions willing to access market data in an accurate and timely manner or willing to confirm the information they already accessed, students and academicians, legal consultants, representatives of the traded companies, consultant companies, audit companies and investors with information requests and complaints during the trading sessions.

Moreover, Turkish Investment Consultancy Center organized visits for 34 groups (1,880 participants) including a presentation on the Turkish capital markets and the ISE as well as a visit to stock trading floors.

Activities Pertaining to Right to Information Law

In line with the "Right to Information Law" and the "Regulation on the Principles Regarding Implementation of the Law", ISE answered a total of 482 requests, including petitions and requests from judicial bodies as well as applications made in person or on the basis of the Right to Information Law in 2010.

International Activities

International Memberships

The ISE became a full member of the Federation of European Stock Exchanges (FESE) in 2010. FESE, established in 1974, aims to foster the global competitiveness of European exchanges and promote public recognition of the exchanges and their contribution to the European and global economy. With the admission of the Istanbul Stock Exchange, FESE represents 30 countries comprising of 46 securities exchanges (in equities, bonds, and derivatives), of which 21 are full members. The ISE is represented in the FESE Management Committee, Equity Committee, Derivatives Committee, Fixed Income Committee and Economics and Statistics Committee.

Moreover, ISE became an observer member of the Islamic Financial Services Board (IFSB), which is an international standard-setting organization located in Malaysia that promotes and enhances the soundness and stability of the Islamic financial services industry by issuing global prudential standards and guiding principles for the industry, broadly defined to include banking, capital markets and insurance sectors.

The other international memberships of the ISE include the memberships in World Federation of Exchanges (WFE), Federation of Euro-Asian Stock Exchanges (FEAS), International Securities Services Association (ISSA), International Capital Markets Association (ICMA), European Capital Markets Institute (ECMI) and International Organization of Securities Commissions (IOSCO). ISE also supports the United Nations Global Compact and United Nations Responsible Investment Principles initiatives.

The ISE is represented in the WFE Working Committee, Regulation Committee, Communication Task Force, Environmental, Social and Governance Group and Statistics Advisory Group.

Federation of Euro-Asian Stock Exchanges (FEAS)

The mission of the Federation of Euro Asian Stock Exchanges (FEAS), initiated by the ISE with 12 members in Istanbul back on May 16, 1995, is to contribute to the development of the member exchanges and the capital markets of the Euro-Asian region. As of end-2010, the number of FEAS members reached 34 exchanges from 30 countries. In addition, South Asian Federation of Exchanges (SAFE) joined FEAS as an observer member in 2010.

The ISE holds the positions of President and Secretary General of FEAS and among the FEAS task forces, ISE is represented in the "Media", "Technology, Strategy and Development", "Rules and Regulations" and "Listing" task forces.

Some companies traded on the ISE are among the constituents of the "Dow Jones FEAS Composite Index" and the "Dow Jones Southeast Europe Index".

The fifteenth anniversary of FEAS was celebrated together with the ISE's twenty-fifth anniversary on December 7-8, 2010 and the Federation's 16th General Assembly, 21st Executive Committee Meeting and 4th Working Committee Meeting were hosted by the ISE on the same dates in Istanbul.

OIC Member States' Stock Exchanges Forum

The OIC Member States' Stock Exchanges Forum was initiated in 2005 with an aim to establish cooperation among the stock exchanges of the member countries of the Organization of Islamic Conference (OIC). The ISE is represented in the OIC Task Forces for "Customized Indices and Exchange Traded Islamic Financial Products", "Post-Trade Services", "Promotion, Awareness and Investor Education about Islamic Financial Markets" and "OIC Capital Markets Linkages".

The ISE hosted the 4th Forum Meeting and 4th Working Committee Meeting on October 2-3, 2010, in Istanbul. As a back-to-back event with the 4th Forum Meeting, ISE hosted the seminar on the "Islamic Capital Markets" organized by the Islamic Financial Services Board (IFSB).

The Forum meeting was attended by the delegates of 13 stock exchanges and 6 post-trade institutions from 14 countries as well as the representatives of various national and international institutions. At the meeting, creation of a common index was discussed with the index provider and a decision was taken towards preparation of a multilateral MoU aimed at further strengthening the cooperation between and among the Forum member exchanges and post-trade institutions as well as organization of a conference and exhibition on capital market linkages prior to the 5th Forum meeting to be held in Istanbul in October 2011.

Bilateral Cooperation Activities

Within the framework of fostering international cooperation, a Memorandum of Understanding was signed between the Istanbul Stock Exchange and Abu Dhabi Securities Exchange on April 27, 2010. Besides, a Memorandum of Understanding was signed with the Korea Exchange on October 21, 2010 in Korea and with the Damascus Securities Exchange on December 8, 2010 during the 16th General Assembly of FEAS.

ISE previously has signed memorandums of understanding with the Tashkent Stock Exchange/Uzbekistan, BICEX/Azerbaijan, Shanghai Stock Exchange/China, Shenzhen Stock Exchange/China, MICEX/Russia and Muscat Securities Market/Oman.

Istanbul International Finance Center Project

International Promotional Activities

The ISE engaged in a number of domestic and international activities in 2010, aimed at promoting its members, markets, traded securities, trading, settlement and custody practices, projects underway or completed as well as the developments in Turkey. Within this framework, the ISE hosted various international events and visitors from a wide range of countries.

Included in the visitors seeking information about the Turkish capital markets, the operation principles and markets of the ISE, were the officials of the exchanges, regulatory authorities, central depositories, business councils, United Nations Development Program along with the officials of international banks and financial institutions, academicians, students and journalists from various countries.

On the other hand, ISE officials represented the ISE at various forums, conferences and panels providing information on the operations, members, markets, traded securities, trading, settlement and custody practices and projects of the ISE as well as other subjects related to Turkish capital markets.

Furthermore, ISE officials attended the "Turkish Capital Market Days" held in South Korea in October 2010 and organized under the leadership of the Capital Markets Board and Association of Capital Market Intermediary Institutions of Turkey and was supported also by the Republic of Turkey Prime Ministry Investment Support and Promotion Agency, ISE Settlement and Custody Bank, Central Registry Agency, Turkish Derivatives Exchange and Central Bank of Turkey.

ISE participated in the "German Equity Forum" organized jointly by Deutsche Börse and a German bank in Frankfurt in November 2010, by opening an exhibition stand.



The signing ceremony for the MoU between the ISE and the Korea Exchange (KRX)

Center, put into force upon publishing at the Official Gazette on October 2, 2009, sets the vision as Istanbul to become a regional finance center first and a global finance center ultimately.

In the Strategy and Action Plan, the priorities and actions toward establishment of a legal infrastructure in international standards, increasing the diversification of financial products and services, simplification of the tax system, improvement of the regulatory and supervisory framework, strengthening of the physical and technological infrastructure, maintaining of an educational infrastructure to meet the need for qualified work force and establishment of an organizational structure for promotion and monitoring in global standards, were determined.

ISE participates actively in the committee activities headed for Istanbul to become an international finance center. Furthermore, ISE is among the responsible institutions for the actions such as "trading of foreign securities at domestic markets", "facilitation of deregistering of securities from the Capital Markets Board and delisting from the ISE", "clarification of the legal status of exchanges and their exclusion from the legislation relevant to public administration" and "establishment of specialized commodity exchanges, integration of the financial markets with commodity markets". Besides, ISE supports many other actions within the context of the Plan keenly as cooperating organization.



Human Resources

ISE attaches importance to employment of qualified work force, development of corporate culture and training and motivation of the employees in line with the objectives and strategies. The ISE staff is employed in compliance with the Labor Law and their rights and liabilities are set in the "ISE Personnel Regulation" approved by the General Assembly and endorsed by the Capital Markets Board.

The number of ISE employees is 489 as of end-2010. Of this number, 34% are female and 66% are male employees and 5% have doctor's degree, 26% have master's degree, 40% have undergraduate degree, 7% have associate degree and 22% have high-school education.

During 2010, announcements were made through the ISE website, the human resources supplements of national newspapers and the website of Turkey Labor Institution related to employment opportunities regarding 10 different positions and 1,854 applications were received via the ISE website.

Various examinations were held on position basis and those candidates who were successful in these examinations were interviewed and upon execution of a personality inventory were offered positions.

ISE encourages inhouse and external training programs and within this context professional training programs as well as programs related to foreign languages, communication and teamwork were organized. Additionally, orientation programs were organized for the new staff. During the year 39 employees were hired and 7 quit work.



The staff of the ISE, at the Strategic Development Programme

Training, Publication and Research Activities

Training Programs

During 2010, five training programs covering the ISE markets were realized; including one theoretical and three automated trading system hands-on training programs for the Bonds and Bills Market, and one automated trading system hands-on training program for the Stock Market. A total of 193 persons participated in the three-day training program entitled "Capital Markets and the Istanbul Stock Exchange", designed for the staff of the ISE traded companies.

Approximately 200 ISE staff participated in the "Strategic Development Program" organized within the context of cooperation with Sabancı University Executive Development Unit (EDU).

ISE provided trainers and supported various programs of the Association of Capital Market Intermediary Institutions of Turkey, Istanbul Chamber of Commerce, banks and universities.

546 university students participated in the "ISE Applied Training Program" in 2010, and were provided with detailed information about the Turkish capital markets and the operation of the ISE markets.

Within the framework of the Federation of Euro-Asian Stock Exchanges (FEAS) bilateral exchange program, which has been in place since 2002 for information and experience sharing purposes, a training program was held for a group of 5 officials and specialists from Amman Stock Exchange and Muscat Securities Market in Istanbul on December 13-16, 2010.

63 persons/institutions were provided with data in CD/DVD.

Publications

During 2010, following publications were prepared to be distributed in Initial Public Offering Campaign activities, ISE's 25th Anniversary related events as well as in various other events organized;

Publications only in English:

- Istanbul Stock Exchange for Investors
- Markets and Operations

Publications both in Turkish and English:

- Istanbul Stock Exchange by Figures
- Public Disclosure Platform
- Emerging Companies Market
- Exchange Traded Funds
- Warrants

Legal Affairs

Publications only in Turkish:

- ISE indexes
- ISE Stock Trading Methods and Market Making System
- Istanbul Stock Exchange and Turkish Capital Markets by Questions and Answers
- Stock Market Trading Guide
- Public Offering and Trading on the ISE (Including the CD on legislation related to Public Offering and Trading on the ISE)
- Initial Public Offering Campaign: ISE Family is Expanding, the Companies are Growing)

Furthermore, ISE published the "Impact of 1929 Economic Crisis on the Istanbul Stock and Bond Exchange" by Dr. Korkmaz Ergun and the "Corporate Governance Compliance Evaluation" by Dr. Hakan Güçlü.

ISE Review

44th, 45th and 46th issues of the ISE Review, a quarterly publication in Turkish and English including theoretical and empirical studies in the fields of economics, finance, capital markets and the ISE, were published and offered to readers. The ISE Review is included in the World Banking Abstracts Index published by the Institute of the European Finance (IEF), in the Econlit Index published by the American Economic Association (AEA), and in the Scientific and Technological Research Council of Turkey (TÜBİTAK)-ULAKBİM Social Science Database.

ISE Library

The ISE's subscriptions to "Business Source Complete (EBSCO)" database, Ebrary-Academic Complete and WB-eLibrary electronic books; and World Bank Global Development Finance (GDF), World Development Indicators (WDI) and International Financial Statistics statistical information databases and Electronic access subscription to Dünya newspaper's sectoral reports were renewed.

Also, ISE subscribed to a new database titled "Project MUSE".

195 new books, (20 of which were electronic) and 61 publications purchased by the ISE departments were recorded in the library database. Library users were offered the facility to search subscribed periodicals over the Internet and Intranet by searching on the "contents" page. "HukukTürk", an up-to-date and comprehensive database on legislation and case law was made available to the ISE users in addition to "Kazancı" legislation database.

Koç University Library membership was renewed.

Legal Matters Brought Before Judicial Authorities

The Legal Department, in the light of the preventive principles of law, aims to ensure that the ISE operations are carried out without any disputes with third parties. Yet, 14 disputes and 55 enforcement proceedings were referred to the Turkish courts during 2010. The follow-up of these cases is carried out by the Legal Department thoroughly.

Furthermore, the Legal Department answers the requests and inquiries related to ISE operations directed by either the judicial and administrative authorities or real persons.

Legal Consultancy Activities

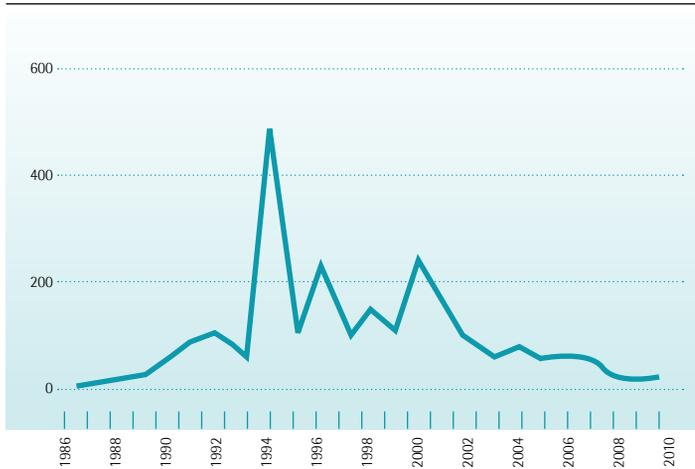
The Legal Department made contributions to significant projects in terms of the ISE's future and development of the capital markets, including the "Istanbul International Finance Center", "Financial Markets Technology Platform", "Establishment of a Specialized Commodity Exchange", "Derivatives Market", "Creation of International Joint Indices", and "Revision of the ISE Data Dissemination Agreements" projects.

In order to ensure that the ISE's operations are carried out smoothly and in compliance with the current legislation, the Legal Department gave legal opinions for agreements, protocols, and contracts to which the ISE is a party and provided legal counsel with respect to the problems and concerns of the ISE departments.

Disputes between Investors and Intermediary Institutions

Disputes arising from securities trading between investors and the ISE members are settled by the ISE. Below is a graph of the dispute applications that have been processed since the establishment of the ISE.

Dispute Files



The resolutions of the ISE that shed light on the practices, technological improvements and elimination of the deficiencies in the regulations pertaining to contradicting issues in the legislation have played significant role in the decrease of the number of complaints since the second half of the 2000s.

Disputes showing an upward trend at times of economic crisis and decreasing at other times are settled in consideration of the current legislation and market dynamics and in such a way as to guide market participants. In the case of such disputes, the Legal Department, as the secretariat of the Arbitration Committee, prepares an opinion for the Committee, which forms the basis of the ISE Executive Council's resolutions regarding disputes. In this regard, 34 dispute files were examined in 2010. In addition to offering legal opinions in the case of disputes, suggestions were made to the ISE Executive Council on issues that are not explicit.

Disciplinary Actions for an Orderly Market

The Disciplinary Committee determines the sanctions against the actions and behavior of the ISE member intermediary institutions and their representatives, for the purpose of maintaining the order in the ISE markets. The decisions of the Committee are approved and executed by the ISE Executive Council. In this context, 19 files were examined in 2010.

