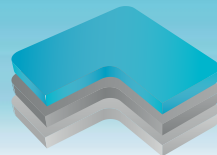




**BORSA
İSTANBUL**



Listingİstanbul





1 Why Borsa İstanbul?

Turkey's geopolitical advantage combined with growth opportunities facilitates its journey to become the largest financial center of the Eurasia region. Currently ranking the 17th largest economy of the world, Turkey aims to be included among the world's 10 largest economies by 2023, reaching a total GDP of USD 2 trillion, with an average per capita income of USD 25.000 and USD 500 billions in exports. Bridging East to West, Turkey is capable of combining Western and Islamic financial practices more than any other country.

Located at the crossroads of East and West, İstanbul, which is uniquely surrounded by thousands of years of business and cultural heritage, is now willing to become an international financial center. Borsa İstanbul will be a major contributor of the İstanbul International Financial Center (IFC-İstanbul) Project by offering a platform where all domestic and foreign securities are traded, and by establishing strategic partnerships with other exchanges on a global scale. Within this context, in 2013, Borsa İstanbul and NASDAQ OMX undersigned a strategic partnership agreement.

With this partnership, Borsa İstanbul will obtain a state-of-the-art trading platform and gain access to the most advanced technology infrastructure available in the global exchange industry, which will provide the capacity to process trades in different asset classes and currencies simultaneously, where the entire trading is fully integrated. Moreover, as part of the strategic partnership, NASDAQ OMX will retain 5% stake of Borsa İstanbul, which proves the relationship will be a long-term cooperation.

a) Booming Economy

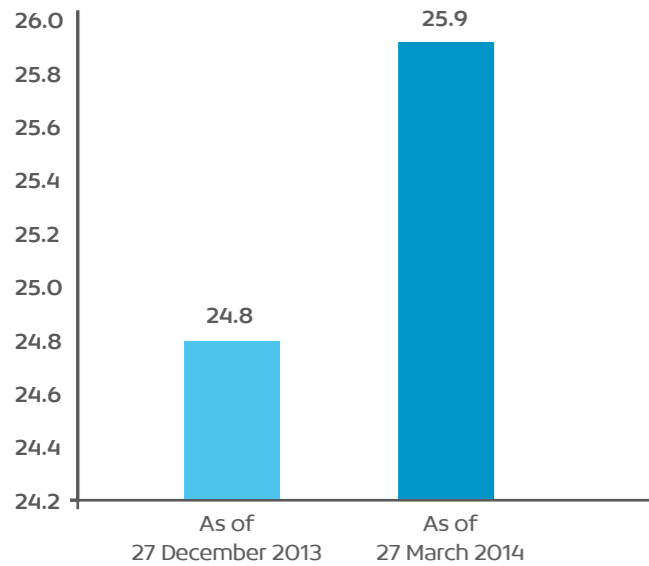
Turkey is the fastest growing economy in Europe and one of the fastest growing economies in the world with a real GDP average growth rate of 5.1% between 2002 and 2012. It has a population of 75.6 million, 50% of which is below 30 years of age. Turkey has access to 56 countries via a 4 hours flight.

b) Value Creation for Foreign Companies by Listing on Borsa İstanbul

Borsa İstanbul claims to be a versatile listing venue for various reasons:

Having listed on Borsa İstanbul, companies gain access to a diversified investor base deriving funds from both the local and international investors. Currently, an average of 65% of all equities in Borsa İstanbul is held by foreign investors with a total worth of USD 66 billion.

Following the government's decision to match 25% of individual contributions made, there has been a surge in the participation rates of private pension funds, which gave a boost to Borsa İstanbul's local investor base.



