

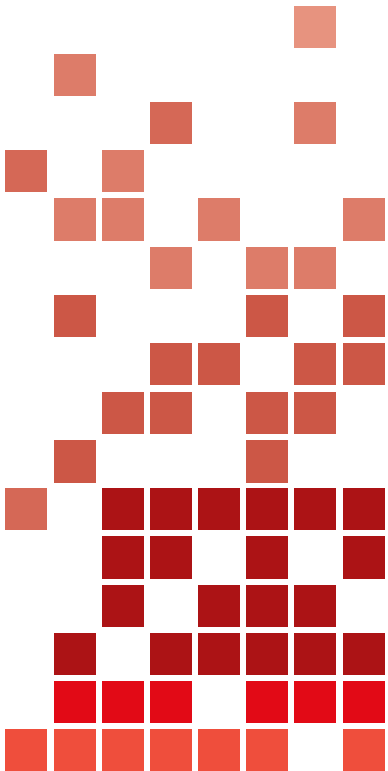


■ About TUBISAD

■ Turkish ICT Market

■ Turkey at a Glance

■ Why to invest in Turkey





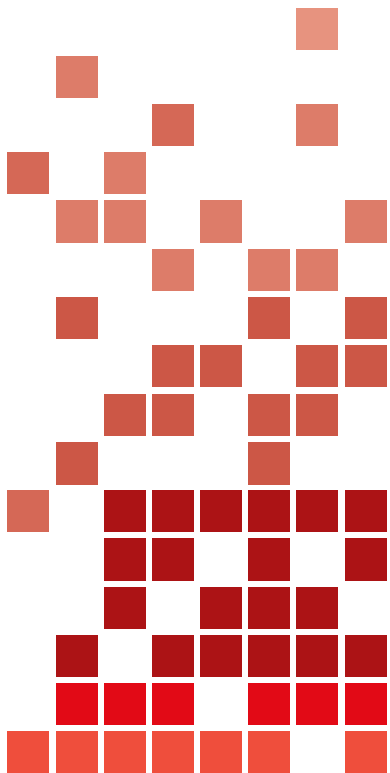
About TUBISAD

**Turkish Informatics Industry Association (TUBISAD)
established in 1979**

■ is the largest non governmental organization of Turkish private ICT Sector

■ has a group of members comprising of nearly 180 prestigious ICT Companies

■ Member companies hold more than 95% of the country's turnover in the Information Technology and Telecommunication Industry



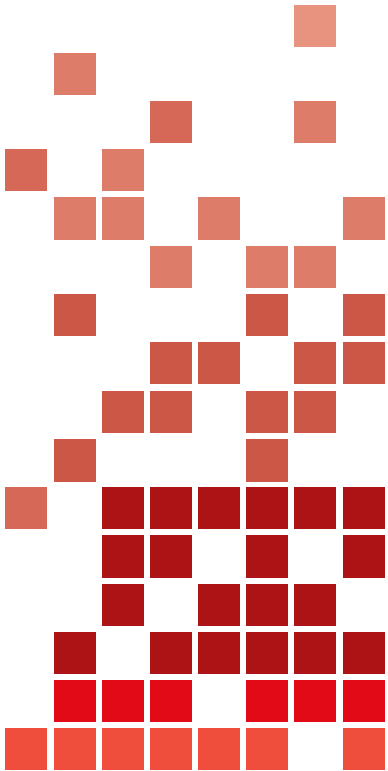


Objectives

to promote the development of ICT industry in Turkey

to be the voice of ICT industry in Turkey

to develop and foster relations with counter parties globally





TUBISAD

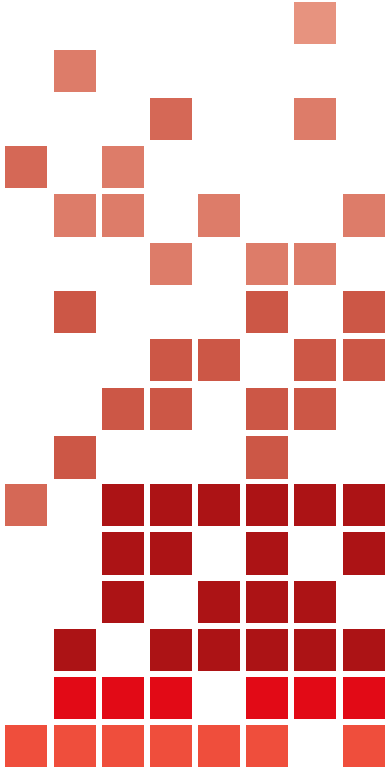
Member of

■ eTransformation Turkey Executive Committee

■ European Information & Communications Technology Industry Association – EICTA

■ World Information Technology Industry Association – WITSA

■ OFFICIAL Partner of EITO (European Information Technology Observatory)



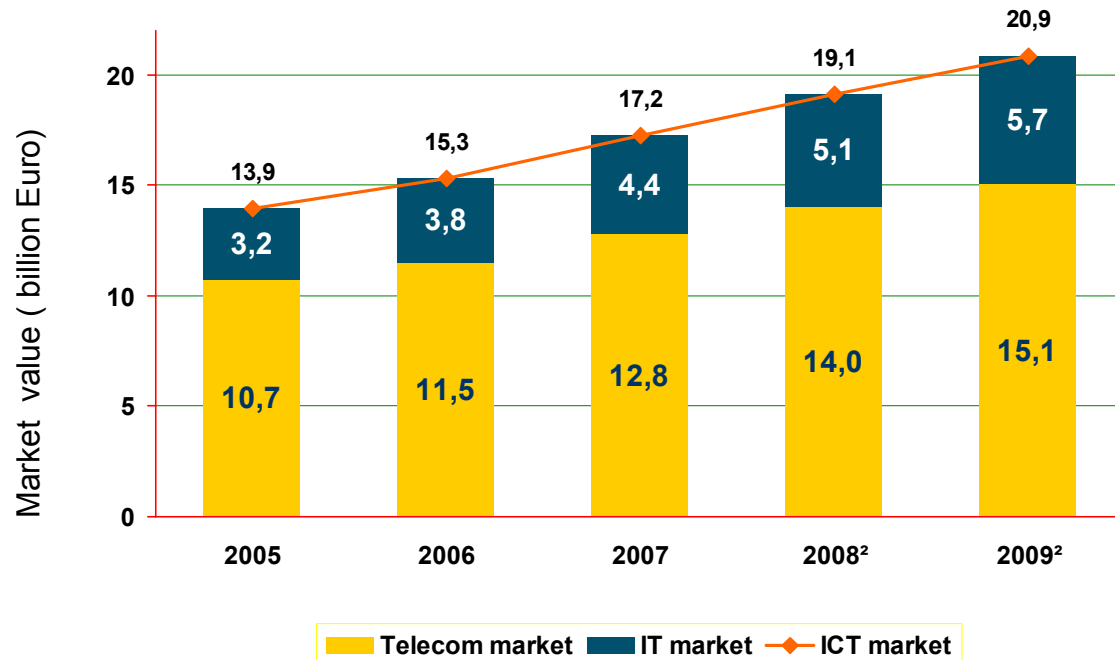
ICT Market in Turkey (2008)

ICT Market : 19.1 (billion Euro)

IT Market : 5,1 (Billion Euro)

Total Telecom : 14,0 (billion Euro)