Efforts for the Protection of the ISE Trademark on the International Platform and Extending the Scope of Licensing Operations

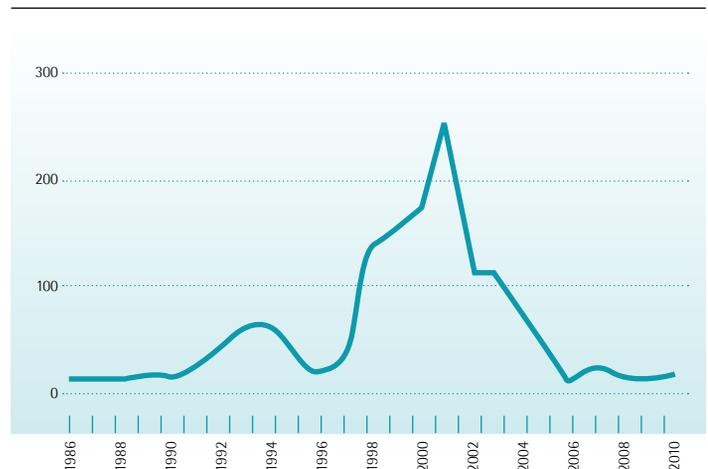
For the protection of the ISE's intellectual property rights and for generating license fees over the usage of the ISE's financial products, the name and logo of the Istanbul Stock Exchange were registered as a trademark with the Turkish Patent Institute in Turkey and with the World Intellectual Property Organization (WIPO) effective in 68 WIPO member countries and the European Union. The efforts continue on the international platform, focused on extending the scope of the trademark.

In this regard, the necessary actions against the web-based broadcasts of the companies, having similarities with the title, logo and indexes of the ISE, which might cause confusion, are taken within the framework of the intellectual property and trademark legislation. With the follow-ups conducted and objections made before the Turkish Patent Institute, protection is maintained against the trademark registry applications, which might give rise to confusion with the ISE trademark.

Activities Related to ISE Participations

The rights and interests of the ISE resulting from its domestic participations in ISE Settlement and Custody Bank Inc., Central Registry Agency Inc. and Turkish Derivatives Exchange Inc. as well as from foreign participations in Kyrgyz Stock Exchange and Baku Stock Exchange are pursued by the Legal Department. On the other hand, Legal Department conducts legal study and investigation related to companies foreseen as potential participations in order for the realization of transfer of shares and establishment of future partnership relations on a healthy legal ground.

Disciplinary Files



Risk Management

The current structure of the Stock Market Collateral Management and Margining System were reviewed and a stress test and a risk analysis were conducted based on different scenarios and assumptions. Alternative collateral management systems and margining models were assessed and possible recommendations were made regarding a change in the calculation methodology. The recommendations embraced by the ISE Executive Council are expected to be put in force in the upcoming period.

In order to form the ISE Enterprise Data Architecture, all of the data either produced or used by each ISE business line have collected classified and combined, and by this way, a project was initiated.

Within the context of the ISE's business continuity planning, a research on determination of the venue for the "Permanent Substitute Center" was conducted and as a result of a tender participated by the international consultancy firms, "The Feasibility Report for the Venue Determination for ISE Permanent Substitute Center Project" was prepared, finalized and reported to the senior management.

An Operational Risk Analysis was conducted on the extraordinary conditions that might negatively affect the functioning of ISE's Bonds and Bills Market. The risks that came out of the analysis and the recommendations on internal control measures were reported to the senior management and to the relevant business lines.

Flow-charting, modeling and documentation of all the ISE processes and an operational risk analysis project was initiated with an international consultancy firm and have planned to be completed before the end of 2011.

In regards to the collateralization systems, studies were carried out on monitoring of settlement risk, collateral valuation and follow-up of risk-sensitive collaterals in the central counterparty practices in G20 countries.

In order to better manage the risks that ISE Executive Council, Senior Management and personnel are currently exposed, two different insurance policies, namely a Professional Indemnity Insurance and Directors and Officers Policy was planned to be purchased and currently the RFP (Request For Proposal) is being prepared.

ISE Building Renovation

Within the context of the agreement between the ISE and Istanbul Technical University, the reinforcement projects, prepared for the ISE building and the social facilities in line with the new Earthquake Regulation principles, are planned to be completed in May 2011.

New Power Center

The work on the set-up of the new Power Center accommodating the new uninterruptible power supplies of the ISE building was completed and the provisional acceptance of the work was realized. The recently purchased 4 units of 500 kVA uninterruptible power supplies, along with their complete infrastructure, were upgraded to the level of 99.995% in accordance with Tier-4 principles, in order to ensure the reliability of energy supply and energy generation.



ISE Participations

The ISE has participations in 3 domestic and 2 foreign institutions. The ISE has a share of 32.63% in the ISE Settlement and Custody Bank's (Takasbank) capital of TL 60 million; a share of 30% in the Central Registry Agency, Inc.'s capital of TL 6 million; and a share of 18% in the Turkish Derivatives Exchange, Inc.'s (TURKDEX) capital of TL 9 million.

The ISE participated in the capitals of the Kyrgyz Stock Exchange and Baku Stock Exchange in 2000 in order to contribute to the development of the capital markets of the Central Asian countries. As of end-2010, the ISE has a share of 5.26% and 24.51% in the capitals of, respectively, the Baku Stock Exchange and Kyrgyz Stock Exchange.

Sustainability and Social Responsibility

The creation of an index comprised of ISE traded companies with high level of sustainability performance is planned with the "ISE Sustainability Index Project".

"ISE Sustainability Index" Project

The "ISE Sustainability Index" to be created jointly by the Istanbul Stock Exchange and the Business Council for Sustainable Development Turkey was presented to public on August 10, 2010. With this project, the creation of an index comprised of the ISE traded companies with a high level of sustainability performance is planned.

The project set sights on increasing awareness and practicability of implementations regarding sustainability among the companies in Turkey, in particular the ISE traded companies.

The companies, investors and relevant institutions of Turkish capital markets will take part in the determination of the selection criteria and creation of the index. Within this context, workshops were held at the ISE on October 1, 2010 and December 8, 2010 with the participation of companies, investors and other stakeholders. The work on determination of the sustainability criteria, evaluation structure and index methodology is in progress.

Social Responsibility

The "Principles for Responsible Investment Turkey Workshop", co-organized by the United Nations- Principles for Responsible Investment (UNPRI), the Federation of Euro-Asian Stock Exchanges (FEAS) and the Istanbul Stock Exchange, was held at the Istanbul Stock Exchange (ISE) on January 21, 2010. ISE became a signatory to the "Principles of Responsible Investment" initiative under the category of "Professional Service Partner" with a ceremony held during the workshop. The ISE is one of the four signatory exchanges to UNPRI.

The ISE reported its 2010 performance with regards to compliance with the principles of "UN Global Compact" initiative.

In 2010, the "ISE Corporate Social Responsibility and Sustainability Committee" was established with an aim to coordinate the Environmental, Social, Governance (ESG) activities regularly and keep up-to-date with the new developments.

ISE Schools

The ISE has continued its financial support to national education within the context of "Substantial Support for National Education" project through the "ISE Education Fund", which was initiated in 1997 with a donation of TL 32 million and remunerated throughout this period.

The schools built in this regard are educational complexes with school buildings, dormitories, dining halls, lodgings, sports and cultural facilities as well as universities with administrative buildings.

The work started with the first protocol signed among the Ministry of National Education, 31 Governor's Offices and the ISE on September 5, 1998 reached the fifth phase.

The ISE's contribution to national education reached TL 1.35 trillion (US\$) with Mardin-Artuklu University rectorate building and Nevsehir University rectorate building, the construction of which has recently started.

Within the context of the Project, 206,000 students were provided with education in 378 schools built in 238 districts of 74 cities. The relevant figures will increase upon the completion of the schools built under the fifth phase of the Protocol.



ISTANBUL STOCK EXCHANGE

**AUDITOR'S REPORTS,
FINANCIAL STATEMENTS AND NOTES
AS OF AND FOR THE YEAR ENDED
31 DECEMBER 2010**

Istanbul Stock Exchange Audit Committee's Report

TO THE GENERAL ASSEMBLY OF
ISTANBUL STOCK EXCHANGE

05/04/2011

AUDIT COMMITTEE'S REPORT

The accounting records and transactions of the Istanbul Stock Exchange (ISE) were audited within the framework of the respective laws, decrees, communiques and ISE General Assembly resolutions, as stated in article 24 of "Regulation on the Principles Pertaining to Establishment and Operation of the Securities Exchanges" published in the Official Gazette no. 18537 dated October 6, 1984.

All records and transactions of the Istanbul Stock Exchange have been verified to be in conformity with the accounting principles generally accepted in Turkey as well as with the "ISE Regulation on the Budget and Accounting" and records were found to be reflecting the facts.

We hereby present the Balance Sheet of the Istanbul Stock Exchange as of December 31, 2010 and the income statement for the period between January 1, 2010 - December 31, 2010, for your approval and kindly request that the ISE Executive Council be released from its liabilities pertaining thereto.



Auditor
Hakan DEMİRBİLEK



Auditor
Didem GORDON

Istanbul Stock Exchange Independent Auditor's Report for the Year 1 January 2010 – 31 December 2010

To the Board of Directors of Istanbul Stock Exchange

We have audited the accompanying balance sheet of Istanbul Stock Exchange ("ISE") as at 31 December 2010 and, the income statement, statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of ISE is responsible for the preparation and fair presentation of the financial statements in accordance with the generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

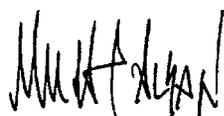
Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Istanbul Stock Exchange as at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with the generally accepted accounting principles.

Additional paragraph for convenience translation to English:

The effect of the differences between the accounting principles summarized in Note 3 and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards ("IFRS") have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements may differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present ISE's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

AKİS BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.



Murat Alsan
Partner

Istanbul, 28 February 2011

Istanbul Stock Exchange
Balance Sheet as at 31 December 2010 and 2009
(Amounts Expressed in Turkish Lira (TL) unless otherwise is stated)

| | <u>NOTES</u> | <u>31 December 2010</u> | <u>31 December 2009</u> |
|---|--------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| | | 143.889.063 | 119.825.680 |
| Cash and Cash Equivalents | 4 | 126.726.686 | 108.880.618 |
| Marketable Securities (net) | 5 | 234.877 | 358.647 |
| Trade Receivables (net) | 7 | 11.942.886 | 7.492.738 |
| Finance Lease Receivables (net) | | - | - |
| Due From Related Parties (net) | 9 | 1.694.352 | 483.334 |
| Other Receivables (net) | | - | - |
| Biological Assets (net) | | - | - |
| Inventories (net) | | - | - |
| Receivables From Construction Contracts In Progress (net) | | - | - |
| Deferred Tax Assets | | - | - |
| Other Current Assets | 15 | 3.290.262 | 2.610.343 |
| NON-CURRENT ASSETS | | | |
| | | 363.520.777 | 345.374.726 |
| Trade Receivables (net) | 7 | 64.135 | 48.662 |
| Finance Lease Receivables (net) | | - | - |
| Due From Related Parties (net) | 9 | 120.446.251 | 114.974.561 |
| Other Receivables (net) | 10 | - | - |
| Financial Assets (net) | 16 | 120.615.674 | 109.581.860 |
| Positive / Negative Goodwill (net) | | - | - |
| Investment Properties (net) | | - | - |
| Property and Equipment (net) | 19 | 121.777.916 | 120.176.928 |
| Intangible Assets (net) | 20 | 616.801 | 592.656 |
| Deferred Tax Assets | | - | - |
| Other Non-Current Assets | 15 | - | 59 |
| TOTAL ASSETS | | <u>507.409.840</u> | <u>465.200.406</u> |

The accompanying policies and explanatory notes are an integral part of these financial statements.

Istanbul Stock Exchange
Balance Sheet as at 31 December 2010 and 2009
(Amounts Expressed in Turkish Lira (TL) unless otherwise is stated)

| | NOTES | 31 December 2010 | 31 December 2009 |
|---|-------|---------------------|---------------------|
| LIABILITIES | | | |
| CURRENT LIABILITIES | | 30.933.600 | 21.278.613 |
| Borrowings | | - | - |
| Current Portion of Long Term Borrowings | | - | - |
| Finance Lease Obligations | | - | - |
| Other Financial Liabilities | | - | - |
| Trade Payables | 7 | 3.609.158 | 808.245 |
| Due to Related Parties | 9 | 312.533 | 79.097 |
| Advances Received | 21 | 86.411 | 226.085 |
| Construction Contracts Progress Billings | | - | - |
| Provisions | 23 | 22.083.700 | 16.272.532 |
| Deferred Tax Liabilities | | - | - |
| Other Current Liabilities | 10 | 4.841.798 | 3.892.654 |
| NON-CURRENT LIABILITIES | | 78.805.844 | 68.030.713 |
| Long Term Borrowings | | - | - |
| Finance Lease Obligations | | - | - |
| Other Financial Liabilities | | - | - |
| Trade Payables | 7 | 250.481 | 195.447 |
| Due to Related Parties | | - | - |
| Advances Received | | - | - |
| Provisions | 23 | 78.555.363 | 67.835.266 |
| Deferred Tax Liabilities | | - | - |
| Other Liabilities | | - | - |
| MINORITY INTEREST | | - | - |
| SHAREHOLDER'S EQUITY | | 397.670.396 | 375.891.080 |
| Share Capital | | - | - |
| Adjustment to Share Capital | | - | - |
| Capital Reserves | | - | - |
| Share Premium | | - | - |
| Share Cancellation Gains | | - | - |
| Revaluation Reserves | | - | - |
| Financial Assets Value Increase | | - | - |
| Inflationary Adjustment to Equity | | - | - |
| Profit Reserves | | - | - |
| Legal Reserves | | - | - |
| Statutory Reserves | | - | - |
| Extraordinary Reserves | | - | - |
| Special Reserves | | - | - |
| Gain on Sale of Assets and Equity Participations Shares | | - | - |
| To Be Added to Share Capital | | - | - |
| Currency Translation Reserve | | - | - |
| Profit / (Loss) for the Year | | 46.287.094 | 123.873.062 |
| Retained Earnings/(Accumulated Losses) | | 351.383.302 | 252.018.018 |
| | 28 | | |
| TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES | | 507.409.840 | 465.200.406 |

The accompanying policies and explanatory notes are an integral part of these financial statements.

Istanbul Stock Exchange

Income Statement for the Year Ended 31 December 2010 And 2009

(Amounts Expressed in Turkish Lira (TL) unless otherwise is stated)

| | NOTES | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|--------------------------------------|-------|---------------------------------|---------------------------------|
| OPERATING INCOME | | 171.424.366 | 135.743.204 |
| Sales Revenue (net) | | - | - |
| Cost of Sales net (net) | | - | - |
| Service Revenue (net) | 36 | 140.968.971 | 112.834.695 |
| Other Operating Income (net) | 36 | 30.455.395 | 22.908.509 |
| GROSS PROFIT / (LOSS) | | 171.424.366 | 135.743.204 |
| Operating Expenses (-) | 37 | (131.171.164) | (113.125.451) |
| NET OPERATING PROFIT / (LOSS) | | 40.253.202 | 22.617.753 |
| Other Income and Profits | 38 | 34.354.490 | 120.770.690 |
| Other Expenses and Losses (-) | 38 | (25.939.299) | (17.726.447) |
| Finance Expenses (-) | | - | - |
| OPERATING PROFIT / (LOSS) | | 48.668.393 | 125.661.996 |
| PROFIT / (LOSS) FOR THE YEAR | | 48.668.393 | 125.661.996 |
| Tax Expenses (-) | 40 | (2.381.299) | (1.788.934) |
| PROFIT / (LOSS) FOR THE YEAR | | 46.287.094 | 123.873.062 |

The accompanying policies and explanatory notes are an integral part of these financial statements.