Source: Turkish Pension System Center



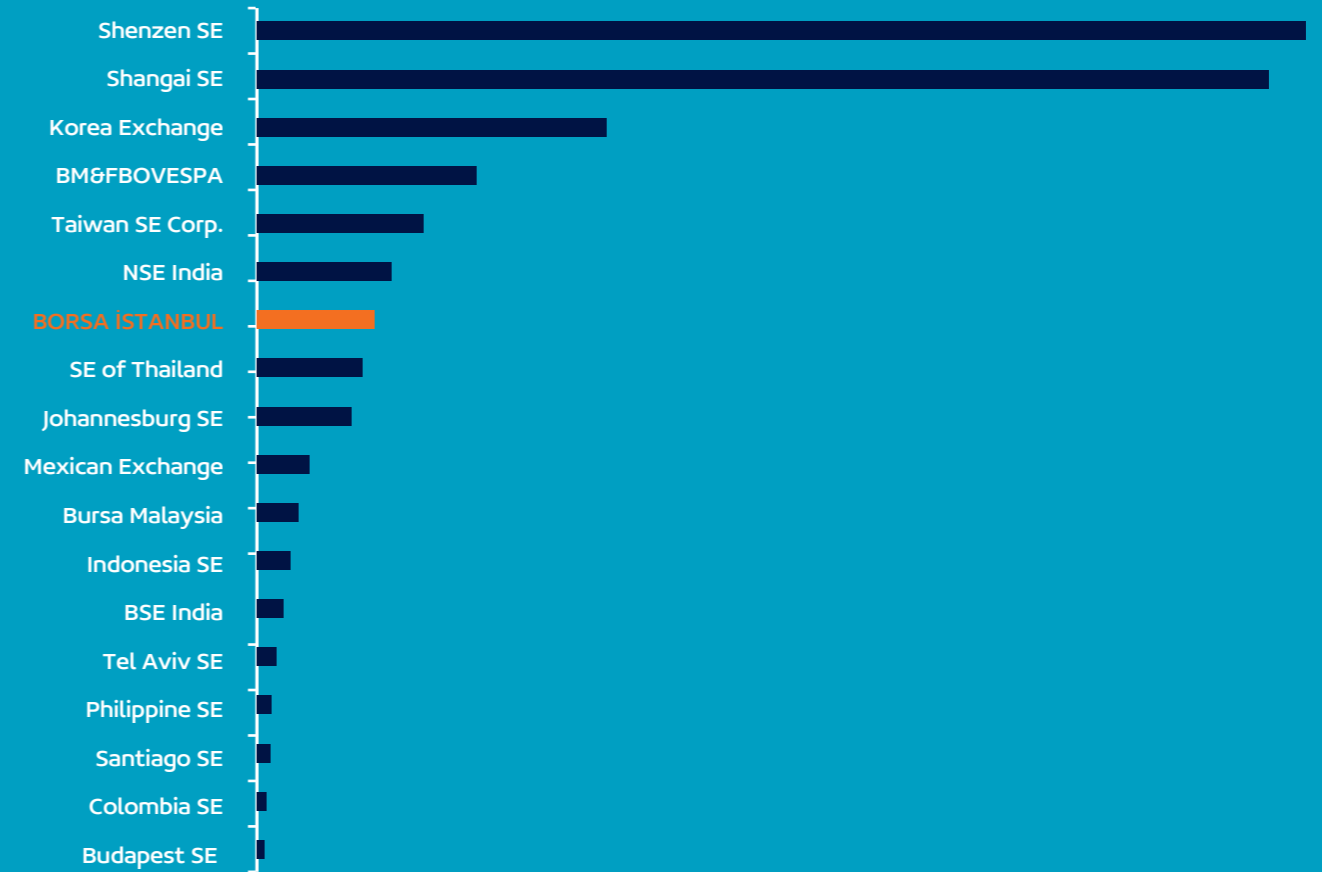
Source: Borsa İstanbul

c) Liquidity and Valuation Opportunities

A stock exchange with a better liquidity brings value on two areas: Investors prefer more liquid markets, because of the availability of supply and demand at all times. Second is, the more a company's shares are traded, the more realistic will be its valuation.

- Daily equities average trade volume reached USD 1.7 billion in 2013
- Share turnover velocity exceeded 200% in 2013

Equity Market Traded Value in Emerging Markets



Source: WFE, 2013 year-end

d) Funding Opportunities

Borsa İstanbul offers funding opportunities, which a foreign company may not find in their home country. There is strong demand of investors in Turkey, waiting for public offerings.