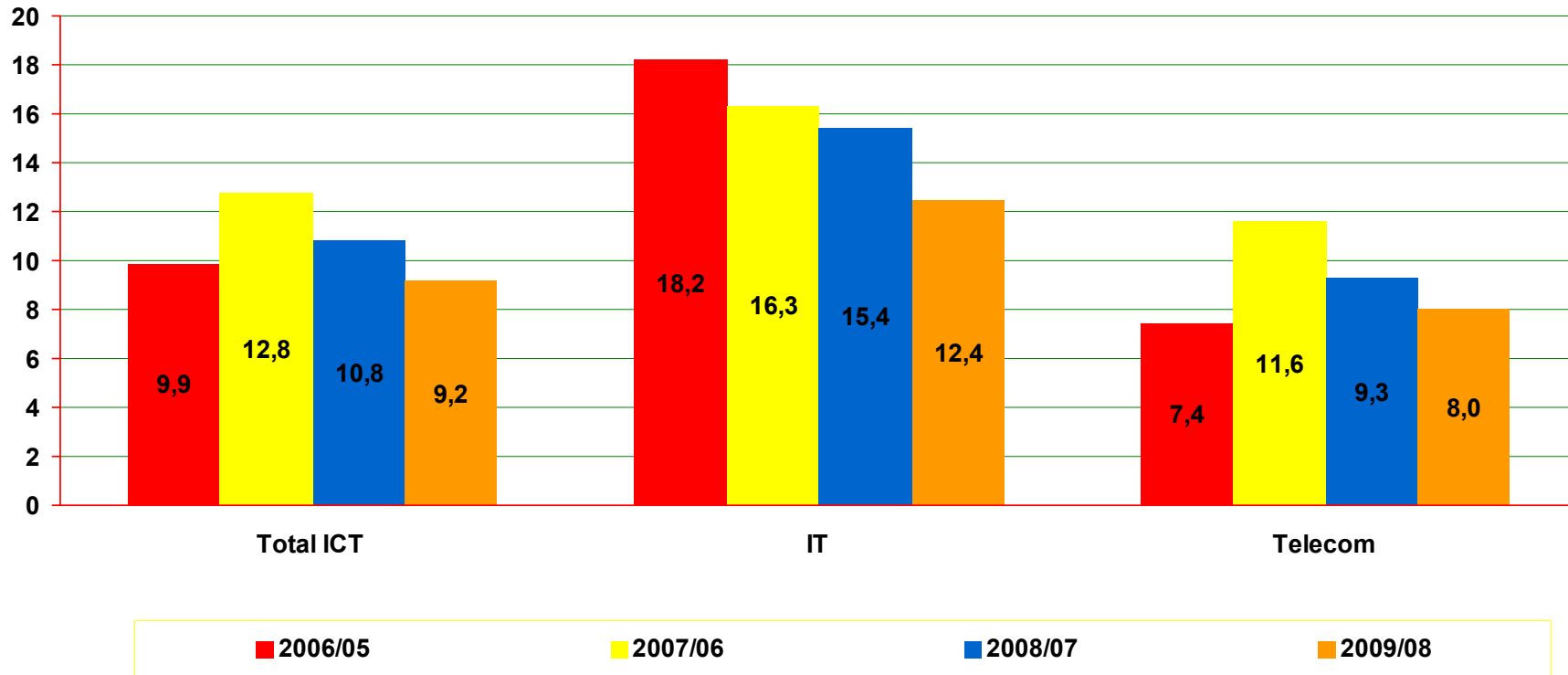
Turkish ICT Market is growing by more than %10 (CAGR)



Source : EITO, October 2008

Growth Rates in Turkey

Growth %



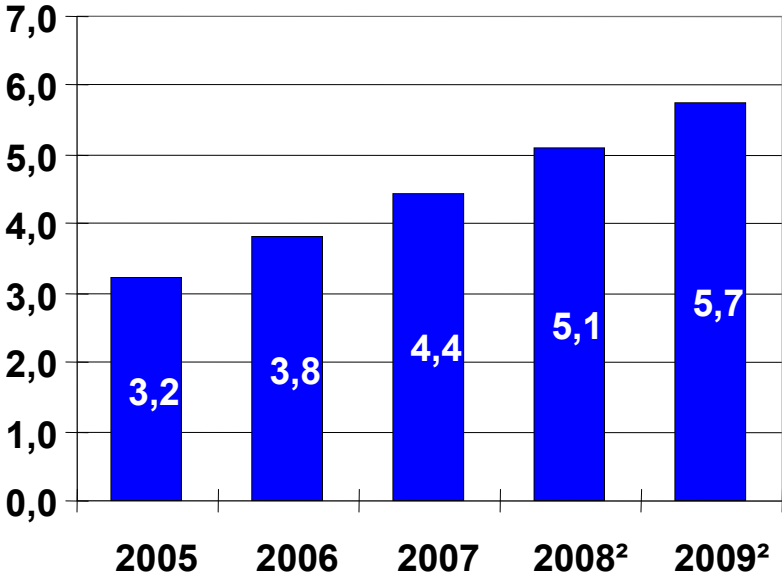
Source : EITO, October 2008

ICT

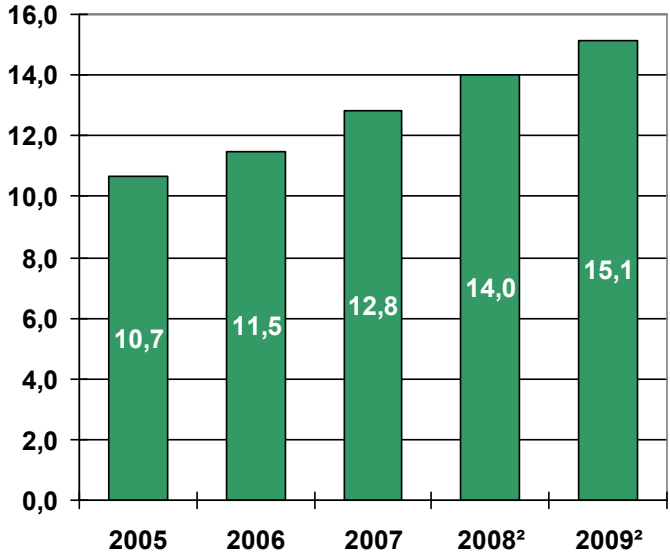
Turkish ICT Market 2005-2009

Turkish market has a great potential in Telecommunications area
 Some mature markets (e.g. Germany) shows decrease in telecom related income
 Turkish Telecom market reached 14 billion euro in 2008, with a growth rate of %9