Istanbul Stock Exchange

Statement of Changes in Equity for the Year Ended 31 December 2010 and 2009

(Amounts Expressed in Turkish Lira (TL) unless otherwise is stated)

| | Share Capital | Revaluation Reserves | Financial Assets Value Increase | Profit / (Loss) for the Year | Retained Earnings / (Accumulated Losses) | Total |
|---|------------------|-------------------------|--|---------------------------------|--|--------------|
| Balance at 1 January 2009 | - | - | - | 19.156.502 | 253.515.959 | 272.672.461 |
| Adjustment | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - |
| Revaluations | - | - | - | - | - | - |
| Fixed Assets Disposals | - | - | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | (19.156.502) | 19.156.502 | - |
| Payment to Turkish Republic Ministry of Finance | - | - | - | - | (20.654.443) | (20.654.443) |
| Profit / (Loss) for the Year | - | - | - | 123.873.062 | - | 123.873.062 |
| Balance at 31 December 2009 | - | - | - | 123.873.062 | 252.018.018 | 375.891.080 |
| Balance at 1 January 2010 | - | - | - | 123.873.062 | 252.018.018 | 375.891.080 |
| Adjustment | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - |
| Revaluations | - | - | - | - | - | - |
| Fixed Assets Disposals | - | - | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | (123.873.062) | 123.873.062 | - |
| Payment to Turkish Republic Ministry of Finance | - | - | - | - | (24.507.778) | (24.507.778) |
| Profit / (Loss) for the Year | - | - | - | 46.287.094 | - | 46.287.094 |
| Balance at 31 December 2010 | - | - | - | 46.287.094 | 351.383.302 | 397.670.396 |

The accompanying policies and explanatory notes are an integral part of these financial statements.

Istanbul Stock Exchange

Statement of Cash Flows for the Year Ended 31 December 2010 and 2009

(Amounts Expressed in Turkish Lira (TL) unless otherwise is stated)

| | NOTES | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|--|-------|------------------------------------|------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit / (Loss) for the Year | | 46.287.094 | 123.873.062 |
| Adjustments to reconcile net profit to net cash provided by operating activities: | | | |
| Depreciation of tangible assets | 19 | 4.495.451 | 7.910.842 |
| Amortization of intangible assets | 20 | 453.217 | 1.951.156 |
| Write-off of tangible assets | 19 | - | 5.101.465 |
| Provision for employee benefits | 23 | 10.720.097 | 9.221.206 |
| Provision for doubtful receivables | 38 | 338.378 | 78.395 |
| Interest accruals | | (431.721) | (490.700) |
| Other provisions | | 12.190.123 | (77.858.260) |
| Tax provision | 23 | 502.871 | 162.224 |
| Cash flows from operating activities before the changes in the working capital | | 74.555.510 | 69.949.390 |
| (Increase) / decrease in trade receivables | | (6.015.017) | (2.138.929) |
| (Increase) / decrease in other receivables | | (16.629.873) | (14.630.804) |
| Increase / (decrease) in trade payables | | 3.089.383 | (582.398) |
| Increase / (decrease) in other payables | | (9.659.072) | (1.280.716) |
| Net cash provided from operating activities | | 45.340.931 | 51.316.543 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| Additions to property and equipment | 19 | (6.096.439) | (9.409.369) |
| Sale of property and equipment | 19 | - | 2.432 |
| Additions to intangible assets | 20 | (477.362) | (705.104) |
| Change in other investment activities | | - | - |
| Revaluation increases in property and equipment | | - | - |
| Net cash used in investing activities | | (6.573.801) | (10.112.041) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payment to Ministry of Finance (As per the article 78 of the act 5018) | | (20.921.062) | (10.185.901) |
| Net cash used in financing activities | | (20.921.062) | (10.185.901) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 17.846.068 | 31.018.601 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 108.880.618 | 77.862.017 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | | 126.726.686 | 108.880.618 |

The accompanying policies and explanatory notes are an integral part of these financial statements.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE ENTITY

Istanbul Stock Exchange ("ISE" or "Stock Exchange") is a public institution and a separate legal entity with the authority to exert its own responsibilities under the oversight and supervision of the Capital Markets Board ("CMB") and established in accordance with the principles set out in the Decree of Law No: 91 which was published in the Official Gazette No: 18183 issued on 6 October 1983 with the intention of ensuring capital markets assume an effective role in the economic development by providing the trade of securities, engaging in determination and announcement of securities prices and managing the establishment, governance, operations and control of securities exchange in order to form a transparent and stable market where securities transactions are reliable.

The principles of establishment, governance, operations and control of ISE are set out in the Communiqué on "Principles of Establishment and Operations of Securities Exchanges" prepared by the CMB in accordance with the Decree No: 91 and published in the Official Gazette No:18537 on 6 October 1984 upon the approval of Council of Ministers' order no: 84/8581.

ISE was decided to be established on 19 October 1984 and a regulation was prepared outlining the operational principles and establishment of the stock exchange in Turkey. The regulation was approved by the CMB and became effective following the publication in the Official Gazette dated 18 December 1985.

Brokerage houses (banks and brokerage houses) certified by the CMB can be the members of ISE. Brokerage houses with the intention of conducting brokerage activities on ISE are required to obtain ISE stock exchange membership certificate

As of 31 December 2010, the average number of employee of ISE is 468 (31 December 2009: 452). ISE's registered address is Reşit Paşa Mahallesi, Tuncay Artun Sokak Emirgan, Istanbul.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Accounting Principles

ISE maintains its books of account and prepares its statutory financial statements in accordance with the Turkish Commercial Code, Tax Procedural Law and private budget approved by ISE's General Assembly and the CMB. Revenues, expenses and expenditure procedures included in the budget are set in accordance with the regulations established by the Stock Exchange.

Preparation of Financial Statements in Hyperinflationary Economies

Inflationary accounting has not been applied in current period in the preparation of financial statements of 31 December 2010. Since ISE was exempt from corporate tax in 2003 and 2004, its accounting records were not adjusted for the effects of inflation under the Law No: 5024.

Functional and Presentation Currency

The financial position and operating results of ISE are expressed in Turkish Lira ("TL"), which is the functional and presentation currency of ISE.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts are subjected to reclassifications to conform with the current year presentation as summarized below;

Rental income from buildings amounting to TL 2.403.943 in the other operating income account has been reclassified to other income and profits account in the income statement for the year ended 31 December 2009.

Settlement fee amounting to TL 4.394.342 and guarantee account commission expenses amounting to TL 3.510.872 in the other expenses and losses account have been reclassified to operating expenses account in the income statement for the year ended 31 December 2009.

Corporate tax expense amounting to TL 1.626.710 in the operating expenses account and corporate tax expense provision amounting to TL 162.224 in the other expenses and losses account have been reclassified to tax expenses account in the income statement for the year ended 31 December 2009.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

Revenue

Income from ordinary operations is recognized as revenue on accrual basis.

Main revenue items of ISE's operational income consist of initial and annual stock-exchange membership fees, stock-exchange quotation fees, registration fees and exchange fees.

Security registration fees include revenues obtained from off-exchange trading of securities, repo and reverse repo transactions which are reported weekly to ISE by banks and brokerage houses. Accordingly, registration fees related to these transactions are accrued on a weekly basis.

Security exchange fees (Stock Exchange transaction fee) consist of monthly accrued income which is calculated for each trading transaction executed in the stock market, bonds and bills market, and international market.

Stock exchange quotation fees consist of listing fee; stand in listing fee and renewal of listing fee. Listing fee is charged over nominal values of securities in each purchase of listing. Companies having securities listed in ISE are required to pay stand in listing fees for each year that their securities are listed in ISE.

Renewal of stock exchange quotation fee is paid by companies for securities that are temporarily held outside the Stock Market by the Board of Directors when such securities are relisted in ISE. On the other hand, stock market fees are accrued to related companies within the same principles as stock exchange quotation fees.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any permanent impairment loss. Gain or loss arising on the disposal or retirement of property and equipment is determined as the difference between the sales proceeds and the net book values of the asset and is recognized in profit or loss. Property and equipment purchased prior to 1 January 2005 are carried at cost value plus revaluation fund, whereas property and equipment purchased from the beginning of 2005 are carried at cost value. Revaluation fund has not been calculated in 2010.

Depreciation is charged so as to write off the cost or valuation of assets, over their economic lives, using the straight-line method. The economic lives of property and equipment on which depreciation rates are based are as follows:

| | |
|-------------------------|--------------|
| Land improvements | 15 Years |
| Buildings | 50 Years |
| Machinery and equipment | 4 Years |
| Motor Vehicles | 5 Years |
| Furniture and Fixtures | 4 – 20 Years |

Property and equipment is depreciated on a straight line basis considering any revisions in their estimated economic lives annually.

Intangible Assets

Intangible assets are measured initially at cost value. Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. After initial recognition, intangible assets are carried at cost value less accumulated amortization and impairment losses, if any. Intangible assets are amortized on straight-line basis.

Amortization rates used in calculating amortization are based on the economic lives of intangible assets. The economic lives of intangible assets are as follows;

| | |
|--------|---------|
| Rights | 3 Years |
|--------|---------|

Impairment of assets

If the carrying amount of an asset exceeds its recoverable amount, allowance for impairment is provided. Recoverable amount of an asset is the higher of an asset's net selling price and its value in use.

Value in use, is the sum of present value of the estimated future cash flows and the sale price at the end of its useful life.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

Borrowing Costs

All borrowing costs recognized in the income statement in the period in which they are incurred.

Financial instruments

Fair value is the amount for which an asset can be exchanged or liability settled, between knowledgeable willing parties in an arm's length transaction. Market value is the amount obtainable from the sale or payable on the acquisition of a financial instrument in an active market if one exists.

The following methods and assumptions are used to estimate the value of each class of financial instrument.

Cash and cash equivalents: Bank balances denominated in foreign currencies are translated at year-end exchange rates. The carrying amount of demand deposits approximates their fair value.

Trade receivables and trade payables: Carrying amounts of trade receivables and trade payables balances approximate their fair value.

Due to / from related parties: The carrying amounts of the due to and due from related parties approximate fair value of this assets and liabilities.

Marketable Securities: Market values prevailing at the balance sheet date are used for marketable securities.

Credit Risk

ISE's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables estimated by the ISE management based on prior experience and current economic environment.

Market Risk

ISE's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, value of marketable securities and other financial agreements.

Liquidity Risk

ISE generally generates funds by liquidating its short-term financial instruments such as collecting its receivables. Amounts derived from such instruments are recognized at their fair values.

Effects of changes in foreign exchange rates

ISE's transactions in currencies other than TL are translated into TL at the rates of exchange prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the buying exchange rates prevailing at the balance sheet date. Gains and losses arising on settlement and translation of foreign currency items are included in the income statement.

Subsequent events

Subsequent events are the events, which has positive or negative effects on ISE, occurred between the balance sheet date and the authorization date for the announcement date of the balance sheet. When there is evidence about events that were prior to the balance sheet date or when there is new event after the balance sheet date, ISE discloses such facts in the notes.

Provisions, Contingent Liabilities and Contingent Assets

Other parties' liabilities are assessed as contingent liabilities where ISE has joint responsibilities. Except for circumstances where a reliable estimate cannot be made, a provision amount which corresponds to the other party's liability portion is provided in the financial statements when the outflow of resources embodying future economic benefits is probable from ISE. Contingent liabilities are reviewed consistently to determine whether the outflow of resources embodying future economic benefits is probable from ISE.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

For contingent liability items, if the outflow of resources embodying future economic benefits is probable from ISE, provision is recognized in the financial statements in the period in which there is a change in the probability, except for circumstances where a reliable estimate cannot be made.

ISE discloses its liabilities in the notes to the financial statements where contingent liabilities are probable but a reliable estimate cannot be made in relation to the amount of resources embodying future economic benefits.

Accounting policies, Changes in Accounting Estimates and Errors

ISE can change an accounting policy only if the change leads to reliable and more relevant presentation of the effects of transactions, other events or conditions on the financial position, financial performance or cash flows of the entity. When the change in accounting policy has an effect on future periods, the related policy change is reflected in the financial statements of the period in which the change is made.

If the change in accounting policy has an effect on the current or any prior periods, such change is reflected retrospectively in the financial statements as if the new accounting policy had always been valid also for these periods.

If the effects of the changes in accounting estimate are relevant only one period, the changes are applied in the current period but if the effects of the changes in accounting estimate are relevant for the following periods as well as the current period, the changes are applied both in the current and following periods prospectively.

Related Parties

In the accompanying financial statements, ISE management and its personnel and any related party or parties with ISE are referred to as "Related Parties".

Segment Reporting

Since ISE operates only in the securities sector in Turkey, no segment reporting is required.

Government Incentives and Grants

None.

Discontinued Operations

None.

Corporate Income Tax

Since ISE generates profit from its optional and service fees other than listing fees, all types of registration and securities exchange fees and membership fees, it is subject to corporate income tax in accordance with the decision made on 5 May 2008 by the Office of Revenue Administration.

ISE has calculated and recognized corporate income tax by 20% on its revenue from its economic businesses in accordance with the decision made by the Turkish Republic Ministry of Finance.

Employee Benefits / Retirement Pay Provision

In accordance with the existing social security legislation in Turkey and collective labor agreement, ISE is required to make lump sum payments to employees whose employment is terminated due to retire; military obligation; death; and termination of contract by employers and/or by female employees in case of marriage. Retirement pay provision is calculated by considering the whole liability assuming that all employees will be terminated. The amount payable consists of 45 days salary limited to a maximum of TL 2.517,01 (2009: TL 2.365,16) ceiling for each year of service as of 31 December 2010.

ISE recognizes an expense accrual for service bonus payable to its personnel in accordance with Article 49 of ISE personnel regulations. The calculation is made on the basis of the employee's seniority, service term and recent salary. This amount is followed up under the provisions account.

In accordance with the social security legislation in Turkey, ISE is required to give notice of 2 to 8 weeks to employees for termination of employment or to make payments for the notice period on the basis of employee's service term in ISE. In this respect, ISE provides an additional amount of provision calculated by using ratios determined in the ISE's budget for possible notice payments.

In accordance with the social security legislation in Turkey, ISE provides provision for the unused portion of annual paid vacations of the employees with service terms over one year, including the trial period, calculated for the current and prior periods. This amount is followed up under the provisions account.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

Statement of Cash Flow

In the statement of cash flows, changes in cash and cash equivalents in the current period are classified as operating, investing and financing activities. Cash and cash equivalents are assets like cash and banks that are held for current liabilities, not used for investments or other purposes.

Marketable Securities:

ISE classifies its marketable securities portfolio as follows:

Held for trading securities:

Held for trading securities are those acquired principally for the purpose of generating profit from short-term fluctuations in securities prices. Subsequent to initial recognition, they are carried at their fair value, if reliably measured. Gains or losses from held for trading securities are included in the profit or loss accounts in the period they arise.