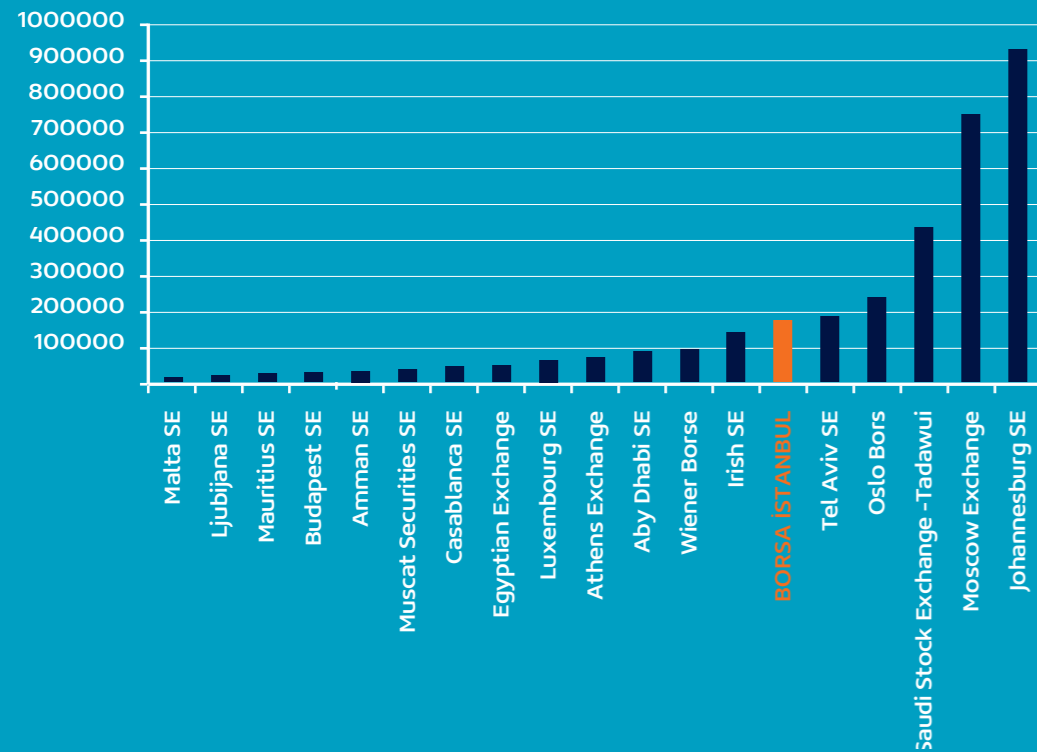
- In 2012, 26 IPOs and 1 SPO are realized raising a total of USD 2.85 billion
- In 2013, 18 IPOs and 1 SPO are realized raising a total of USD 2.26 billion

e) Business Expansion Opportunities

If a foreign company is doing or planning to do business in Turkey, listing on Borsa İstanbul helps by bringing additional publicity:

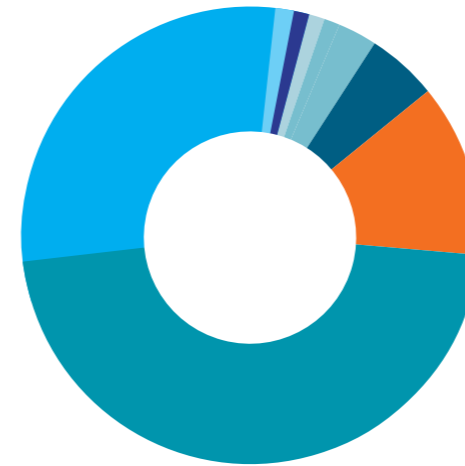
- Market data spread: Borsa İstanbul has 18 local and 15 foreign data vendors, 236 sub-vendors and 922,000 subscribers 2013 year-end figures.
- Greater analyst coverage: 100 local brokerage houses and international major investment banks employ analysts covering Borsa İstanbul listed stocks.
- A diversified financial media: TV, paper and internet based.