IT Market



Telecom Market



IT Growth rates:	18.2%	16.3%	15.4%	12.4%
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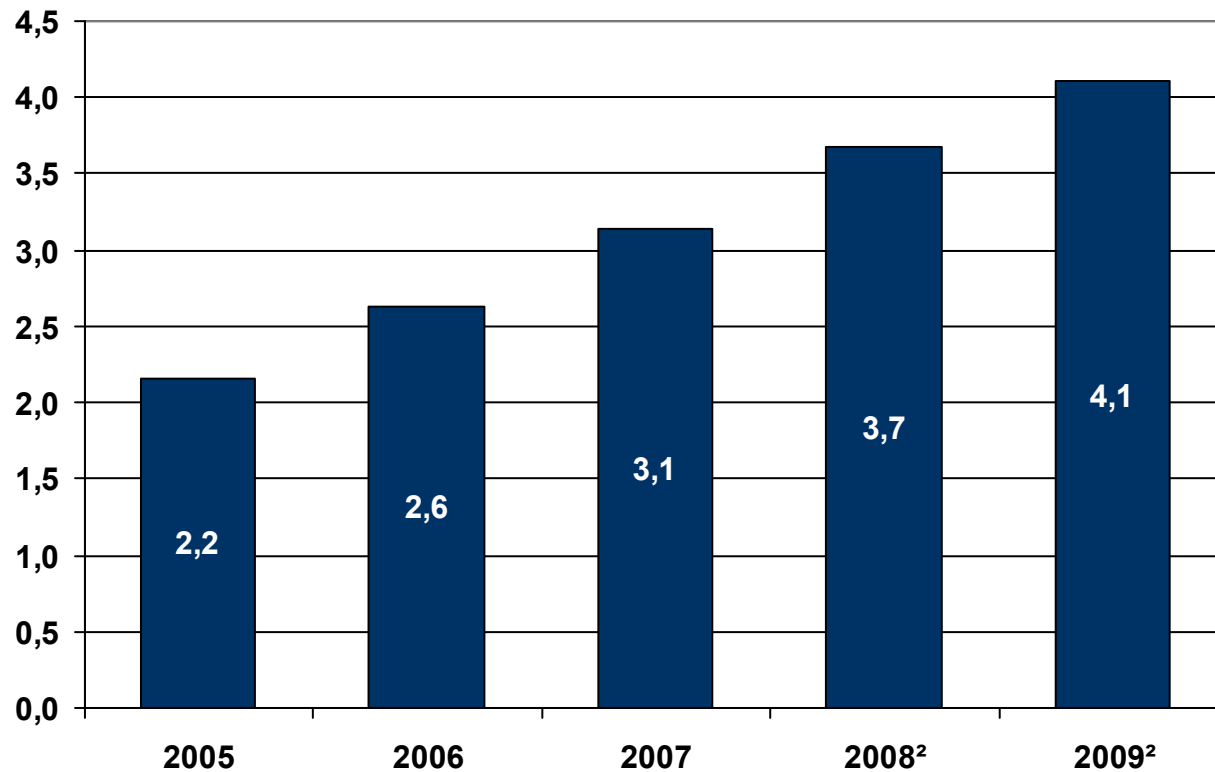
Telecom Growth rates	7.4%	11.6%	9.3%	8%
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Source : EITO, October 2008

Turkish Hardware Market 2005-2009

Hardware segment has significant growth opportunities
In year 2008 this segment reached to 3,7 billion Euro revenues with a growth rate of %17

Hardware Market (Billion Euro)



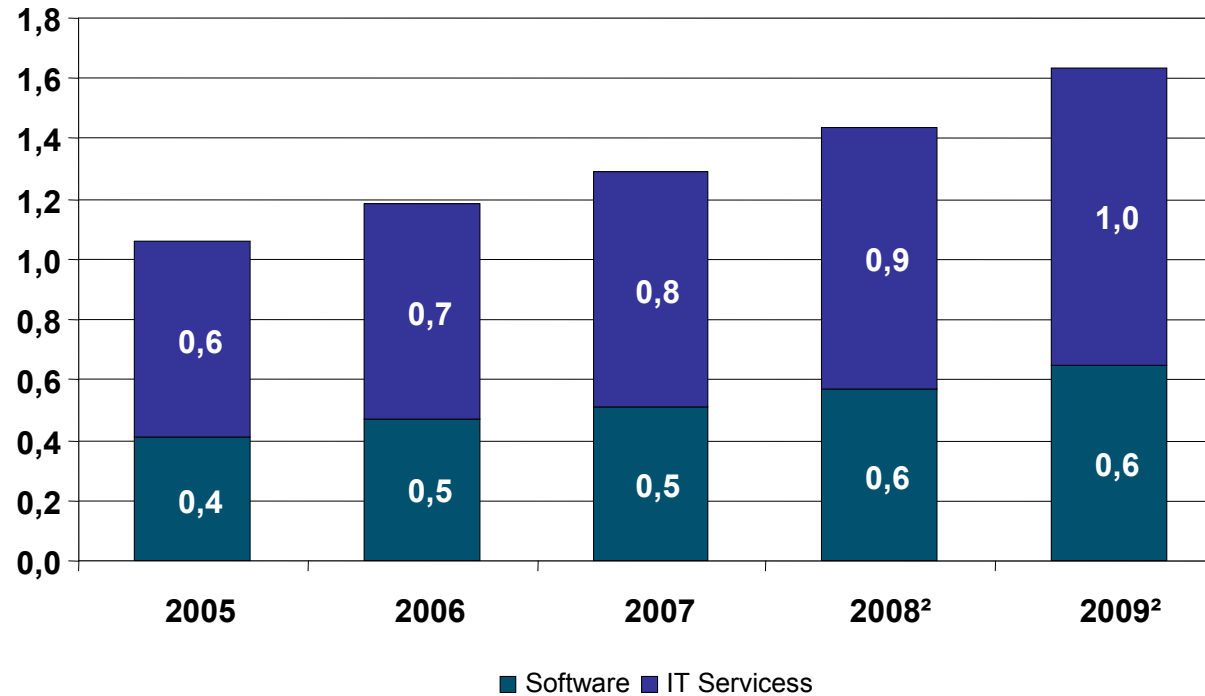
Hardware Growth Rates:	21%	19,5 %	17 %	12%
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Source : EITO, October 2008

Turkish Software and IT Services Market 2005- 2009

Software and IT services are growing at a rate of %11

Software and IT Services Market

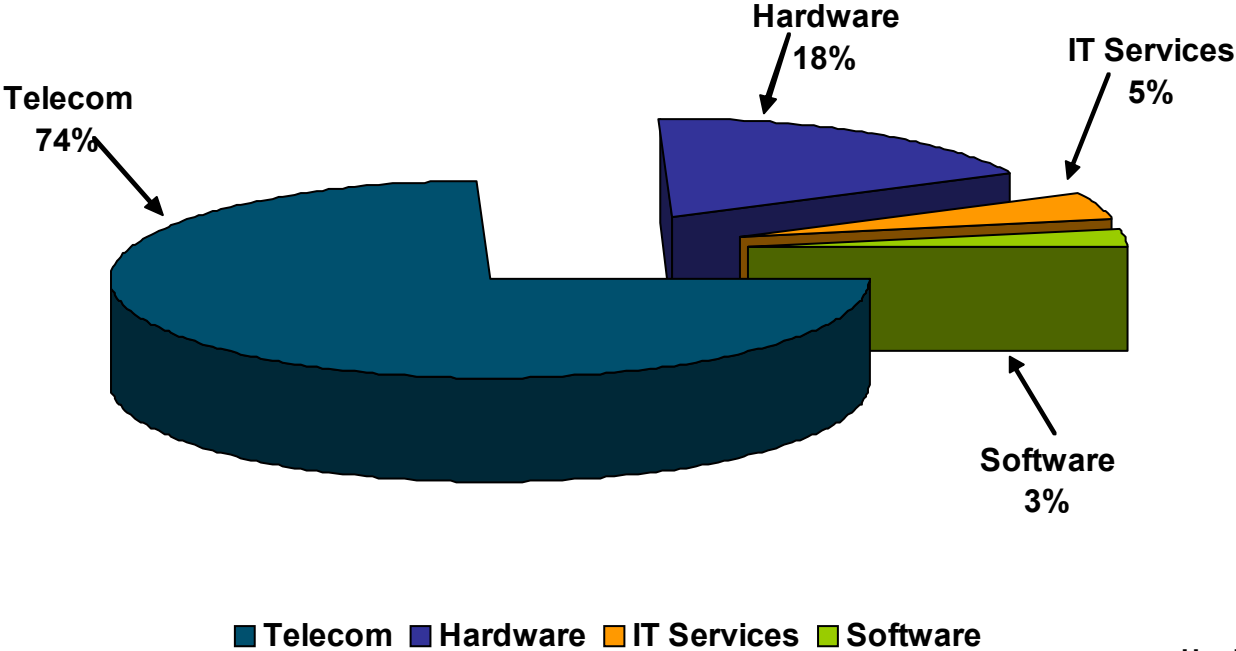


Software Growth Rates	:	13,5%	9%	12%	13%
IT Services Growth Rates	:	10%	10%	11%	13%