Held to maturity securities:

Held-to-maturity securities are securities with fixed or determinable payments and fixed maturity structures which ISE intends and has the ability to hold until maturity. Held to maturity securities are carried at their fair value. Gains or losses from held to maturity securities are included in the profit or loss accounts in the period they arise.

Available for sale securities:

Available-for-sale securities are those other than (a) held-to-maturity investments, or (b) securities held for trading. Subsequent to acquisition, available for sale securities are carried at their fair value, if they are reliably measured. Otherwise, they are carried at their cost. Gains or losses from available for sale securities are included in the profit or loss accounts in the period they arise.

4. CASH AND CASH EQUIVALENTS

As of 31 December 2010 and 2009, the details of cash and cash equivalents are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|-----------------|---------------------------|---------------------------|
| | TL | TL |
| Time Deposits | 126.637.840 | 108.797.028 |
| Demand Deposits | 88.846 | 83.590 |
| | <u>126.726.686</u> | <u>108.880.618</u> |

As of 31 December 2010, the details of time deposits are as follows:

| | | | <u>31 December 2010</u> |
|-----------------|----------------------------|----------------------------|---------------------------|
| <u>Currency</u> | <u>Interest Rate Range</u> | <u>Maturity Date Range</u> | TL |
| TL | 6,00 – 8,81 | 07.01 - 04.02.2011 | 126.637.840 |
| | | | <u>126.637.840</u> |

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

As of 31 December 2009, the details of time deposits are as follows:

| <u>Currency</u> | <u>Interest Rate Range</u> | <u>Maturity Date Range</u> | <u>31 December 2009</u> |
|-----------------|----------------------------|----------------------------|-------------------------|
| | | | <u>TL</u> |
| TL | 9,35 – 10,85 | 08.01 – 05.02.2010 | 108.797.028 |
| | | | 108.797.028 |

5. MARKETABLE SECURITIES

As of 31 December 2010 and 2009, the details of marketable securities are as follows:

| | <u>31 December 2010</u> | | |
|--------------|-------------------------|---------------------|-----------------------|
| | <u>Cost</u> | <u>Market Value</u> | <u>Carrying Value</u> |
| Mutual Funds | 234.868 | 234.877 | 234.877 |

| | <u>31 December 2009</u> | | |
|--------------|-------------------------|---------------------|-----------------------|
| | <u>Cost</u> | <u>Market Value</u> | <u>Carrying Value</u> |
| Mutual Funds | 358.645 | 358.647 | 358.647 |

6. FINANCIAL LIABILITIES

None (31 December 2009: None).

7. TRADE RECEIVABLES AND PAYABLES

As of 31 December 2010 and 2009, the details of short term trade receivables are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|-------------------------------------|-------------------------|-------------------------|
| | <u>TL</u> | <u>TL</u> |
| Receivables From Members | 10.039.350 | 6.813.065 |
| Receivables From Data Vending Firms | 1.128.748 | - |
| Receivables From Listing Fees | 744.579 | 491.806 |
| Other Receivables | 30.209 | 187.867 |
| | 11.942.886 | 7.492.738 |

As of 31 December 2010 and 2009, the details of long term trade receivables are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|-------------------------------|-------------------------|-------------------------|
| | <u>TL</u> | <u>TL</u> |
| Deposits And Guarantees Given | 64.135 | 48.662 |
| | 64.135 | 48.662 |

As of 31 December 2010 and 2009, the details of short term trade payables are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|--------------------------------|-------------------------|-------------------------|
| | <u>TL</u> | <u>TL</u> |
| Payables To Domestic Suppliers | 3.609.158 | 808.245 |
| | 3.609.158 | 808.245 |

As of 31 December 2010 and 2009, the details of long term trade payables are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|----------------------------------|-------------------------|-------------------------|
| | <u>TL</u> | <u>TL</u> |
| Deposits And Guarantees Received | 250.481 | 195.447 |
| | 250.481 | 195.447 |

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

8. FINANCIAL LEASE RECEIVABLES AND OBLIGATIONS

None (31 December 2009: None).

9. DUE TO/FROM RELATED PARTIES

As of 31 December 2010 and 2009, the details of short term due from related parties are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|------------------------------|-------------------------|-------------------------|
| | TL | TL |
| Turkish Derivatives Exchange | 1.180.775 | 426.887 |
| Capital Markets Board | 437.485 | - |
| Advances To Personnel | 76.092 | 56.447 |
| | <u>1.694.352</u> | <u>483.334</u> |

As of 31 December 2010 and 2009, the details of long term due from related parties are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|--|---------------------------|---------------------------|
| | TL | TL |
| ISE Settlement and Custody Bank Inc. (*) | 120.446.251 | 114.974.561 |
| | <u>120.446.251</u> | <u>114.974.561</u> |

(*) The balance consists of ISE's receivables from guarantee account managed by ISE Settlement and Custody Bank Inc..

As of 31 December 2010 and 2009, the details of short term due to related parties are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|------------------|-------------------------|-------------------------|
| | TL | TL |
| Due To Personnel | 312.533 | 79.097 |
| | <u>312.533</u> | <u>79.097</u> |

For the years ended 31 December 2010 and 2009, the details of income from and charges by related parties are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|--------------------------------------|-------------------------|--------------------------|
| | TL | TL |
| Rent Income | | |
| Capital Markets Board | 1.749.939 | 1.651.976 |
| | <u>1.749.939</u> | <u>1.651.976</u> |
| Dividend Income | | |
| ISE Settlement and Custody Bank Inc. | 2.081.516 | 7.764.782 |
| Central Registry Agency Inc. | 2.004.952 | 2.407.531 |
| Turkish Derivatives Exchange | 358.669 | 464.501 |
| Baku Stock Exchange | - | 33.538 |
| | <u>4.445.137</u> | <u>10.670.352</u> |

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

| | 31 December 2010 | 31 December 2009 |
|--|------------------|------------------|
| | TL | TL |
| Licence Income | | |
| Turkish Derivatives Exchange | 5.211.067 | 1.240.417 |
| | 5.211.067 | 1.240.417 |
| Income from the sale of information technology | | |
| Turkish Derivatives Exchange | 3.916.581 | 3.219.401 |
| | 3.916.581 | 3.219.401 |
| Charges by Related Parties | | |
| | 31 December 2010 | 31 December 2009 |
| | TL | TL |
| Commission Expenses (Management of Guarantee Account) | | |
| ISE Settlement and Custody Bank Inc. (***) | 2.495.188 | 3.510.872 |
| | 2.495.188 | 3.510.872 |

(***) According to Article 34 of the ISE regulation, guarantee account is used to provide timely clearing transactions and allocate all receivables within the shortest time possible when there is a default in meeting the liabilities of exchange market transactions. The related account is managed by ISE Settlement and Custody Bank Inc.; therefore, ISE pays commission for the related account.

| | 31 December 2010 | 31 December 2009 |
|---|------------------|------------------|
| | TL | TL |
| Commission Expenses (Fees of Exchange) | | |
| ISE Settlement and Custody Bank Inc. (****) | 4.491.018 | 4.394.342 |
| | 4.491.018 | 4.394.342 |

(****) Clearing and settlement fees are determined by the Board of Stock Exchange and become effective upon the approval of the CMB in accordance with Article 8 of the ISE Settlement and Custody Centers' regulation. If clearing services are undertaken by another company or a financial institution, the related portion of the fee can be transferred to the related financial institution or the company that performs clearing transactions in accordance with the decision of Board of Stock Exchange. For 2010, upon the decision of the Board of Stock Exchange and CMB's approval, TL 374.251 + BITT (5% tax) is calculated and paid for the monthly clearing transaction fee.

| | 31 December 2010 | 31 December 2009 |
|-------------------------------|-------------------|------------------|
| | TL | TL |
| CMB Share | | |
| Capital Markets Board (*****) | 23.601.975 | 7.362.857 |
| | 23.601.975 | 7.362.857 |

(*****) In accordance with the amendment to the 28th article and (b) section of Capital Markets Legislation published in the Official Gazette dated 25 February 2011 and numbered 27857, the Legislation requires recognition of maximum 10% of the income other than interest income of the stock exchanges in the Capital Markets Board ("CMB") budget. In this respect, as of 31 December 2010, ISE has provided a provision amounting to TL 17.970.436 which 10% of its income other than interest income in its financial statements in relation to the future payment to be made to the Capital Markets Board and recognized this amount as CMB share expense in the income statement. The provision expense for CMB share for the year 2010 and the expense related to CMB 2009 share paid in 2010 amounting to TL 5.631.539 have been recognized as CMB share expense in the income statement.

In 2009, the article 40 of the Capital Markets Board Legislation requires recognition of 5% of the stock market income resulting from listing, registration fees and exchange fees in the Capital Markets Board ("CMB") budget. The respective Minister has the right to increase the related share up to 10% upon the request of the Capital Markets Board or to provide a lesser amount or none based on the nature and development of stock markets. However, the share of the Capital Markets Board cannot exceed 10% of the net annual income of stock markets and 10% of the net profit of incorporated stock markets in accordance with the related article. In this respect, as of 31 December 2009, ISE has provided a provision amounting to TL 5.630.180 in its financial statements in relation to the

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

future payment to be made to the Capital Markets Board on the above mentioned income by 5% and recognized this amount as CMB share expense in the income statement. The provision expense for Capital Markets Board share for the year 2009 and the expense related to Capital Markets Board 2008 share paid in 2009 amounting to TL 1.732.677 have been recognized as CMB share expense in the income statement.

Compensation of key management personnel:

Total remuneration paid to directors and other members of key management for the year ended 31 December 2010 is TL 2.403.277.

Total remuneration paid to directors and other members of key management for the year ended 31 December 2009 is TL 2.606.923.

10. OTHER RECEIVABLES AND CURRENT LIABILITIES

As of 31 December 2010 and 2009, the details of short term other receivables are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|--|-------------------------|-------------------------|
| | TL | TL |
| Doubtful Receivables | 1.919.414 | 2.185.585 |
| Provision For Doubtful Receivables (-) | (1.919.414) | (2.185.585) |
| | <u>-</u> | <u>-</u> |

As of 31 December 2010 and 2009, the details of short term other current liabilities are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|----------------------------------|-------------------------|-------------------------|
| | TL | TL |
| Taxes And Fees Payable | 2.436.926 | 2.068.730 |
| Social Security Premiums Payable | 1.728.704 | 1.496.214 |
| VAT Payable | 669.984 | 327.710 |
| Deferred Income | 6.184 | - |
| | <u>4.841.798</u> | <u>3.892.654</u> |

11. BIOLOGICAL ASSETS

None (31 December 2009: None).

12. INVENTORIES

None (31 December 2009: None).

13. RECEIVABLES FROM CONSTRUCTION CONTRACTS IN PROGRESS AND CONSTRUCTION CONTRACTS PROGRESS BILLINGS

None (31 December 2009: None).

14. DEFERRED TAX ASSETS AND LIABILITIES

None (31 December 2009: None).

15. OTHER CURRENT/NON-CURRENT ASSETS AND LIABILITIES

As of 31 December 2010 and 2009, the details of other current assets are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|-------------------------------------|-------------------------|-------------------------|
| | TL | TL |
| Prepaid Expenses | 2.102.760 | 1.815.170 |
| Goods And Service Purchase Advances | 755.781 | 304.473 |
| Income Accruals | 431.721 | 490.700 |
| | <u>3.290.262</u> | <u>2.610.343</u> |

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

As of 31 December 2010 and 2009, the details of other non-current assets are as follows:

| | 31 December 2010 | 31 December 2009 |
|------------------|------------------|------------------|
| | TL | TL |
| Prepaid Expenses | - | 59 |
| | <u>-</u> | <u>59</u> |

16. FINANCIAL ASSETS

As of 31 December 2010 and 2009, the details of financial assets are as follows:

| | 31 December 2010 | 31 December 2009 |
|-------------------------------------|--------------------|--------------------|
| | TL | TL |
| Held For Trading Financial Assets | 78.936.886 | 67.903.072 |
| Available For Sale Financial Assets | 41.678.788 | 41.678.788 |
| Total | <u>120.615.674</u> | <u>109.581.860</u> |

Held For Trading Financial Assets

| | 31 December 2010 | | |
|------------------|------------------|---------------|-------------------|
| | Cost | Interest Rate | Carrying Value |
| Government Bonds | 34.499.999 | 8,60% | 37.661.571 |
| | 21.862.731 | 9,23% | 23.759.377 |
| | 14.702.977 | 7,77% | 14.996.031 |
| | 2.317.831 | 9,27% | 2.519.907 |
| | | | <u>78.936.886</u> |

Held For Trading Financial Assets

| | 31 December 2009 | | |
|------------------|------------------|---------------|-------------------|
| | Cost | Interest Rate | Carrying Value |
| Government Bonds | 25.996.250 | 22,45% | 34.641.757 |
| | 10.279.215 | 19,82% | 13.399.815 |
| | 10.510.798 | 12,14% | 11.665.817 |
| | 6.871.329 | 16,93% | 8.195.683 |
| | | | <u>67.903.072</u> |

| | 31 December 2010 | |
|--|---------------------------|------------------------|
| | Participation Amount (TL) | Participation Rate (%) |
| Available For Sale Financial Assets | | |
| Turkish Derivatives Exchange | 1.620.000 | 18,00 |
| Baku Stock Exchange | 50.372 | 5,26 |
| | <u>1.670.372</u> | |
| Participations | | |
| ISE Settlement and Custody Bank Inc. | 38.114.137 | 32,63 |
| Central Registry Agency Inc. | 1.800.000 | 30,00 |
| Kyrgyzstan Stock Exchange | 94.279 | 24,51 |
| | <u>40.008.416</u> | |
| Total | <u>41.678.788</u> | |

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

| Available For Sale Financial Assets | 31 December 2009 | |
|--------------------------------------|---------------------------|------------------------|
| | Participation Amount (TL) | Participation Rate (%) |
| Turkish Derivatives Exchange | 1.620.000 | 18,00 |
| Baku Stock Exchange | 50.372 | 5,26 |
| | <u>1.670.372</u> | |
| Participations | | |
| ISE Settlement and Custody Bank Inc. | 38.114.137 | 32,63 |
| Central Registry Agency Inc. | 1.800.000 | 30,00 |
| Kyrgyzstan Stock Exchange | 94.279 | 24,51 |
| | <u>40.008.416</u> | |
| Total | <u>41.678.788</u> | |

17. POSITIVE/NEGATIVE GOODWILL

None (31 December 2009: None).

18. INVESTMENT PROPERTY

None (31 December 2009: None).