Domestic Market Capitalization (USD mn)



Source: WFE, 2013 year-end

Equity Market Capitalization by Sector (%)



- Financial Institutions 47%
- Manufacturing Industry 27%
- Transportation, Telecomm. & Storage 13%
- W/R, Trade, Hotels & Restaurants 5%
- Construction 5%
- Mining 1%
- Technology 1%
- Others 1%



2

How To Prepare For Listing

In order for a company's shares to be listed in Borsa İstanbul, the prospectus detailing the offering has to be approved by the Capital Markets Board (CMB) and subsequently its shares has to be listed/registered with the relevant Borsa İstanbul market.

Listing/registration with the Exchange denotes that the company shares are accepted for trading in the relevant market on a condition that they comply with all the requirements of that market, as well as Borsa İstanbul.

There are several preliminary preparation steps to consider prior to the application of companies to Borsa İstanbul and the CMB. These steps are outlined in the following:

Constitution of an Internal IPO Task Force

Selection of the Intermediary Institution

Preparation of Financial Statements and the Selection of an Independent Auditor

Ordinance of the General Assembly and the Amendment of the Articles of Association

IPO Price Determination

Preparation of Documents Required in the Application



Constitution of an Internal IPO Task Force

Since a company's shares to be publicly offered and subsequently traded in the Exchange depend on various procedures, which need to be completed internally or through external professional assistance, it is crucial to constitute a task force within the company to handle the public offering application. Ideally, such a task force should be comprised from finance and public relations experts, as well as, mid-level management from relevant departments of the company. In order to ensure a smooth application process, this task force has to itemize each and every procedure, prior to officially applying before the CMB and Borsa İstanbul.

Selection of the Intermediary Institution

In order for a company's shares to be offered publicly, the applicant company has to enter into an agreement with a brokerage/investment house. However, the brokerage/investment house selected by the applicant company is required to be recognized by the CMB. The list of approved brokerage/investment houses could be found at <http://www.borsaistanbul.com/en/members/members-list>. A company may either choose to sign an agreement with only one brokerage/investment house or –largely depending on the size of the IPO- opt for a consortium to take advantage of the syndicated efforts of several brokerage houses. In a consortium, at least one of the brokerage houses has to be identified as the “leader” of the consortium. The agreement between a company and brokerage/investment house(s) typically includes the rights and responsibilities of parties, whether or not there will be an undertaking option and how it will be carried out, as well as, the IPO method and other relevant fundamentals. In conjunction with the related CMB regulations, if the applicant company is of foreign origin, the brokerage house

be recognized by the CMB with an “extensive authority” which points out to an intermediary institution capable of mediating the widest array of capital market instrument issuances. Currently, any capable of undertaking an IPO application is authorized under the CMB guidelines. However, for the most updated intermediary institution list please refer to the CMB website (www.cmb.gov.tr).

In an IPO, brokerage/investment houses employ either of the following methods:

- Best Effort
- Broker Undertaking

- Undertaking of the remaining balance
- Undertaking of the entire balance
- Partially undertaking of the remaining balance
- Partially undertaking of the entire balance

In addition, to be in compliance with the CMB regulations, a brokerage/investment house has to assure that it will undertake:

- The entire unsold amount, if the market value of the shares offered is below TRL 20,000,000;
- The entire unsold amount up to TRL 20,000,000, and half of the remaining unsold amount, if the market value of the shares offered is between TRL 20,000,000 and TRL 40,000,000

assessed using the initial public offer price.



Preparation of Financial Statements and the Selection of an Independent Auditor

All companies applying for an IPO are required to prepare their financial statements in accordance with the capital markets regulations and have these statements audited by an independent audit firm. Therefore, an applicant company is required to select an independent audit firm and sign an audit contract.