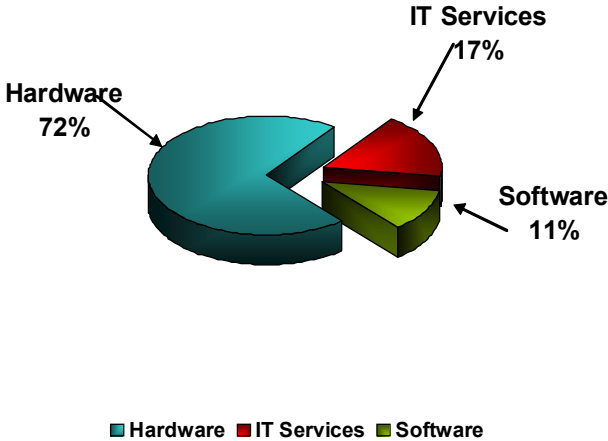
Source : EITO, October 2008

Turkish ICT Market Segments

Turkish ICT Market by Segments

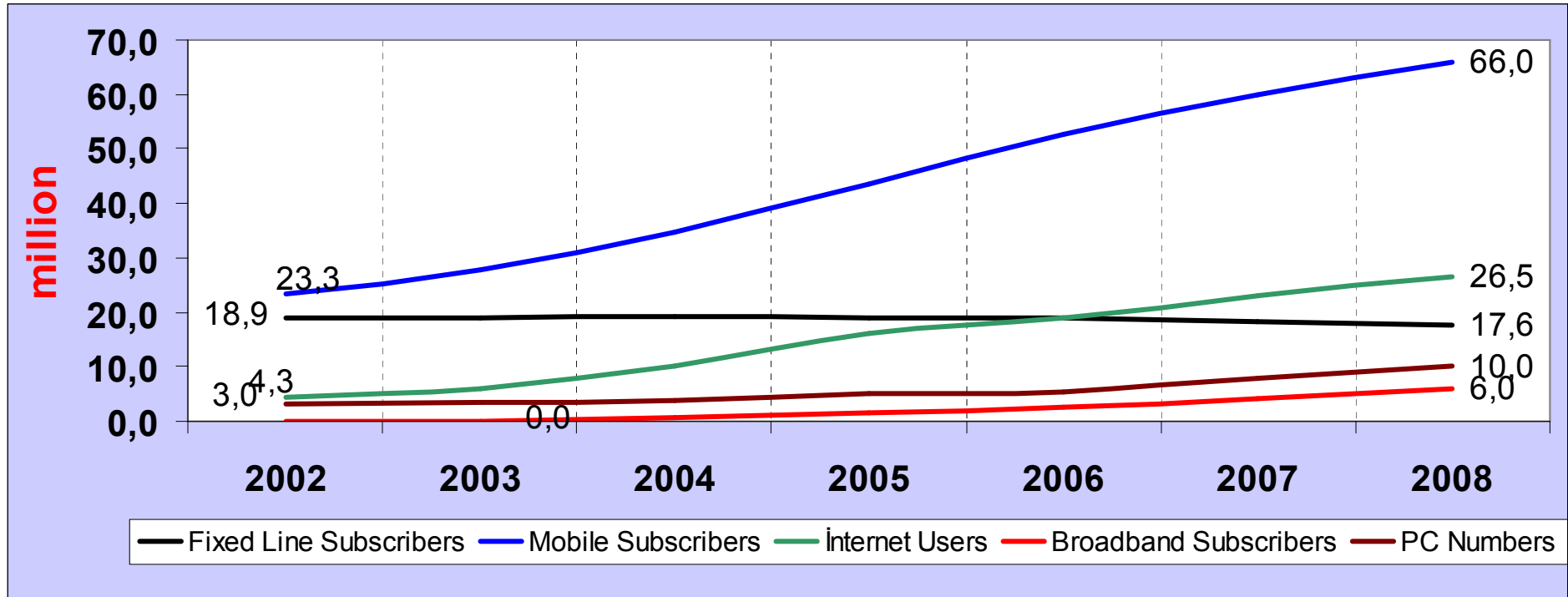


Turkis IT Market



Source : EITO, October 2008

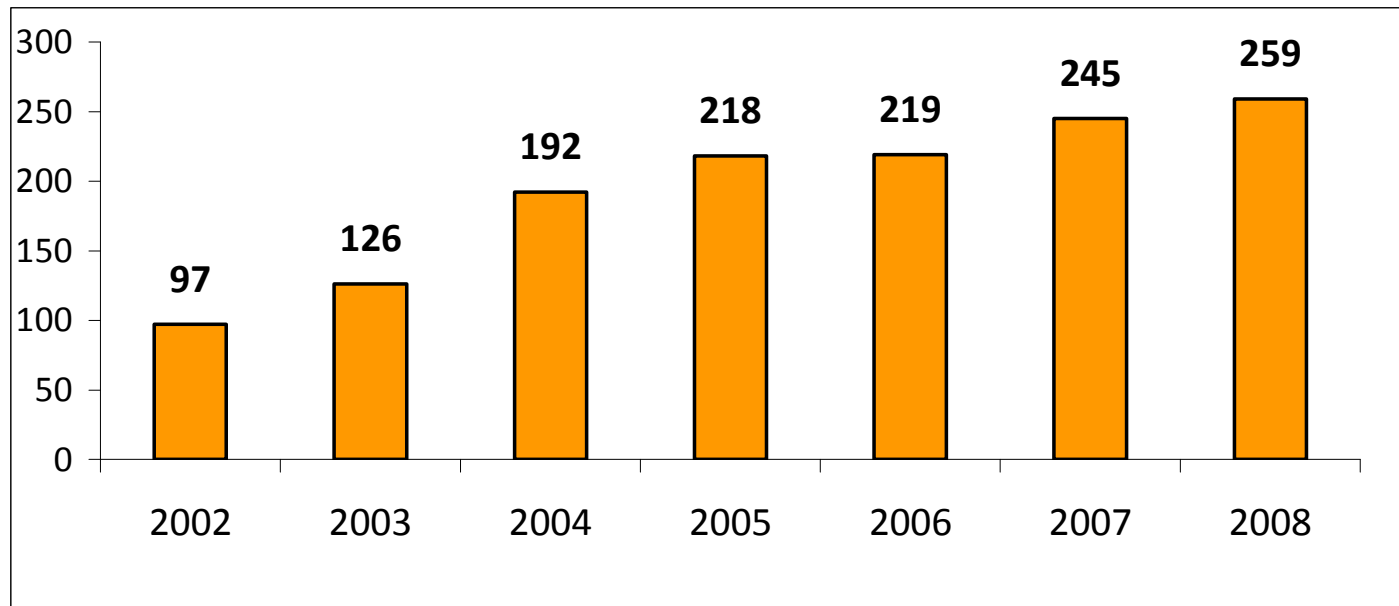
Internet, Mobile, Broadband, Market Growth