19. PROPERTY AND EQUIPMENT

For the year ended 31 December 2010, movements of property and equipment are as follows:

| | Lands | Land Improvements | Buildings | Machinery and Equipment | Motor Vehicles | Furnitures and Fixtures | Works of Art | Construction in Progress | Total |
|--|-------------------------|-----------------------|---------------------------|-------------------------|-------------------------|-------------------------|-----------------------|--------------------------|---------------------------|
| | TL | TL | TL | TL | TL | TL | TL | TL | TL |
| Cost | | | | | | | | | |
| Opening Balance at 1 January 2010 | 1.011.713 | 228.228 | 121.957.352 | 12.194.949 | 2.161.893 | 23.074.692 | 118.712 | 5.508.955 | 166.256.494 |
| Addition | - | 16.107 | 39.825 | 404.639 | 452.127 | 976.474 | - | 4.207.267 | 6.096.439 |
| Disposal | - | - | - | - | (580.121) | - | - | - | (580.121) |
| Closing Balance at 31 December 2010 | <u>1.011.713</u> | <u>244.335</u> | <u>121.997.177</u> | <u>12.599.588</u> | <u>2.033.899</u> | <u>24.051.166</u> | <u>118.712</u> | <u>9.716.222</u> | <u>171.772.812</u> |
| Accumulated Depreciation | | | | | | | | | |
| Opening Balance at 1 January 2010 | - | 73.714 | 13.701.048 | 10.150.734 | 1.265.414 | 20.888.656 | - | - | 46.079.566 |
| Depreciation Charge | - | 12.278 | 2.446.849 | 934.678 | 244.798 | 856.848 | - | - | 4.495.451 |
| Disposal | - | - | - | - | (580.121) | - | - | - | (580.121) |
| Closing Balance at 31 December 2010 | <u>-</u> | <u>85.992</u> | <u>16.147.897</u> | <u>11.085.412</u> | <u>930.091</u> | <u>21.745.504</u> | <u>-</u> | <u>-</u> | <u>49.994.896</u> |
| 31 December 2010 Net Book Value | <u>1.011.713</u> | <u>158.343</u> | <u>105.849.280</u> | <u>1.514.176</u> | <u>1.103.808</u> | <u>2.305.662</u> | <u>118.712</u> | <u>9.716.222</u> | <u>121.777.916</u> |

Construction in progress of ISE as of 31 December 2010 consists of building restoration, modernization and information technologies investments. As of 31 December 2010, balance sheet value of these investments amounts to TL 9.716.222.

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

For the year ended 31 December 2009, movements of property and equipment are as follows:

| | Lands | Land Improvements | Buildings | Machinery and Equipment | Motor Vehicles | Furniture and Fixtures | Works of Art | Construction in Progress | Total |
|--|------------------|-------------------|--------------------|-------------------------|----------------|------------------------|----------------|--------------------------|--------------------|
| | TL | TL | TL | TL | TL | TL | TL | TL | TL |
| Cost | | | | | | | | | |
| Opening Balance 1 January 2009 | 1.011.713 | 93.118 | 109.980.060 | 10.648.326 | 1.348.430 | 25.341.632 | 118.712 | 21.149.531 | 169.691.522 |
| Addition | - | 135.110 | 22.115 | 1.546.623 | 1.010.295 | 1.594.246 | - | 5.100.980 | 9.409.369 |
| Transfer | - | - | 11.959.521 | - | - | 2.236.698 | - | (20.741.556) | (6.545.337) |
| Disposal | - | - | (4.344) | - | (196.832) | (6.097.884) | - | - | (6.299.060) |
| Closing Balance 31 December 2009 | 1.011.713 | 228.228 | 121.957.352 | 12.194.949 | 2.161.893 | 23.074.692 | 118.712 | 5.508.955 | 166.256.494 |
| Accumulated Depreciation | | | | | | | | | |
| Opening Balance 1 January 2009 | - | 62.509 | 9.855.202 | 8.827.288 | 1.348.430 | 24.371.923 | - | - | 44.465.352 |
| Depreciation Charge | - | 11.205 | 3.847.758 | 1.323.446 | 113.816 | 2.614.617 | - | - | 7.910.842 |
| Depreciation | - | - | (1.912) | - | (196.832) | (6.097.884) | - | - | (6.296.628) |
| Closing Balance 31 December 2009 | - | 73.714 | 13.701.048 | 10.150.734 | 1.265.414 | 20.888.656 | - | - | 46.079.566 |
| 31 December 2009 Net Book Value | 1.011.713 | 154.514 | 108.256.304 | 2.044.215 | 896.479 | 2.186.036 | 118.712 | 5.508.955 | 120.176.928 |

The capital expenditures followed under the construction in progress account of ISE, related to the projects that were completed or ceased to be continued, were reclassified into the related accounts in 2009. In this respect, capitalized expenses amounting to TL 5.101.465 followed under the construction in progress account, which were not supposed to be capitalized are recognized in other expenses and losses account (Note 38). Remaining balance of transfers amounting to TL 1.443.872 has been transferred into intangible assets account. Accumulated depreciation regarding these projects completed and that should have been recognized in the previous years amounting to TL 3.215.305 has been recognized in other expenses and losses account (Note 38).

20. INTANGIBLE ASSETS

For the year ended 31 December 2010, movements of intangible assets are as follows:

| | Rights | Total |
|--|----------------|----------------|
| | TL | TL |
| Cost | | |
| Opening Balance at 1 January 2010 | 4.992.033 | 4.992.033 |
| Additions | 477.362 | 477.362 |
| Disposals | - | - |
| Closing Balance at 31 December 2010 | 5.469.395 | 5.469.395 |
| Accumulated Amortization | | |
| Opening Balance at 1 January 2010 | 4.399.377 | 4.399.377 |
| Charge For The Year | 453.217 | 453.217 |
| Disposals | - | - |
| Closing Balance at 31 December 2010 | 4.852.594 | 4.852.594 |
| 31 December 2010 Net Book Value | 616.801 | 616.801 |

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

For the year ended 31 December 2009, movements of intangible assets are as follows:

| | Rights TL | Total TL |
|--|----------------|----------------|
| Cost | | |
| Opening Balance at 1 January 2009 | 2.843.057 | 2.843.057 |
| Additions | 705.104 | 705.104 |
| Transfer | 1.443.872 | 1.443.872 |
| Disposals | - | - |
| Closing Balance at 31 December 2009 | 4.992.033 | 4.992.033 |
| Accumulated Amortization | | |
| Opening Balance at 1 January 2009 | 2.448.221 | 2.448.221 |
| Charge For The Year | 1.951.156 | 1.951.156 |
| Disposals | - | - |
| Closing Balance at 31 December 2009 | 4.399.377 | 4.399.377 |
| 31 December 2009 Net Book Value | 592.656 | 592.656 |

TL 1.443.872 of the capital expenditures followed under the construction in progress account of ISE, related to the projects that completed or ceased to be continued has been transferred into intangible assets in 2009. Accumulated amortization regarding these projects completed and that should have been recognized in the previous years amounting to TL 1.442.981 has been recognized in other expenses and losses account (Note 38).

21. ADVANCES RECEIVED

| | 31 December 2010 TL | 31 December 2009 TL |
|-------------------|------------------------|------------------------|
| Advances Received | 86.411 | 226.085 |

22. RETIREMENT PLANS

None (31 December 2009: None).

23. PROVISIONS

As of 31 December 2010 and 2009, the details of short term provisions are as follows:

| | 31 December 2010 TL | 31 December 2009 TL |
|---|------------------------|------------------------|
| Provision for the share of CMB | 17.970.436 | 5.630.180 |
| Provision for the share of Turkish Republic Ministry of Finance (As per the act 5018 clause 78) (*) | 3.586.716 | 10.468.542 |
| Corporate tax provision | 502.871 | 162.224 |
| Others | 23.677 | 11.586 |
| | 22.083.700 | 16.272.532 |

(*) In 2010, ISE has recognized a liability amounting to TL 24.507.778, which is required to be paid to the Turkish Republic Ministry of Finance under Article 78 of the Law No: 5018, in the "Payment to Turkish Republic Ministry of Finance" account under equity. TL 20.921.060 portion of this amount has been paid to Turkish Republic Ministry of Finance in 2010. Remaining amount of TL 3.586.716 has been paid in January 2011 and provision was recognized for this amount in the financial statements as of 31 December 2010.

In accordance with the amendment to the 28th article and (b) section of Capital Markets Legislation published in the Official Gazette dated 25 February 2011 and numbered 27857, the Legislation requires recognition of maximum 10% of the income other than interest income of the stock exchanges in the CMB budget. In this respect, as of 31 December 2010, ISE has provided provision for CMB share to be paid.

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

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As of 31 December 2010 and 2009, the details of long term provisions are as follows:

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|--------------------------------|--------------------------|--------------------------|
| | TL | TL |
| Provision For Service Bonus | 41.486.226 | 35.512.195 |
| Retirement Pay Liability | 16.380.834 | 14.561.614 |
| Provision For Notification Pay | 11.137.125 | 9.412.235 |
| Provision For Unused Vacation | 9.551.178 | 8.349.222 |
| | <u>78.555.363</u> | <u>67.835.266</u> |

Retirement Pay Liability

In accordance with the existing social security legislation in Turkey and collective labor agreement, ISE is required to make lump sum payments to employees whose employment is terminated due to retire; military obligation; death; and termination of contract by employers and/or by female employees in case of marriage. Retirement pay provision is calculated by considering the whole liability assuming that all employees will be terminated. The amount payable consists of 45 days salary limited to a maximum of TL 2.517,01 (2009: TL 2.365,16 TL) ceiling for each year of service as of 31 December 2010.

As of 31 December 2010, ISE has a total provision expense of TL 10.720.097 for the retirement and notification pay, service bonuses and other retirement payments.

In accordance with Article 49 of the ISE employee regulation, ISE calculates service bonus expense accrual based on the recent benchmark wage rates considering the position and seniority of its employees.

In accordance with the social security legislation in Turkey, ISE provides provision for the unused portion of annual paid vacations of the employees with service terms over one year, including the trial period, calculated for the current and prior periods.

The liability is not funded, as there is no funding requirement in Turkey. ISE retains long-term government bonds in assets in relation to provisions provided for liabilities for long-term dues to personnel.

24. MINORITY INTERESTS / MINORITY PROFIT – LOSS

None (31 December 2009: None).

25. CAPITAL / CAPITAL-PARTICIPATION ELIMINATION

Stock exchanges are public institutions having legal bodies, which are authorized to regulate trading and establishment and announcement of prices of securities in accordance with the Stock Exchanges Decree Law published in the Official Gazette issued on 6 October 1983. Establishment of stock exchanges is subject to the Turkish Republic Ministry of Finance's permission upon the CMB proposal. ISE is a government institution having no share capital.

26. CAPITAL RESERVES

None (31 December 2009: None).

27. PROFIT RESERVES

None (31 December 2009: None).

28. RETAINED EARNINGS

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|-------------------|---------------------------|---------------------------|
| | TL | TL |
| Retained Earnings | 351.383.302 | 252.018.018 |
| | <u>351.383.302</u> | <u>252.018.018</u> |

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Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

29. FOREIGN CURRENCY POSITION

The table below summarizes the foreign currency position risk of ISE. Carrying value of assets and liabilities held by ISE in foreign currencies are as follows:

31 December 2010**LIABILITIES**

| | Currency | Amount | TL Exchange Rate | Total TL Amount |
|----------------------------------|----------|---------|---------------------|--------------------|
| Trade Payables | EURO | 750.708 | 2,0491 | 1.538.276 |
| Trade Payables | USD | 23.585 | 1,5460 | 36.462 |
| Trade Payables | GBP | 2.565 | 2,3886 | 6.127 |
| Deposits and Guarantees Received | USD | 60.309 | 1,5460 | 93.238 |
| Deposits and Guarantees Received | EURO | 12.709 | 2,0491 | 26.042 |
| Deposits and Guarantees Received | CHF | 102 | 1,6438 | 168 |
| Advances Received | USD | 12.090 | 1,5460 | 18.691 |
| Advances Received | EURO | 2.413 | 2,0491 | 4.944 |
| | | | | 1.723.948 |

ASSETS

| | Currency | Amount | TL Exchange Rate | Total TL Amount |
|----------------------------------|----------|--------|---------------------|--------------------|
| Banks | EURO | 31.577 | 2,0491 | 64.704 |
| Banks | USD | 5.084 | 1,5460 | 7.860 |
| Deposits and Guarantees Received | USD | 834 | 1,5460 | 1.289 |
| Advances Received | EURO | 625 | 2,0491 | 1.282 |
| | | | | 75.135 |

| | | |
|--------------------------------------|--|--------------------|
| Assets | | 75.135 |
| Liabilities | | (1.723.948) |
| Net Foreign Currency Position | | (1.648.813) |

31 December 2009**LIABILITIES**

| | Currency | Amount | TL Exchange Rate | Total TL Amount |
|----------------------------------|----------|--------|---------------------|-----------------|
| Deposits and Guarantees Received | USD | 78.810 | 1,5057 | 118.664 |
| Deposits and Guarantees Received | EURO | 2.709 | 2,1603 | 5.852 |
| Deposits and Guarantees Received | GBP | 935 | 2,3892 | 2.234 |
| Deposits and Guarantees Received | CHF | 102 | 1,4492 | 148 |
| | | | | 126.898 |

ASSETS

| | Currency | Amount | TL Exchange Rate | Total TL Amount |
|----------------------------------|----------|--------|---------------------|-----------------|
| Banks | USD | 48.459 | 1,5057 | 72.965 |
| Banks | EURO | 84 | 2,1603 | 181 |
| Deposits and Guarantees Received | USD | 834 | 1,5057 | 1.256 |
| | | | | 74.402 |

| | | |
|--------------------------------------|--|------------------|
| Assets | | 74.402 |
| Liabilities | | (126.898) |
| Net Foreign Currency Position | | (52.496) |

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

30. GOVERNMENT GRANTS / INCENTIVES

None (31 December 2009: None).

31. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES**Lawsuits****31 December 2010**

Ongoing lawsuits filed by ISE :

| | |
|-----------------------|------------|
| Number of court cases | 18 |
| Amount | TL 680.123 |

Ongoing lawsuits filed against ISE :

| | |
|-----------------------|--------------|
| Number of court cases | 98 |
| Amount | TL 4.020.235 |

As of 31 December 2010, based on the information provided from the legal advisor of ISE, the lawsuits filed against ISE amount to TL 4.020.235 and most of these lawsuits are pending and TL 1.455.522 of these lawsuits are related with the indemnification of bounced bonds obtained from İmar Bankası A.Ş. The other addressees of these lawsuits are Central Bank of Turkish Republic, Banking Regulation and Supervision Agency, Savings Deposit Insurance Fund and CMB. In these lawsuits, prejudications occurred declaring that ISE cannot be addressed for animosity. Per the law which was published in the Official Gazette No: 26537 issued on 30 May 2007, amounts regarding these lawsuits would be paid by domestically issued government bonds by Undersecretariat of Treasury. These lawsuits became invalid as the whole amounts subject to dispute were indemnified by Undersecretariat of Treasury per this law. However, the lawsuits are still in process because of the solicitors and judging costs of the lawsuits filed before the above mentioned law. Since ISE would not be imposed any liabilities for these lawsuits, no provision has been provided in the accompanying financial statements.

31 December 2009

Ongoing lawsuits filed by ISE :

| | |
|-----------------------|--------------|
| Number of court cases | 20 |
| Amount | TL 1.334.380 |

Ongoing lawsuits filed against ISE :

| | |
|-----------------------|---------------|
| Number of court cases | 1.026 |
| Amount | TL 63.196.782 |

No provision is provided in the accompanying financial statements concerning the lawsuits.