Ordinance of the General Assembly and the Amendment of the Articles of Association

Upon deciding on an IPO, a company should make amendments to its Articles of Association document in order to comply with the capital markets regulations, and submit these proforma amendments to the CMB. If there are any clauses in the Articles of Association that limit the circulation and transfer of the shares to be traded in the Exchange, and/or prevent shareholders from exercising their rights, they should be removed. The company has to ensure that each clause in the Articles of Association document is in compliance with the capital markets regulations. In the case that an IPO will be commenced via a capital increase, the General Assembly of the company has to ratify a decision stating the company will increase its capital and limit the pre-emptive purchase rights of its existing shareholders via an ordinance in order to comply with the Turkish Commercial Code.

IPO Price Determination

Price-setting process is considered to be a crucial stage in an IPO application. The IPO price is not only dependent with the internal dynamics of the company, but it is also affected by external conditions, often uncontrolled by the company. Establishing a realistic offer price highly correlates

with the success of the IPO, as well as the post-IPO stock performance. The offer price is determined by the brokerage/ investment houses and therefore neither Borsa İstanbul nor the CMB intervene in this process.

In the case the offer price established is higher than either of the estimated price of Borsa İstanbul and the nominal value of the shares, a “price evaluation report” prepared by the active brokerage/investment house, which includes the price and the calculation methodologies allocated in determining it has to be published in the Public disclosure Platform (PDP - www.kap.gov.tr) at least three days before the inception of the public offering. This report could be examined by other brokerage/investment houses and their findings/analyses could also be published at the PDP website.

Preparation of Documents Required in the Application

The applicant company and/or the brokerage/investment house commissioned by the company are expected to begin deliberating with the relevant authorities of Borsa İstanbul and the CMB in the preliminary phases of the IPO process. All the documents required by the Exchange are itemized in the relevant clause of Borsa İstanbul Listing Regulations, which could be viewed at <http://www.borsaistanbul.com/en/products-and-markets/regulations/by-laws>. Although the documents requested are asked, and therefore submitted, within a general framework, supplementary documentation could be requested from the applicant company, depending on its business activities and industry. All pertinent documents submitted have to be furnished with the official stamp/seal of the issuing entity.



a. IPO

Following the preliminary preparations described earlier, below steps outline the public offering procedures for companies that have not been listed/publicly offered in other exchanges. They also apply for non-public foreign companies.

1. Applications to Borsa İstanbul and the CMB

An IPO candidate company should apply to the CMB in order to receive approval for its prospectus, and at the same time, it should apply to Borsa İstanbul to be listed in the relevant market of the Exchange. A simultaneous filing to the CMB and Borsa İstanbul is preferred, since it will significantly reduce processing times. The application could be filed by the company or on its behalf by the authorized brokerage/investment house.

Furthermore, the scope of the PR efforts of the IPO campaign is expected to be defined at this step. Since PR efforts are crucial in order to attract as much investor as possible, utmost care has to be administered at this stage. These efforts include executive statements dwelling upon the company's intention to proceed with an IPO, and often press publishing or other visual communication methods that touch on the company's core business activities. Moreover, depending on the target investor base and the magnitude of the IPO, an international PR campaign could be launched.

2. Investigation of the Company by the CMB and Borsa İstanbul Experts

Following the successfully filing of all required documentations, experts from both the CMB and Borsa İstanbul perform an on-site investigation at the company's headquarters and production facilities. During these on-site investigations, both the quantitative and qualitative examinations are carried out. The company's business operations, manufacturing process, ongoing or planned investment projects, quality of its human resources, relations with its subsidiaries/partnerships, legal matters, licenses and the most recent and previous financial statements and their footnotes audited by the independent auditors are examined during these investigations. Furthermore, the trial balance sheet of the company, as well as its secondary books are examined, static and dynamic fiscal analyses and the analysis of the key financial ratios are performed in order to evaluate the financial well-being of the company.