Million	2002	2008	Penetration 2008 (Subscribers) (%)	Penetration 2008 (Households) 2008 (%)	Growth Rate (%)
Fixed Subscribers	18,9	17,6	25	98	-
Mobile Subscribers	23,3	66	92,3	-	186
Internet Users	4,3	30	37	-	598
Broadband Subscribers	0,003	6	8,4	37,3	1965

Source : BTK, 2009

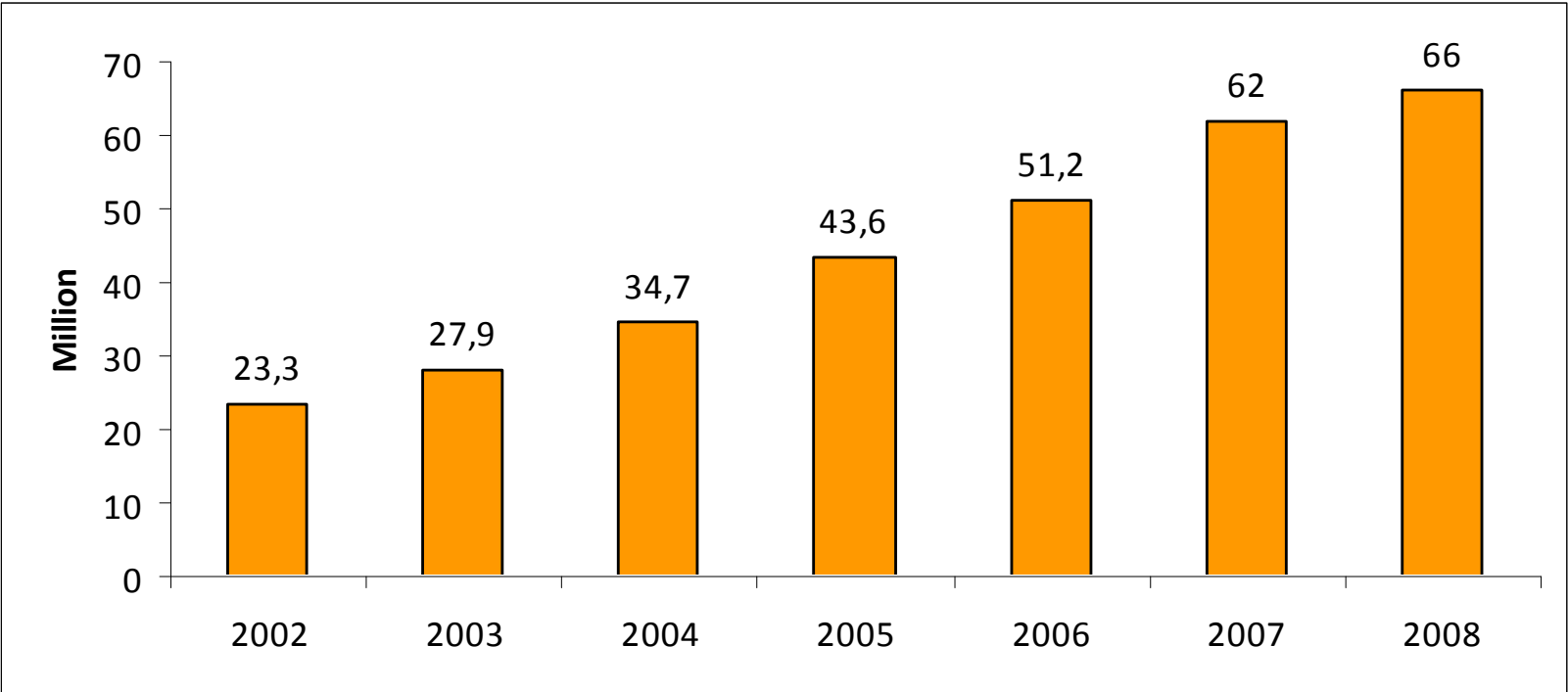
Telecom Operators



Source : BTK, 2009

Mobile Subscribers

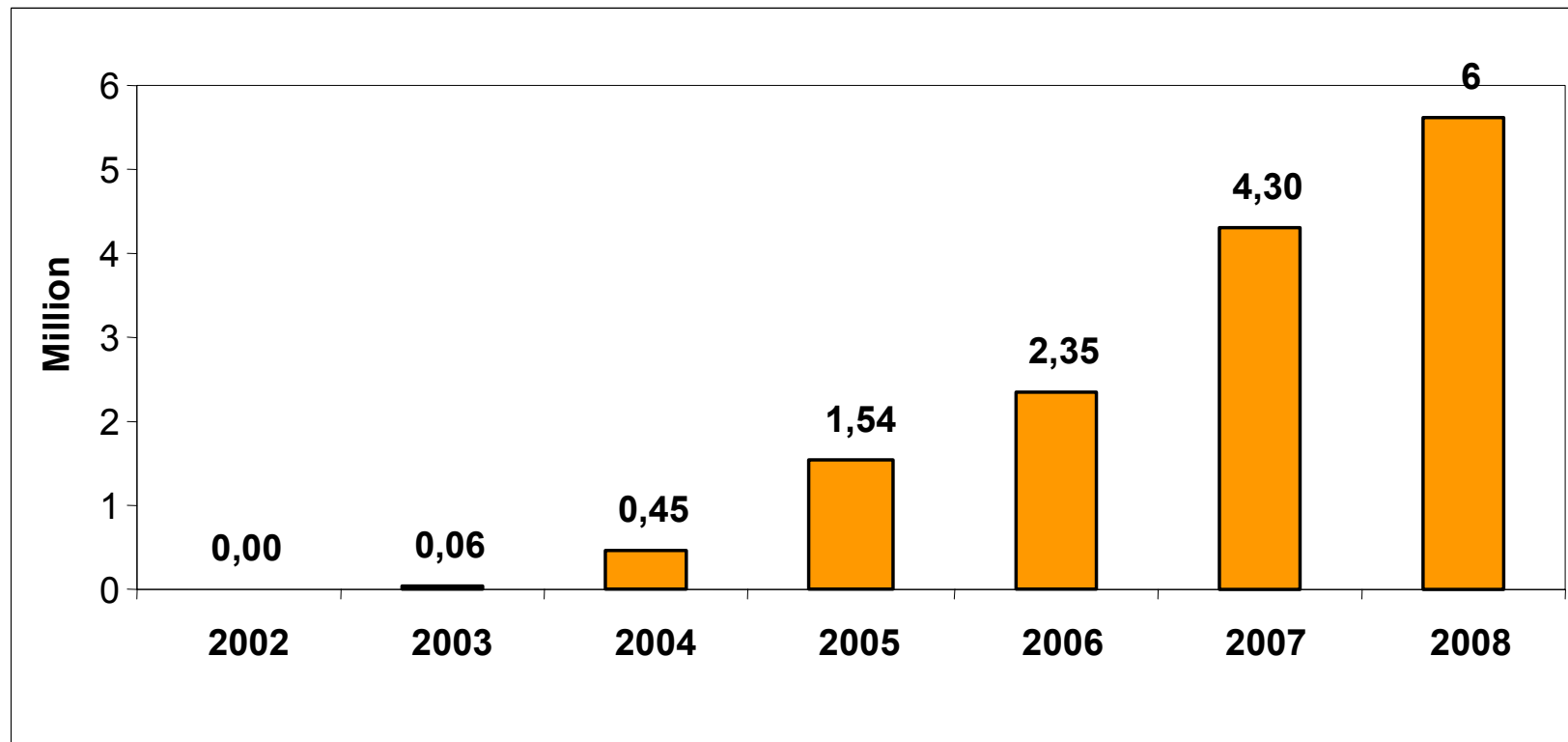
Penetration rate %98



Source : BTK, 2009

ADSL Subscribers

Household Penetration rate %37,3
Penetration per capita %8,4



Source : BTK, 2009

Agressive Growth

- According to EITO's data, Turkish IT Market's value was 3 billion Euro in 2005, and expected to reach nearly 6 billion Euro in 2009, with a 15% yearly growth rate.