Total Amount Of Commitments Not Included In Liabilities

| | <u>31 December 2010</u> | <u>31 December 2009</u> |
|---|-----------------------------|-----------------------------|
| | TL | TL |
| <u>Guarantees received from members</u> | | |
| Bond And Bill Guarantees | 7.044.518.271 | 6.360.624.730 |
| Stock Market Guarantees | 263.449.238 | 249.125.593 |
| International Market Guarantees | 74.855 | 74.855 |
| | <u>7.308.042.364</u> | <u>6.609.825.178</u> |

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

| | 31 December 2010 | 31 December 2009 |
|--|--------------------|--------------------|
| | TL | TL |
| <u>Guarantees received from goods and services suppliers</u> | | |
| USD | 3.392.460 | 3.999.171 |
| EURO | 2.342.021 | 3.156.576 |
| GBP | 1.951 | 1.720 |
| CHF | -- | 2.234 |
| | 5.736.432 | 7.159.701 |
| | 31 December 2010 | 31 December 2009 |
| | TL | TL |
| <u>Assets under custody</u> | | |
| Contribution Fund of Mandatory Education of ISE (*) | 288.120.102 | 405.786.670 |
| Special Fund Law No: 4487 | 125.709.362 | 117.079.892 |
| Umbrella Insurance Advances | 9.116 | 14.003 |
| | 413.838.580 | 522.880.565 |

(*) In accordance with the decision of ISE's Board of Directors in 1997, ISE made a contribution to 'Contribution to Continuous Education' amounting to TL 32.000.000. The contribution fund is established under the decisions made in the General Assembly and Board of Directors in order to fund the construction of primary schools under the name of "Contribution Fund of Mandatory Education of ISE". This fund is collected under time deposits held by public banks and managed by ISE; however, the related fund is not included in the assets of ISE. The fund was previously followed under the ISE's assets and liabilities until 1999 and currently, it is followed under the off-balance sheet. As of 31 December 2010, principal amount of "Contribution Fund of Mandatory Education of ISE" is TL 288.120.102.

Total insurance amount of assets;

| | 31 December 2010 | 31 December 2009 |
|--|-----------------------|------------------------|
| Fire Insurance | 199.340.136 USD | 200.547.486 USD |
| <i>Building</i> | <i>67.877.331 USD</i> | <i>68.403.831 USD</i> |
| <i>Machinery</i> | <i>19.981.510 USD</i> | <i>19.981.510 USD</i> |
| <i>Fixtures</i> | <i>11.811.227 USD</i> | <i>11.888.402 USD</i> |
| <i>Additional fire insurances</i> | <i>99.670.068 USD</i> | <i>100.273.743 USD</i> |
| Strike and Lockout | 99.670.068 USD | 99.747.243 USD |
| Earthquake | 99.670.068 USD | 100.242.530 USD |
| Theft | 31.792.737 USD | 31.869.912 USD |
| Machinery broke | 18.894.941 USD | 18.734.410 USD |
| Electronic device | 31.136.653 USD | 31.017.902 USD |
| Glass insurance | 512.385 USD | 512.385 USD |
| Insurance for goods belonging to 3rd parties | 300.000 USD | 300.000 USD |
| Alternate workplace expenses insurance | 6.811.650 USD | 6.811.650 USD |
| Indemnity policy | 6.000.000 USD | 6.000.000 USD |
| Rent loss insurance | 1.292.500 USD | 1.345.150 USD |
| Vehicle insurance | 1.081.100 TL | 901.773 USD |

32. BUSINESS COMBINATIONS

None (31 December 2009: None).

33. SEGMENT REPORTING

None (31 December 2009: None).

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

34. SUBSEQUENT EVENTS

As of 1 January 2011, the retirement pay ceiling has been increased to TL 2.623,23 for each service period.

35. DISCONTINUED OPERATIONS

None (31 December 2009: None).

36. OPERATING INCOME

For the years ended 31 December 2010 and 2009, the details of service revenue are as follows:

| | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|------------------------|---|---|
| | TL | TL |
| Exchange Fees | 96.854.631 | 68.825.050 |
| Listing Fees | 28.249.643 | 22.490.052 |
| Registration Fees | 15.642.847 | 21.302.093 |
| Annual Membership Fees | 221.850 | 217.500 |
| | 140.968.971 | 112.834.695 |

For the year ended 31 December 2010 and 2009, the details of operating income are as follows:

| | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|---------------------------------------|---|---|
| | TL | TL |
| Data Vending Income | 13.689.017 | 12.458.463 |
| License Income | 5.864.140 | 1.994.421 |
| Terminal Fees | 5.446.121 | 2.950.081 |
| Information Technologies Sales Income | 3.916.581 | 3.219.401 |
| Rental Income from Offices | 722.352 | 1.406.146 |
| Overdue Interest Income | 171.765 | 673.894 |
| Broker Training Fees | 109.784 | 94.073 |
| Other Income | 535.635 | 112.030 |
| | 30.455.395 | 22.908.509 |

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

37. OPERATING EXPENSES

For the years ended 31 December 2010 and 2009, the details of operating expenses are as follows:

| | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|---|---|---|
| | TL | TL |
| Employee Wage and Expenses | 91.212.380 | 80.729.832 |
| Outsourced Benefit and Services | 12.046.710 | 8.807.497 |
| Duties, Taxes and Levies | 5.431.162 | 3.777.348 |
| Depreciation and Amortization | 4.948.668 | 5.203.712 |
| Settlement Fees | 4.491.018 | 4.394.342 |
| Promotion and Advertising Expense | 3.318.440 | 38.822 |
| Guarantee Account Commission Expense | 2.495.188 | 3.510.872 |
| Education, Culture and Publication Expenses | 1.468.116 | 504.892 |
| Travel Expenses | 1.310.828 | 1.479.284 |
| Donations | 1.159.976 | 1.579.271 |
| Board Fees and Expenses | 748.936 | 732.409 |
| Rent Expenses | 584.247 | 384.537 |
| Material Expense | 550.674 | 495.435 |
| Membership, Subscription and Entrance Fees | 455.325 | 388.718 |
| Insurance Expenses | 176.396 | 263.428 |
| Other Expenses | 773.100 | 835.052 |
| | 131.171.164 | 113.125.451 |

38. OTHER INCOME AND PROFITS / (EXPENSES AND LOSSES)

For the years ended 31 December 2010 and 2009, the details of other income and profits are as follows:

| | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|---|---|---|
| | TL | TL |
| Interest Income From Time Deposits | 10.932.707 | 11.891.339 |
| Interest Income From Guarantee Account | 7.925.639 | 10.953.560 |
| Government Bonds Interest Income | 6.840.869 | 10.269.480 |
| Dividend Income | 4.445.137 | 10.670.352 |
| Rental Income From Buildings | 2.570.984 | 2.403.943 |
| Guarantees Interest Income | 213.406 | 91.451 |
| Income From Fixed Asset Disposals | 133.000 | 800.654 |
| Prior Year Income and Profits | 73.337 | 514 |
| Income From Reversal of Provision (*) | 45.215 | 72.581.254 |
| Overdue Interest Income From Settlement | 41.239 | 34.842 |
| Other Income | 1.132.957 | 1.073.301 |
| | 34.354.490 | 120.770.690 |

(*) ISE was subjected to tax investigation by the Office of Revenue Administration, for the periods 2004, 2005, 2006, 2007 and 2008/January-September. Due to the estimated tax liability, ISE recognized a provision amounting to TL 77.690.621 in its 2008 financial statements. Per reunification with Turkish Republic Ministry of Finance in 2009, ISE paid a tax penalty amounting to TL 5.199.781 including overdue interests. The difference between the provision booked in financial statements as of 31 December 2008 and the amount paid to Turkish Republic Ministry of Finance resulted from the reunification has been reversed and recognized as income in 2009.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

For the years ended 31 December 2010 and 2009, the details of other expense and losses are as follows:

| | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|--|---------------------------------|---------------------------------|
| | TL | TL |
| CMB Shares | 23.601.975 | 7.362.857 |
| Prior Year Expense and Losses | 1.775.362 | 432.395 |
| Provision Expense for Doubtful Receivables | 338.378 | 78.395 |
| Disallowable Expense | 165.688 | 14.118 |
| Foreign Exchange Losses | 57.369 | 78.904 |
| Other Commission Expenses | 527 | 27 |
| Written Off Accounts (Note 19, 20) | - | 9.759.751 |
| | 25.939.299 | 17.726.447 |

39. NET MONETARY GAIN / LOSS

None (31 December 2009: None).

40. TAXES

Since ISE obtains revenue from its optional and service fees other than listing fees, all types of registration and securities exchange fees and membership fees, ISE is subject to corporate income tax from its economic businesses in accordance with the decision made on 5 May 2008 by the Office of Revenue Administration.

For the years ended 31 December 2010 and 2009, the details of tax expenses are as follows:

| | 1 January - 31 December 2010 | 1 January - 31 December 2009 |
|---------------------------|---------------------------------|---------------------------------|
| | TL | TL |
| Current Period Income Tax | 2.381.299 | 1.788.934 |

41. EARNINGS PER SHARE

None (31 December 2009: None).

42. STATEMENT OF CASH FLOWS

Statement of cash flows is presented separately in the accompanying financial statements.

Istanbul Stock Exchange

Notes to the Financial Statements as of and for the Year Ended 31 December 2010

(Amounts expressed in Turkish Lira (TL) unless otherwise stated.)

43. OTHER ISSUES AFFECTING THE FINANCIAL REPORTS SIGNIFICANTLY OR NECESSARY TO BE DISCLOSED IN ORDER TO MAKE CLEAR, UNDERSTANDABLE AND INTERPRETABLE**31 December 2010**

i. In 2010, ISE has recognized a liability amounting to TL 24.507.776, which is required to be paid to the Turkish Republic Ministry of Finance under Article 78 of the Law No: 5018, in the "Payment to the Turkish Republic Ministry of Finance" account under equity. TL 20.921.060 portion of this amount and the remaining amount of TL 3.586.716 were paid to the Turkish Republic Ministry of Finance in 2010 and January 2011, respectively.

ii. ISE has paid TL 991.520.462 to the Turkish Republic Ministry of Finance for its operations from 2000 to 2010 in accordance with the Law No: 4481, Law No: 5035, Law No: 5398 and Article 78 of the Law No: 5018 and the amount was recognized in the "Payment to the Turkish Republic Ministry of Finance" account under equity.

31 December 2009

iii. In 2009, ISE has recognized a liability amounting to TL 20.654.444, which is required to be paid to the Turkish Republic Ministry of Finance under Article 78 of the Law No: 5018, in the "Payment to the Turkish Republic Ministry of Finance" account under equity. TL 10.185.901 portion of this amount and the remaining amount of TL 10.468.542 were paid to the Turkish Republic Ministry of Finance in 2009 and January 2010, respectively.

iv. ISE has paid TL 967.012.686 to the Turkish Republic Ministry of Finance for its operations from 2000 to 2009 in accordance with the Law No: 4481, Law No: 5035, Law No: 5398 and Article 78 of the Law No: 5018 and the amount was recognized in the "Payment to the Turkish Republic Ministry of Finance" account under equity.

v. Until 2009, only the interest income from guarantee fund in ISE Settlement and Custody Bank Inc. was recognized in gross amounts. Starting from the beginning of 2009, upon the recommendation of Prime Ministry Supreme Audit Board, interest income from time deposits obtained from Ziraat Bankası, Vakıfbank and İş Bankası is also recognized in gross amounts as well.

We are a Family

Companies with Stocks Traded on the ISE (31.12.2010)

ACIBADEM SAĞLIK HİZMETLERİ VE
TİCARET A.Ş.

ACIBADEM

ADANA ÇİMENTO SANAYİİ T.A.Ş.



ADEL KALEMCİLİK TİCARET VE
SANAYİ A.Ş.



ADVANSA SASA POLYESTER
SANAYİ A.Ş.



AFM ULUSLARARASI FİLM
PRODÜKSİYON TİCARET VE
SANAYİ A.Ş.



AFYON ÇİMENTO SANAYİ T.A.Ş.



AK B TİPİ YATIRIM ORTAKLIĞI A.Ş.



AK-AL TEKSTİL SANAYİİ A.Ş.



AKBANK T.A.Ş.

AKBANK

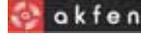
AKÇANSA ÇİMENTO SANAYİ VE
TİCARET A.Ş.

AKÇANSA

AKENERJİ ELEKTRİK ÜRETİM A.Ş.



AKFEN HOLDİNG A.Ş.



AKIN TEKSTİL A.Ş.



AKMERKEZ GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.



AKSA ENERJİ ÜRETİM A.Ş.



AKSİGORTA A.Ş.

AKSigorta

AKSU ENERJİ VE TİCARET A.Ş.



ALARKO CARRIER SANAYİ VE
TİCARET A.Ş.



ALARKO GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



ALARKO HOLDİNG A.Ş.



ALBARAKA TÜRK KATILIM BANKASI A.Ş.



ALCATEL-LUCENT TELETAŞ
TELEKOMÜNİKASYON A.Ş.



ALKİM ALKALİ KİMYA A.Ş.



ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.



ALTERNATİF YATIRIM ORTAKLIĞI A.Ş.



ALTERNATİFBANK A.Ş.



ALTINYAĞ KOMBİNALARI A.Ş.



ALTINYILDIZ MENŞUCAT VE
KONFEKSİYON FAB. A.Ş.



ALTINYUNUS ÇEŞME TURİSTİK
TESİSLER A.Ş.



ANADOLU ANONİM TÜRK SİGORTA
ŞİRKETİ

ANADOLU SİGORTA

ANADOLU CAM SANAYİİ A.Ş.



ANADOLU EFES BİRACILIK VE MALT
SANAYİİ A.Ş.



ANADOLU HAYAT EMeklİLİK A.Ş.



ANADOLU İSUZU OTOMOTİV SANAYİ
VE TİCARET A.Ş.

ISUZU

ANEL ELEKTRİK PROJE TAAHHÜT VE
TİCARET A.Ş.

ANEL

ANEL TELEKOMÜNİKASYON
ELEKTRONİK SİSTEMLERİ SANAYİ VE
TİCARET A.Ş.

ANELTECH

ARÇELİK A.Ş.



ARENA BİLGİSAYAR SANAYİ VE
TİCARET A.Ş.



ARMADA BİLGİSAYAR SİSTEMLERİ
SANAYİ VE TİCARET A.Ş.

ArmAdA

ARŞAN TEKSTİL SANAYİ VE
TİCARET A.Ş.



AŞELSAN ELEKTRONİK SANAYİ VE
TİCARET A.Ş.

aselsan

ASLAN ÇİMENTO A.Ş.



ASYA KATILIM BANKASI A.Ş.



ATA YATIRIM ORTAKLIĞI A.Ş.



ATAKULE GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



ATLANTİS YATIRIM ORTAKLIĞI A.Ş.



ATLAS MENKUL KIYMETLER YATIRIM
ORTAKLIĞI A.Ş.



AVIVA SİGORTA A.Ş.



AVRASYA GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



AYEN ENERJİ A.Ş.



AYGAZ A.Ş.



BAGFAŞ BANDIRMA GÜBRE
FABRİKALARI A.Ş.



BAK AMBALAJ SANAYİ VE TİCARET A.Ş.



BANVİT BANDIRMA VİTAMİNLİ YEM
SANAYİİ TİCARET A.Ş.