3. Applications to Takasbank and the Central Registry Agency

The assignment of the ISIN code (International Securities Identification Number) defined by the International Organization for Standardization (Standard no: 6166) in order to create a uniform exchange and custody process to ensure smoother transactions, is obligatory during the IPO process. Recognized by the CMB, Takasbank, the national numeration entity is the official undertaker of the ISIN assignment procedure. All the ISIN numbers are assigned by Takasbank and distributed/declared worldwide. The Articles of Association, securities and issuer information forms are to be submitted by the issuer company. In order to retrieve these forms, the issuer company has to send an email correspondence to Takasbank (international@takasbank.com.tr) stating “they request the forms required to be granted the ISIN code(s) for it securities. Once completed properly, these forms and the aforementioned documents have to be submitted to Takasbank following the registration with the CMB. This fee is calculated as USD 200 for each ISIN code assigned per one security to be deposited. Pursuant to the CMB legislation, all issuers with registered securities are required to be the member of Central Registry Agency (CRA). Hence, all issuers, whose shares are expected to be traded in Borsa İstanbul markets, should apply to CRA for membership prior to the trading date in order to satisfy the terms of the relevant legislation. A membership is granted in subsequence with the issuer’s submission of the online membership application form, which is accessed via the CRA website (www.mkk.com.tr).

4. Designation of the Trading Market

The market in which the issuer’s shares will be traded are determined by the decision of the Borsa İstanbul Board after the Exchange experts complete their investigation. Information pertaining to the market of trading should be included in the IPO prospectus.

5. Approval of the Prospectus

The CMB examines the IPO prospectus from a public disclosure standpoint and once the prospectus is seen fit for its purpose, it is approved to grant permission to the public offering. In the case the applicant company is of foreign origin, the prospectus has to be in Turkish language. The intermediary institution assigned to undertake the IPO application will most likely assist the applicant company in the translations, if the original language of the prospectus is other than Turkish.

6. Public Offering and Reporting the Sales Results

The shares are offered to the public via an investment/ brokerage house – sometimes via a consortium of investment/brokerage houses- between the dates designated at the prospectus and/or the sales announcement in the case that the IPO application satisfies the requirements of the CMB regulations. Once the sales results are finalized, the investment/ brokerage house published the figures at the Public Disclosure Platform (www.kap.gov.tr) and also sends the results to the CMB and Borsa İstanbul.



7. Listing and the Inception of Trading in the Exchange

A final evaluation regarding whether the sales results satisfy the terms of the Borsa İstanbul IPO approval decision, which was rendered during the fourth IPO step and therefore disclosed in the prospectus is carried out by the Board of Borsa İstanbul. Subsequently, shares begin trading in the related market pending the Public Disclosure Platform announcement by Borsa İstanbul. An opening bell ceremony is held at the inception of the first trading day, should the issuer company request one.

Sample IPO Application Timeframe

	Week 1					Week 2					Week 3					Week 4					Week 5					Week 6									
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Application to Borsa İstanbul and the CMB	█																																		
CMB and Borsa İstanbul audits		█	█	█	█	█	█	█	█	█	█	█	█	█	█																				
Borsa İstanbul Board decision (regarding market determination)														█																					
CMB prospectus approval																			█																
Declaration of the prospectus and circulars																				█															
Completion of the public offering process																								█	█										
Reporting of sales results to the Exchange																									█										
Beginning of trade for shares offered																																			█

b. Dual Listing

Foreign companies listed in their domestic markets and/or in other countries could be traded in Borsa İstanbul markets without and IPO via a dual listing. With its high trading volume and liquidity ratio, Borsa İstanbul may offer better valuations for foreign companies looking to raise additional capital.

In order to realize a dual listing in Borsa İstanbul, foreign companies should appoint a local intermediary institution, which will file the respective applications to Borsa İstanbul, the CMB and the CRA on behalf of the company, as well as fulfill the requirements outlined at the **“Additional Considerations for Foreign Companies Section”**.



4 Contacts

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Website	www.Listingistanbul.com

5 Partners

We currently have 17 Listingistanbul program partners covering 46 countries in six regions (West/Central Europe, Eastern Europe, Balkans, Central Asia, MENA, Sub-Saharan). Program partners are required to perform marketing activities in the countries they cover. These activities may be carried out directly by the partner, or jointly with Borsa İstanbul. Program partners will guide foreign companies in every aspect of listing in Borsa İstanbul.

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