Successful Software Applications

- The Turkish software sector is competitive on a global scale with successful applications in government, health, education, defence, commerce, telecommunications, human resources, technical infrastructure, information security etc...
- Turkish Software Companies exporting to almost more than 80 countries

Large and Lucrative Telecom Market

- Turkey in Telecoms market is the 4'th largest in Europe and 12'th largest in the world
- Carrier services market in Turkey has been lucrative for all service providers as well as for the infrastructure solution providers in the last 10 years


Telecommunication Infrastructure in Turkey

- **THERE ARE 54 MILLION GSM USERS AND 3 GSM OPERATORS IN TURKEY, one GSM 1800 and two GSM 900.**

TELECOMMUNICATION CAPACITY		2006
NUMBER OF MOBILE TELEPHONE SUBSCRIBERS		54 MILLION
PSTN ¹ CAPACITY		21.1 MILLION
NUMBER OF INTERNET USERS		18 MILLION
NUMBER OF BROADBAND SUBSCRIBERS		3,5 MILLION

Source: Telecommunications Authority, Turk Telekom A.Ş.

¹ PSTN: PUBLIC SWITCHED TELEPHONE NETWORK

	RANKING (1-9)
 TURKEY	7.61
LUXEMBOURG	7.44
ROMANIA	6.73
GREECE	6.41
IRELAND	6.06
RUSSIA	5.96
POLAND	4.31

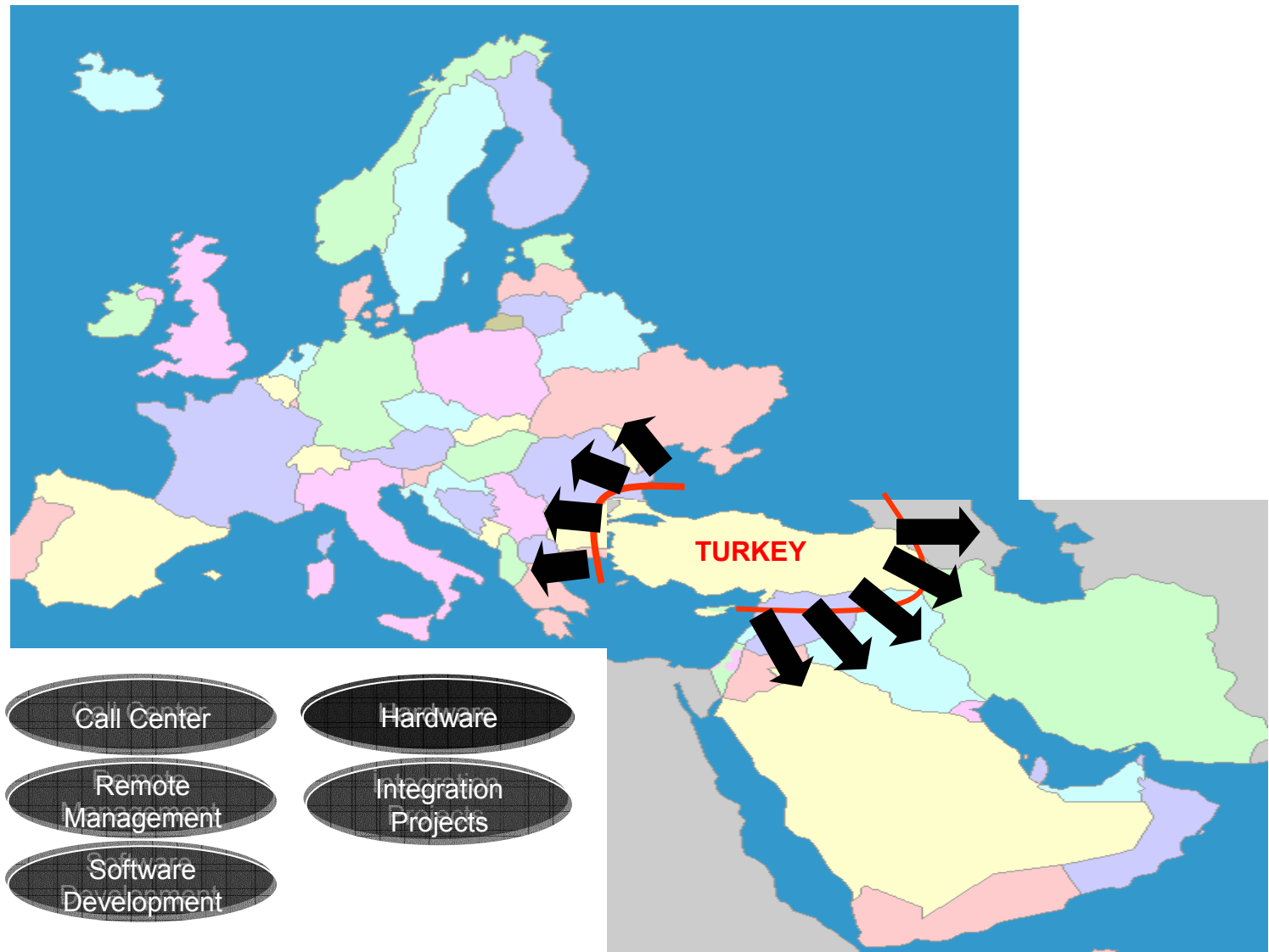
Source: IMD World Competitiveness Yearbook 2005

COMMUNICATIONS TECHNOLOGY (VOICE AND DATA) MEETS BUSINESS REQUIREMENTS.

Region's strategic decision center

- Within the last 5 years international vendors like Microsoft, Intel, Cisco, IBM, HP, Sun Microsystems has recruited their regional managers from Turkey
- Istanbul is expected to be the Region's strategic decision center