BAŞKENT MENKUL KIYMETLER YATIRIM
ORTAKLIĞI A.Ş.



BATIÇİM BATI ANADOLU ÇİMENTO
SANAYİİ A.Ş.

BATIÇİM

BATISÖKE ÇİMENTO SANAYİİ T.A.Ş.

BATISÖKE

BAYINDIR MADENCİLİK VE TİCARET A.Ş.



BERDAN TEKSTİL SANAYİ VE TİCARET A.Ş.



BEŞİKTAŞ FUTBOL YATIRIMLARI SANAYİ
VE TİCARET A.Ş.



BİM BİRLEŞİK MAĞAZALAR A.Ş.



BİRKO BİRLEŞİK KOYUNLULULAR
MENŞUCAT TİCARET VE SANAYİ A.Ş.

BİRKO

BİRLİK MENŞUCAT TİCARET VE SANAYİ
İŞLETMELERİ A.Ş.



BİSAŞ TEKSTİL SANAYİ VE TİCARET A.Ş.



BOLU ÇİMENTO SANAYİİ A.Ş.



BOROVA YAPI ENDÜSTRİSİ A.Ş.



BORUSAN MANNESMANN BORU
SANAYİ VE TİCARET A.Ş.



BORUSAN YATIRIM VE PAZARLAMA A.Ş.



BOSCH FREN SİSTEMLERİ SANAYİ VE
TİCARET A.Ş.



BOSSA TİCARET VE SANAYİ İŞLETMELERİ T.A.Ş.

BOSSA

BOYASAN TEKSTİL SANAYİ VE TİCARET A.Ş.

Boyasan
Tekstil Sanayi
ve Ticaret
Anonim Şirketi

BOYNER BÜYÜK MAĞAZACILIK A.Ş.

boyner

BRISA BRIDGESTONE SABANCI LASTİK SANVE TIC. A.Ş.

BRI SA

BSH EV ALETLERİ SANAYİ VE TİCARET A.Ş.

B/S/H/

BUMERANG YATIRIM ORTAKLIĞI A.Ş.

BUMERANG YATIRIM ORTAKLIĞI A.Ş.

BURÇELİK BURSA ÇELİK DÖKÜM SANAYİ A.Ş.

burçelik

BURÇELİK VANA SANAYİ VE TİCARET A.Ş.

burçelik vana

BURSA ÇİMENTO FABRİKASI A.Ş.

BURSA ÇİMENTO FABRİKASI A.Ş.

CARREFOURSA CARREFOUR SABANCI TİCARET MERKEZİ A.Ş.

Carrefour

CEYLAN YATIRIM HOLDİNG A.Ş.

CEYLAN

COCA-COLA İÇECEK A.Ş.

Coca-Cola İçecek

COMPONENTA DÖKÜMCÜLÜK TİCARET VE SANAYİ A.Ş.

COMPONENTA

CREDITWEST FAKTORİNG HİZMETLERİ A.Ş.

creditwest

CBS BOYA KİMYA SANAYİ VE TİCARETİ A.Ş.

CBS

ÇBS PRINTAS OTO BOYA VE GEREÇLERİ SANAYİ A.Ş.

PRINTAS

ÇELEBİ HAVA SERVİSİ A.Ş.

ÇELEBİ

ÇELİK HALAT VE TEL SANAYİ A.Ş.

ÇELİK HALAT VE TEL SANAYİ A.Ş.

ÇEMAŞ DÖKÜM SANAYİ A.Ş.

ÇEMAŞ DÖKÜM SANAYİ A.Ş.

ÇEMTAŞ ÇELİK MAKİNA SANAYİ VE TİCARET A.Ş.

ÇEMTAŞ

ÇİMENTAŞ HAZIRBETON VE PREFABRİK YAPI ELEMANLARI SAN. VE TIC. A.Ş.

çimentaş çimbeton

ÇİMENTAŞ İZMİR ÇİMENTO FABRİKASI T.A.Ş.

çimentaş CEMENTIR HOLDING

ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

ÇİMSA

DARDANEL ÖNENTAŞ GIDA SANAYİ A.Ş.

DARDANEL

DATAGATE BİLGİSAYAR MALZEMELERİ TİCARET A.Ş.

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DEMİSAŞ DÖKÜM EMAYE MAMÜLLERİ SANAYİ A.Ş.

DEMİSAŞ DÖKÜM EMAYE MAMÜLLERİ SAN. A.Ş.

DENİZ YATIRIM ORTAKLIĞI A.Ş.

Deniz
YATIRIM ORTAKLIĞI

DENİZBANK A.Ş.

DenizBank

DENİZLİ CAM SANAYİ VE TİCARET A.Ş.

Denizli Cam Sanayi ve Ticaret A.Ş.

DENTAŞ AMBALAJ VE KAĞIT SANAYİ A.Ş.

DENTAŞ AMBALAJ VE KAĞIT SANAYİ A.Ş.

DERİMÖD KONFEKSİYON AYAKKABI DERİ SANVE TIC. A.Ş.

DERİMÖD

DESA DERİ SANAYİ VE TİCARET A.Ş.

DESA

DESPEC BİLGİSAYAR PAZARLAMA VE TİCARET A.Ş.

DESPEC
Türkiye

DEVA HOLDİNG A.Ş.

DEVA

DİTAŞ DOĞAN YEDEK PARÇA İMALAT VE TEKNİK A.Ş.

DİTAŞ

DOĞAN BURDA DERGİ YAYINCILIK VE PAZARLAMA A.Ş.

DB
DOĞAN BURDA DERGİ

DOĞAN GAZETECİLİK A.Ş.

Doğan Gazetecilik A.Ş.

DOĞAN ŞİRKETLER GRUBU HOLDİNG A.Ş.

Doğan

DOĞAN YAYIN HOLDİNG A.Ş.

DYH
DOĞAN YAYIN HOLDİNG

DOĞUSAN BORU SANAYİ VE TİCARET A.Ş.

DOĞUSAN

DOĞUŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

DOĞUŞ GEİGYO

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

Doğuş Otomotiv

DURAN-DOĞAN BASIM VE AMBALAJ SANAYİ A.Ş.

DD
PACK

DYO BOYA FABRİKALARI SANAYİ VE TİCARET A.Ş.

dyo
dünyamı yeniliyor

ECZACIBAŞI YAPI GEREÇLERİ SANAYİ VE TİCARET A.Ş.

Eczacıbaşı
Eczacıbaşı Yapı Gereçleri

ECZACIBAŞI YATIRIM HOLDİNG ORTAKLIĞI A.Ş.

Eczacıbaşı
Eczacıbaşı Yatırım Holding Ortaklığı

ECZACIBAŞI YATIRIM ORTAKLIĞI A.Ş.

Eczacıbaşı
Eczacıbaşı Yatırım Ortaklığı

EDİP GAYRİMENKUL YATIRIM SANAYİ VE TİCARET A.Ş.

EDİP

EGE ENDÜSTRİ VE TİCARET A.Ş.

Ege Endüstri
Ege Endüstri ve Ticaret A.Ş.

EGE GÜBRE SANAYİ A.Ş.

EGE GÜBRE SANAYİ A.Ş.

EGE PROFİL TİCARET VE SANAYİ A.Ş.

EGE PROFİL
TİCARET VE SANAYİ A.Ş.

EGE SERAMİK SANAYİ VE TİCARET A.Ş.

EGESERAMİK

EGELİ & CO YATIRIM HOLDİNG A.Ş.

Egeli & Co.

EGELİ & CO. YATIRIM ORTAKLIĞI A.Ş.

Egeli & Co.

EGEPLAST EGE PLASTİK TİCARET VE SANAYİ A.Ş.

EGEPLAST

EGS FİNANSAL KİRALAMA A.Ş.

EGS LEASING

EGS GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EGS
GAYRİMENKUL YATIRIM ORTAKLIĞI

EİS ECZACIBAŞI İLAÇ, SİNAL VE FİNANSAL YATIRIMLAR SANAYİ VE TİCARET A.Ş.

Eczacıbaşı
Eczacıbaşı İlaç, Sınal ve Finansal Yatırımlar

EKİZ YAĞ VE SABUN SANAYİ A.Ş.

EKİZ

EMEK ELEKTRİK ENDÜSTRİSİ A.Ş.

emek

EMİNİŞ AMBALAJ SANAYİ VE TİCARET A.Ş.

Emiş

EMLAK KONUT GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

EMLAK KONUT
T.C. Başbakanlık TOKİ Yatırım Ortaklığı

ENKA İNŞAAT VE SANAYİ A.Ş.

ENKA

ERBOSAN ERÇİYES BORU SANAYİ VE TİCARET A.Ş.

ERBOSAN

EREĞLİ DEMİR VE ÇELİK FABRİKALARI T.A.Ş.

ERDEMİR

ERSU MEYVE VE GIDA SANAYİ A.Ş.

ersu

ESCORT TEKNOLOJİ YATIRIM A.Ş.

escort

ESEM SPOR GİYİM SANAYİ VE TİCARET A.Ş.

ESEM
SPOR GİYİM SAN. VE TIC. A.Ş.

EURO B TİPİ MENKUL KIYMETLER YATIRIM ORTAKLIĞI A.Ş.

EURO B TİPİ YATIRIM ORTAKLIĞI

EURO TREND YATIRIM ORTAKLIĞI A.Ş.

EURO TREND YATIRIM ORTAKLIĞI

EURO YATIRIM MENKUL DEĞERLER A.Ş.

EURO YATIRIM

EVG YATIRIM ORTAKLIĞI A.Ş.

EVG
YATIRIM ORTAKLIĞI A.Ş.

FAVORİ DİNLENME YERLERİ A.Ş.

FAVORİ
DİNLENME YERLERİ

FEDERAL-MOĞUL İZMİT PİSTON VE PİM ÜRETİM TESİSLERİ A.Ş.

FEDERAL MOĞUL

FENERBAHÇE SPORİF HİZMETLER SANAYİ VE TİCARET A.Ş.

FENERBAHÇE SPORİF
HİZMETLER SAN. VE TIC. A.Ş.

FENİŞ ALÜMİNYUM SANAYİ VE TİCARET A.Ş.

FENİŞ ALÜMİNYUM

FFK FON FİNANSAL KİRALAMA A.Ş.

FON LEASING

We are a Family

Companies with Stocks Traded on the ISE (31.12.2010)

| | | | | | | |
|--|---|---|---|--|---|---|
| FINANS FİNANSAL KİRALAMA A.Ş. | FINANS YATIRIM ORTAKLIĞI A.Ş. | FINANSBANK A.Ş. | FORD OTOMOTİV SANAYİ A.Ş. | FRIGO - PAK GIDA MADDELERİ SAN. VE TİC. A.Ş. | GALATASARAY SPOR TİF SİNAYİ VE YATIRIMLAR A.Ş. | GARANTİ FAKTORİNG HİZMETLERİ A.Ş. |
|  |  |  |  |  |  |  |
| GARANTİ YATIRIM ORTAKLIĞI A.Ş. | GEDİK YATIRIM MENKUL DEĞERLER A.Ş. | GEDİK YATIRIM ORTAKLIĞI A.Ş. | GENTAŞ GENEL METAL SANAYİ VE TİCARET A.Ş. | GERSAN ELEKTRİK TİCARET VE SANAYİ A.Ş. | GİMSAN GEDİZ İPLİK VE MENSUCAT SANAYİ A.Ş. | GLOBAL YATIRIM HOLDİNG A.Ş. |
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| GOLDAŞ KUYUMCULUK SANAYİ İTHALAT İHRACAT A.Ş. | GOODYEAR LASTİKLERİ T.A.Ş. | GÖLTAŞ GÖLLER BÖLGESİ ÇİMENTO SAN. VE TİC. A.Ş. | GÖZDE FİNANSAL HİZMETLER A.Ş. | GSD HOLDİNG A.Ş. | GÜBRETAŞ GÜBRE FABRİKALARI T.A.Ş. | GÜNEŞ SİGORTA A.Ş. |
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| HACI ÖMER SABANCI HOLDİNG A.Ş. | HAZNEKAR REFRAKTER SANAYİ A.Ş. | HEDEF MENKUL KIYMETLER YATIRIM ORTAKLIĞI A.Ş. | HEKTAŞ TİCARET T.A.Ş. | HÜRRIYET GAZETECİLİK VE MATBAACILIK A.Ş. | İŞIKLAR YATIRIM HOLDİNG A.Ş. | İDAŞ İSTANBUL DÖŞEME SANAYİ A.Ş. |
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| İDEALİST GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. | İHLAS EV ALETLERİ İMALAT SANAYİ VE TİCARET A.Ş. | İHLAS GAZETECİLİK A.Ş. | İHLAS HOLDİNG A.Ş. | İHLAS YAYIN HOLDİNG A.Ş. | İNDEKS BİLGİSAYAR SİSTEMLERİ MÜHENDİSLİK SANAYİ VE TİCARET A.Ş. | İFO MENKUL KIYMETLER YATIRIM ORTAKLIĞI A.Ş. |
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| İNFOTREND B TİPİ MENKUL KIYMETLER YATIRIM ORTAKLIĞI A.Ş. | İNTEMA İNŞAAT VE TESİSAT MALZ. YAT. VE PAZ. A.Ş. | İPEK MATBAACILIK SANAYİ VE TİCARET A.Ş. | İŞ FİNANSAL KİRALAMA A.Ş. | İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. | İŞ GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. | İŞ YATIRIM MENKUL DEĞERLER A.Ş. |
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| İŞ YATIRIM ORTAKLIĞI A.Ş. | İTTİFAK HOLDİNG A.Ş. | İZMİR DEMİR ÇELİK SANAYİ A.Ş. | İZOCAM TİCARET VE SANAYİ A.Ş. | KAPLAMIN AMBALAJ SANAYİ VE TİCARET A.Ş. | KARDEMİR KARABÜK DEMİR ÇELİK SANAYİ VE TİCARET A.Ş. | KAREL ELEKTRONİK SANAYİ VE TİCARET A.Ş. |
|  |  |  |  |  |  |  |
| KARSAN OTOMOTİV SANAYİ VE TİCARET A.Ş. | KARSU TEKSTİL SANAYİ VE TİCARET A.Ş. | KARTONSAN KARTON SANAYİ VE TİCARET A.Ş. | KATMERCİLER ARAÇ ÜSTÜ EKİPMAN SANAYİ VE TİCARET A.Ş. | KELEBEK MOBİLYA SANAYİ VE TİCARET A.Ş. | KENT GIDA MADDELERİ SANAYİ VE TİCARET A.Ş. | KEREVİTAŞ GIDA SANAYİ VE TİCARET A.Ş. |
|  |  |  |  |  |  |  |
| KLİMASAN KLİMA SAN. VE TİC. A.Ş. | KOÇ HOLDİNG A.Ş. | KONFRUT GIDA SANAYİ VE TİCARET A.Ş. | KONYA ÇİMENTO SANAYİ A.Ş. | KORDSA GLOBAL ENDÜSTRİYEL İPLİK VE KORD BEZİ SANAYİ VE TİCARET A.Ş. | KOZA ALTIN İŞLETMELERİ A.Ş. | KOZA ANADOLU METAL MADENCİLİK İŞLETMELERİ A.Ş. |
|  |  |  |  |  |  |  |
| KRİSTAL KOLA VE MEŞRUBAT SANAYİ TİCARET A.Ş. | KÜTAHYA PORSELEN SANAYİ A.Ş. | LATEK LOJİSTİK TİCARET A.Ş. | LINK BİLGİSAYAR SİSTEMLERİ YAZILIMI VE DONANIMI SANAYİ VE TİCARET A.Ş. | LOGO YAZILIM SANAYİ VE TİCARET A.Ş. | LÜKS KADİFE TİCARET VE SANAYİ A.Ş. | MAKİNA TAKIM ENDÜSTRİSİ A.Ş. |
|  |  |  |  |  |  |  |

MANGO GIDA SANAYİ VE TİCARET A.Ş.