Turkey's ICT Export Potential



* Tahmini

Turkey Fastest growing ICT Market in the region



TURKEY AT A GLANCE

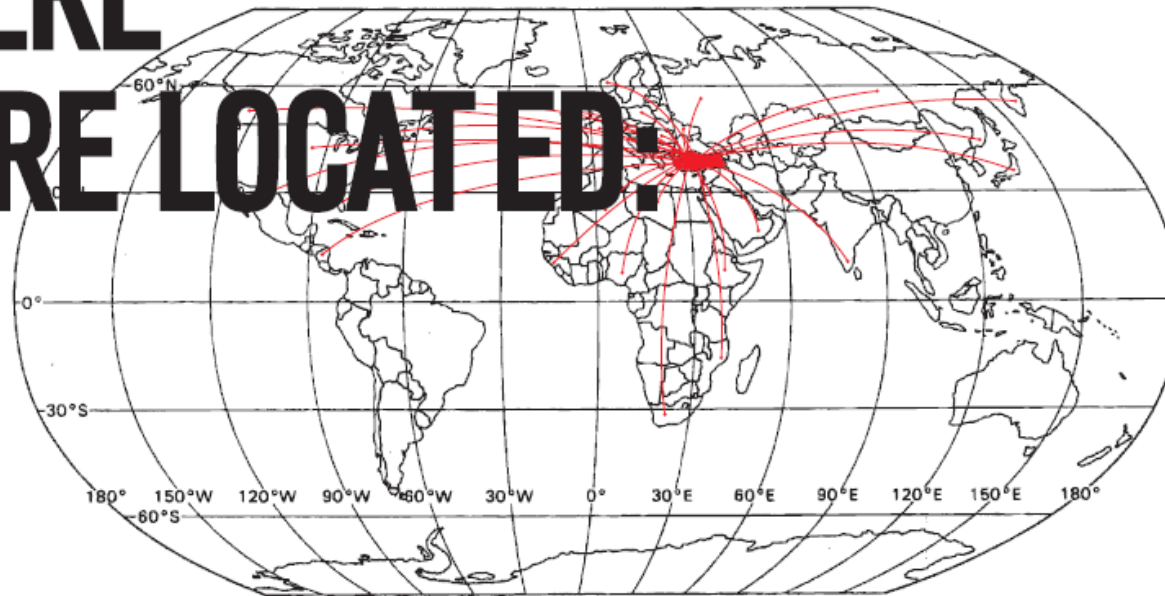
Turkey is a young, dynamic, well educated and multicultural country

65% of its population is below 35 years old; the average age is 28.



Turkey is a gateway

**WHERE
WE'RE LOCATED!**



Providing an easy access to 1.2 billion consumers in Europe, CIS, the Middle East and North Africa, Turkey is a gateway to Europe, Central Asia, the Middle East and the Pan Euro-Mediterranean Region.

Young, talented, motivated and skilled workforce



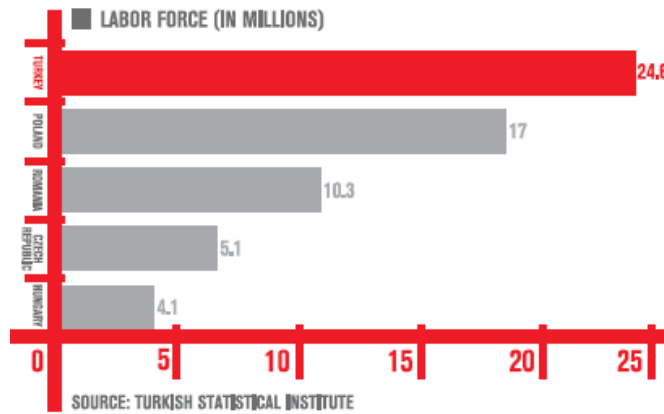
**TURKEY OFFERS INVESTORS A YOUNG,
TALENTED, MOTIVATED AND SKILLED WORKFORCE
OF OVER 24.6 MILLION PEOPLE.**



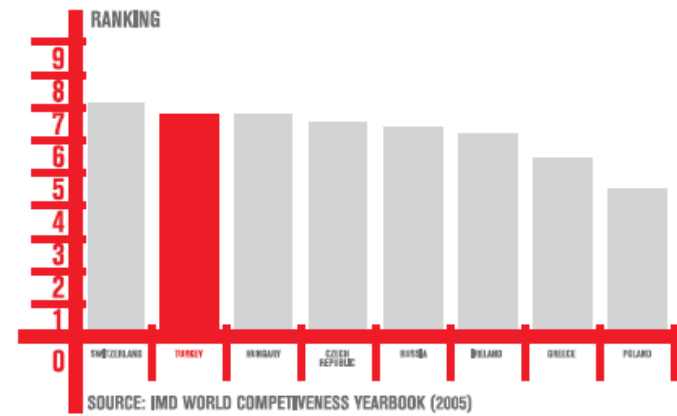
Turkey has one the lowest rates of absenteeism in the world. A strong work ethic is an important component of Turkish culture.

Labor Force in Turkey

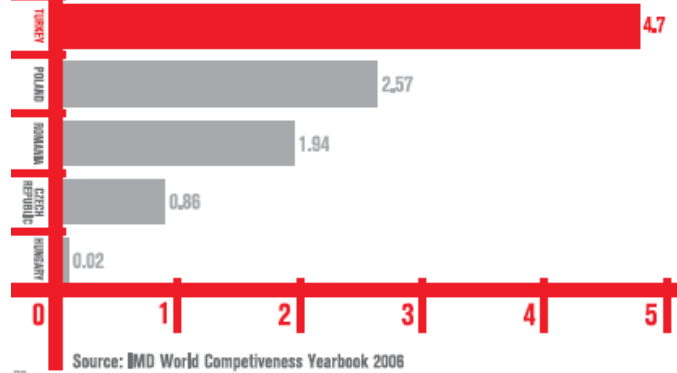
LABOR AVAILABILITY



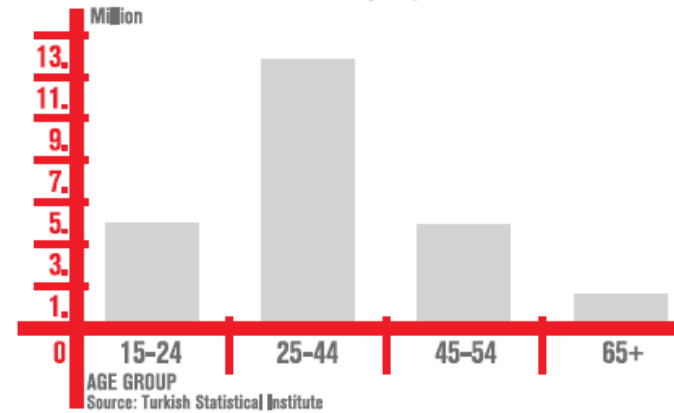
COUNTRY RANKINGS ON THE AVAILABILITY OF SKILLED LABOR



LABOR FORCE GROWTH (%)



EMPLOYED PERSONS BY AGE GROUP (2005)



Source: Investment Support and Promotion Agency of Turkey

Every year, 400,000 students graduated from 93 universities
= Total Population of Malta

32 universities in Turkey have English as the language of instruction,
8 universities teach in French, and five teach in German

Many Turkish workers are proficient not only in English, but also in other
European languages — mainly German, French and Dutch.



Source: Investment Support and Promotion Agency of Turkey

Turkey Entered Custom Union in 1996



• TURKEY ENTERED INTO THE CUSTOMS UNION WITH THE EU ON JANUARY 1, 1996 AND HAS AMENDED ITS CUSTOMS CODE AND LEGISLATION IN LINE WITH EU.

Since then the Turkish Customs law has been harmonized with EU customs practices.

- With the establishment of the Customs Union, the tariff and non-tariff barriers for industrial and processed agricultural products have been removed between the two parties.

- Turkey adopted the EU's common customs tariff on imports from third countries.

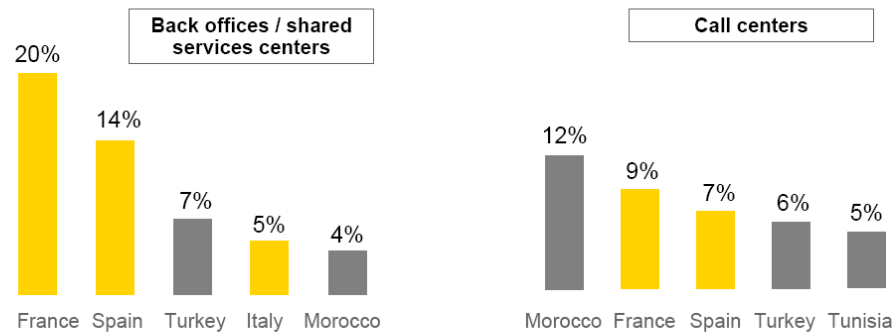
- In order to harmonize its foreign trade relations, Turkey has also signed several Free Trade Agreements with the major trading partners of the EU.

According to Ernst & Young 2008 Baromed Attractiveness Study

Turkey;
Is the most attractive manufacturing location.
feature prominently for logistics operations
enter the top five among investors preferences
viewed favorably as attractive call center locations

The Southern Rim is gaining in popularity for business support services

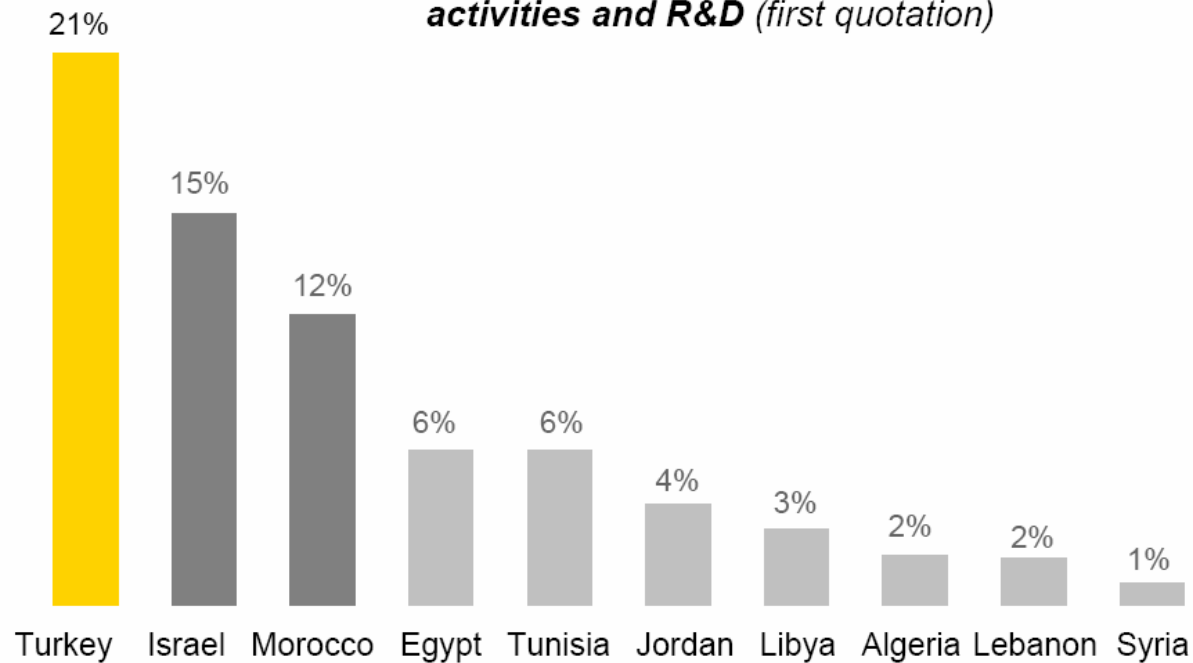
Most attractive location for...



Source: Ernst & Young Euromed Attractiveness Survey 2008 - 315 international executives

Turkey and other Mediterranean challengers are seen as promising destinations for value-added activities

*The 3 most promising countries in terms of **value-added activities and R&D** (first quotation)*



Source: Ernst & Young Euromed Attractiveness Survey 2008 - 315 international executives

eskills Shortage in EUROPE

Shortage of ICT practitioners in the EU: Some examples

- ➔ Denmark: 6,000 (2007)
- ➔ Sweden: 10,000 (2007)
- ➔ Germany: 20,000 (2007)
- ➔ Spain: 25,000 (2007)

Turkey Outsourcing Ratings (Gartner 2007)

Criterion	Rating
Language	Good
Government support	Fair
Labor pool	Fair
Infrastructure	Fair
Educational system	Fair
Cost	Good
Political and economic environment	Fair
Cultural compatibility	Good
Global and legal maturity	Good
Data and intellectual property security and privacy	Good

Source: Gartner (November 2007)

Reasons why Turkey is a nearshore destination

Talented IT Workforce. And growing..

Several languages, including English, French, German and Dutch, are offered

Turkey has close cultural compatibility with several European nations, including Germany, France and Hungary

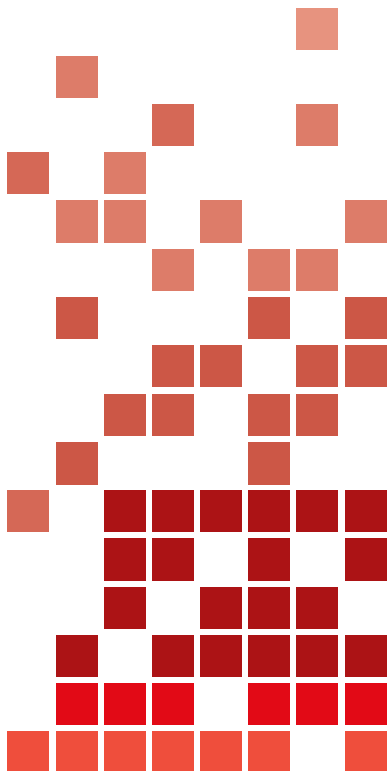
Government tax incentives in newly formed Technology Parks and more to be opened

Deregulation in Telecoms market will generate a new market for value added telecom and IT services

The government has formed partnerships with several organizations to support IT projects in Turkey

There is a one-hour time difference with most of Europe, and many destinations in Asia/Pacific and the United States are less than 12 hours away by air

Source: GartnerGartner's 30 Leading Locations for Offshore Services



Reasons why Turkey is an nearshore destination (continued)

Turkey has a workforce of about 24 million, with 51% employed in the services sector

Turkish software professionals are becoming popular among U.S. defense companies for outsourcing projects

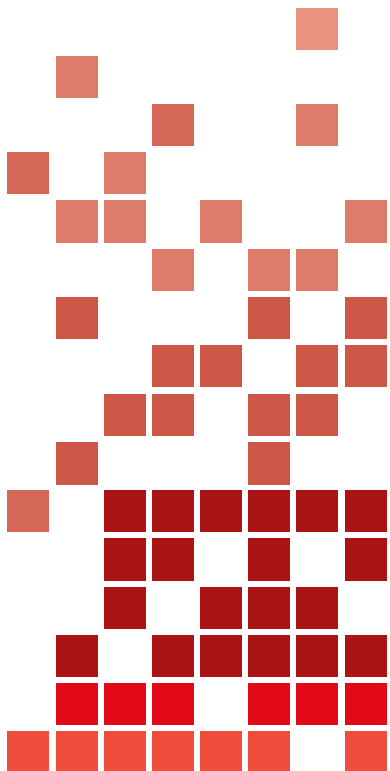
Turkey is fast emerging as a preferred low-cost destination for handling Pan-European outsourcing work

Manufacturing labor costs per unit of value-add is well below those of manufacturing centers, such as South Korea and Mexico

Turkish software companies charge about 10 times less than their U.S. or Western European counterparts.

Moreover, preferential taxation policies have greatly reduced the cost of software development

Source: GartnerGartner's 30 Leading Locations for Offshore Services



**Turkey is ready to contribute to Globally
competitive European ICT Industry**

Thank you