MARBAŞ B TİPİ MENKUL KIYMETLER YATIRIM ORTAKLIĞI A.Ş.



MARDİN ÇİMENTO SANAYİ VE TİCARET A.Ş.



MARMARİS ALTINYUNUS TURİSTİK TESİSLER A.Ş.



MARSHALL BOYA VE VERNİK SANAYİ A.Ş.



MARTI GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



MARTI OTEL İŞLETMELERİ A.Ş.



MAZHAR ZORLU HOLDİNG A.Ş.



MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.



MENSA SİNAİ TİCARİ VE MALİ YATIRIMLAR A.Ş.



MERKEZ B TİPİ MENKUL KIYMETLER YATIRIM ORTAKLIĞI



MERKO GIDA SANAYİ VE TİCARET A.Ş.



MERT GIDA GİYİM SANAYİ VE TİCARET A.Ş.



METEM ENERJİ VE TEKSTİL SANAYİ TİCARET A.Ş.



METEMTUR OTELCİLİK VE TURİZM İŞLETMELERİ A.Ş.



METRO MENKUL KIYMETLER YATIRIM ORTAKLIĞI A.Ş.



METRO TİCARİ VE MALİ YATIRIMLAR HOLDİNG A.Ş.



MİGROS TİCARET A.Ş.



MİLPA TİCARİ VE SİNAİ ÜRÜNLER PAZ. SAN. VE TİC. A.Ş.



MONDİ TİRE KUTSAN KAĞIT VE AMBALAJ SANAYİ A.Ş.



MUSTAFA YILMAZ YATIRIM ORTAKLIĞI A.Ş.



MUTLU AKÜ VE MALZEMELERİ SANAYİ A.Ş.



NERGİS HOLDİNG A.Ş.



NET HOLDİNG A.Ş.



NET TURİZM TİCARET VE SANAYİ A.Ş.



NETEL NETWORKS NETAŞ TELEKOMÜNİKASYON A.Ş.



NUH ÇİMENTO SANAYİ A.Ş.



NURUL GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



OLMUĞSA INTERNATIONAL PAPER SABANCI AMBALAJ SAN. VE TİC. A.Ş.



OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.



OYAK YATIRIM ORTAKLIĞI A.Ş.



ÖZDERİCİ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş.



PARSAN MAKİNA PARÇALARI SANAYİ A.Ş.



PENGUEN GIDA SANAYİ A.Ş.



PERA GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



PETKİM PETROKİMYA HOLDİNG A.Ş.



PETROKENT TURİZM A.Ş.



PETROL OFİSİ A.Ş.



PINAR ENTEGRE ET VE UN SANAYİ A.Ş.



PINAR SU SANAYİ VE TİCARET A.Ş.



PINAR SÜT MAMULLERİ SANAYİ A.Ş.



PİMAŞ PLASTİK İNŞAAT MALZEMELERİ A.Ş.



PLASTİKART AKILLI KART İLETİŞİM SİSTEMLERİ SANAYİ VE TİCARET A.Ş.



POLYLEN SENTETİK İPLİK SANAYİ A.Ş.



RAN LOJİSTİK HİZMETLERİ A.Ş.



RAY SİGORTA A.Ş.



REYSAS GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



REYSAS TAŞIMACILIK VE LOJİSTİK TİCARET A.Ş.



RHEA GİRİŞİM SERMAYESİ YATIRIM ORTAKLIĞI A.Ş.



SAĞLAM GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



SANKO PAZARLAMA İTHALAT İHRACAT A.Ş.



SARKUYSAN ELEKTROLİTİK BAKIR SAN. VE TİCARET A.Ş.



SELÇUK ECZA DEPOSU TİCARET VE SANAYİ A.Ş.



SELÇUK GIDA ENDÜSTRİ İHRACAT İTHALAT A.Ş.



SERVE KIRTASIYE SANAYİ VE TİCARET A.Ş.



SİFAŞ SENTETİK İPLİK FABRİKALARI A.Ş.



SİLVERLINE ENDÜSTRİ VE TİCARET A.Ş.



SİNPAŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.



SODA SANAYİ A.Ş.



SÖKTAŞ TEKSTİL SANAYİ VE TİCARET A.Ş.



SÖNMEZ FİLMANT SENTETİK İPLİK VE ELYAF SANAYİ A.Ş.



SÖNMEZ PAMUKLU SANAYİ A.Ş.



ŞEKER FİNANSAL KİRALAMA A.Ş.



ŞEKER PİLİÇ VE YEM SANAYİ VE TİCARET A.Ş.



ŞEKERBANK T.A.Ş.



TAÇIRLER YATIRIM ORTAKLIĞI A.Ş.



TAÇ YATIRIM ORTAKLIĞI A.Ş.



TAKSİM YATIRIM ORTAKLIĞI A.Ş.



TAT KONSERVE SANAYİ A.Ş.



TAV HAVALİMANLARI HOLDİNG A.Ş.



TEK-ART İNŞAAT TİCARET TURİZM SANAYİ VE YATIRIMLAR A.Ş.



TEKFEN HOLDİNG A.Ş.



TEKSTİL BANKASI A.Ş.



TEKSTİL FİNANSAL KİRALAMA A.Ş.



TESCO KİPA KİTLE PAZARLAMA TİCARET GIDA SANAYİ A.Ş.



THY DOĞRU İKRAM HİZMETLERİ A.Ş.



We are a Family

Companies with Stocks Traded on the ISE (31.12.2010)

TOFAŞ TÜRK OTOMOBİL
FABRİKASI A.Ş.



TORUNLAR GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.



TRABZONSPOR SPORTİF YATIRIM
VE TİCARET A.Ş.



TRAKYA CAM SANAYİİ A.Ş.



TRANSTÜRK HOLDİNG A.Ş.



TSKB GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



TSKB YATIRIM ORTAKLIĞI A.Ş.



TUKAŞ GIDA SANAYİ VE TİCARET A.Ş.



TURCAS PETROL A.Ş.



TURKCELL İLETİŞİM HİZMETLERİ A.Ş.



TÜMTEKS TEKSTİL SANAYİ VE
TİCARET A.Ş.



TÜPRAŞ-TÜRKİYE PETROL
RAFİNERİLERİ A.Ş.



TÜRK DEMİR DÖKÜM FABRİKALARI A.Ş.



TÜRK EKONOMİ BANKASI A.Ş.



TÜRK HAVA YOLLARI A.O.



TÜRK PRYSMIAN KABLO VE
SİSTEMLERİ A.Ş.



TÜRKİYE TELEKOMÜNİKASYON A.Ş.



TÜRK TRAKTÖR VE ZİRAAT
MAKİNALARI A.Ş.



TÜRK TUBORG BİRA VE MALT
SANAYİİ A.Ş.



TÜRKİYE GARANTİ BANKASI A.Ş.



TÜRKİYE HALK BANKASI A.Ş.



TÜRKİYE İŞ BANKASI A.Ş.



TÜRKİYE KALKINMA BANKASI A.Ş.



TÜRKİYE SİNAİ KALKINMA
BANKASI A.Ş.



TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş.



TÜRKİYE VAKIFLAR BANKASI T.A.O.



UKİ ULUSLARARASI KONFEKSİYON
İMALAT VE TİC. A.Ş.



USAŞ UÇAK SERVİSİ A.Ş.



UŞAK SERAMİK SANAYİİ A.Ş.



UYUM GIDA VE İHTİYAÇ MADDELERİ
SANAYİ VE TİCARET A.Ş.



UZEL MAKİNA SANAYİİ A.Ş.



ÜLKER BİSKÜVİ SANAYİİ A.Ş.



ÜNYE ÇİMENTO SANAYİ VE TİCARET A.Ş.



VAKIF FİNANSAL KİRALAMA A.Ş.



VAKIF GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



VAKIF MENKUL KIYMETLER YATIRIM
ORTAKLIĞI A.Ş.



VAKKO TEKSTİL VE HAZIR GIYİM
SANAYİ İŞLETMELERİ A.Ş.



VESTEL BEYAZ EŞYA SANAYİ VE
TİCARET A.Ş.



VESTEL ELEKTRONİK SANAYİ VE
TİCARET A.Ş.



VİKİNG KAĞIT VE SELÜLOZ A.Ş.



YAPI KREDİ B TİPİ YATIRIM
ORTAKLIĞI A.Ş.



YAPI KREDİ FİNANSAL KİRALAMA A.O.



YAPI KREDİ KORAY GAYRİMENKUL
YATIRIM ORTAKLIĞI A.Ş.



YAPI KREDİ SİGORTA A.Ş.



YAPI VE KREDİ BANKASI A.Ş.



YATAŞ YATAK VE YORGAN SAN.
TİC. A.Ş.



YAZICILAR HOLDİNG A.Ş.



Y VE Y GAYRİMENKUL YATIRIM
ORTAKLIĞI A.Ş.



YÜNSA YÜNLÜ SANAYİ VE TİCARET A.Ş.



ZORLU ENERJİ ELEKTRİK ÜRETİM A.Ş.

ZORLU ENERJİ
ELEKTRİK ÜRETİM

We are a Family

Companies with Corporate Bonds Traded on the ISE (31.12.2010)

| | | | | | | |
|---|---|---|---|--|---|---|
| AKFEN HOLDING A.Ş. | ARZUM ELEKTRİK EV ALETLERİ SANAYİ VE TİCARET A.Ş. | BANKPOZİTİF KREDİ VE KALKINMA BANKASI A.Ş. | BİMEKS BİLGİ İŞLEM VE DİŞ TİCARET A.Ş. | BOYNER BÜYÜK MAĞAZACILIK A.Ş. | CREDITWEST FAKTORİNG HİZMETLERİ A.Ş. | EKSPÖ FAKTORİNG A.Ş. |
|  |  |  |  |  |  |  |
| KOÇ TÜKETİCİ FİNANSMANI A.Ş. | LİDER FAKTORİNG HİZMETLERİ A.Ş. | MERİNOS HALI SANAYİ VE TİCARET A.Ş. | | | | |
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Bank Bills Traded on the ISE (31.12.2010)

| | | |
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| AKBANK TA.Ş. | AKTİF YATIRIM BANKASI A.Ş. | TÜRKİYE SİNAI KALKINMA BANKASI A.Ş. |
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Exchange Traded Funds Traded on the ISE (31.12.2010)

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|---|---|---|--|---|---|
| BİZİM MENKUL DEĞERLER A.Ş. | DOW JONES İSTANBUL 20 A TİPİ BORSA YATIRIM FONU | FİNANSBANK A.Ş. GT-30 A TİPİ BORSA YATIRIM FONU | FİNANSBANK A.Ş. İMKB-30 A TİPİ BORSA YATIRIM FONU | FTSE İSTANBUL BONO FBİST B TİPİ BORSA YATIRIM FONU | İSTANBUL GOLD B TİPİ ALTIN BORSA YATIRIM FONU |
|  |  |  |  |  |  |
| İŞ YATIRIM DOW JONES TÜRKİYE EŞİT AĞIRLIKLILIK A TİPİ BORSA YATIRIM FONU | İŞ YATIRIM İBOXX TÜRKİYE GÖSTERGE TAHVİL B TİPİ BORSA YATIRIM FONU | KUVEYT TÜRK KATILIM BANKASI A.Ş. B TİPİ ALTIN BORSA YATIRIM FONU | MALİ SEKTÖR DİŞİ NFİST İSTANBUL 20 A TİPİ BORSA YATIRIM FONU | T. GARANTİ BANKASI A.Ş. MSCI TÜRKİYE ENDEKSİ A TİPİ BORSA YATIRIM FONU | TÜRKİYE YÜKSEK PİYASA DEĞERLİ BANKALAR A TİPİ BORSA YATIRIM FONU |
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Warrants Traded on the ISE (31.12.2010)

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| DEUTSCHE SECURITIES MENKUL DEĞERLER A.Ş. (DEUTSCHE BANK LONDON BRANCH) | İŞ YATIRIM İMKB-30 WARRANTS |
|  |  |

Trading Hours

STOCK MARKET

| | 1 st Session | 2 nd Session |
|--|-------------------------|-------------------------|
| National Market, Collective Products Market, Second National Market | 09:30-12:30 | 14:00-17:30 |
| Opening Session | 09:30-09:50 | 14:00-14:20 |
| Call Phase (Order Collection) | 09:30-09:45 | 14:00-14:15 |
| Price Determination Phase | 09:45(+) | 14:15(+) |
| Continuous Auction Trading (CAT) and CAT with Market Maker | 09:50-12:30 | 14:20-17:30 |
| Single Price Auction* | 09:50-12:30 | 14:20-17:30 |
| Call Phase (Order Collection) | 09:50-12:25 | 14:20-17:25 |
| Price Determination Phase | 12:25 (+) | 17:25 (+) |
| Wholesale Market | 10:30-12:00 | |
| Primary Market Transactions | 10:30-12:00 | |
| Watchlist Companies Market | 14:00-17:30 | |
| Opening Session | 14:00-14:20 | |
| Single Price Session | 14:20-17:30 | |

(+): Points out that the time may change in accordance with the termination of the transactions.

(*): Shares traded via single price auction method are included in the opening sessions.

Trading on the right coupons, official auctions and new shares are realized within the related market segment and within the same trading hours of that market segment. The right coupons are not traded during the opening session.

EMERGING COMPANIES MARKET

Trading on the Emerging Companies Market are carried out during both sessions and hours with the Stock Market.

BONDS AND BILLS MARKET

| | Same Day Value Date Transactions | Other Value Date Transactions |
|--|--|---|
| Outright Purchases and Sales Market | 09:30 - 12:00 13:00 - 14:00 | 09:30 - 12:00 13:00 - 17:00 |
| | Same Day "Beginning Value Date" Transactions | Other "Beginning Value Date" Transactions |
| Repo-Reverse Repo Market | 09:30 - 12:00 13:00 - 14:00 | 09:30 - 12:00 13:00 - 17:00 |
| Repo Market for Specified Securities | 09:30 - 12:00 13:00 - 14:00 | 09:30 - 12:00 13:00 - 17:00 |
| Interbank Repo-Reverse Repo Market | 09:30 - 12:00 13:00 - 14:00 | 09:30 - 12:00 13:00 - 17:00 |
| Offering Market for Qualified Investors | Transactions | |
| | 09:30 - 12:00 13:00 - 14:00 | |

FOREIGN SECURITIES MARKET

| | 1 st Session | 2 nd Session |
|--|-------------------------|-------------------------|
| International Bonds Market and Eurobond Negotiated Deals Platform | 09:30-12:00 | 13:00-17:00 |

Note: Trading hours of the ISE's markets as of April, 2011.



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