



# Mediterranean Capitals I.

ALGIERS / ISTANBUL / ANKARA





## **SONATRACH, the face of Algeria**

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a better future for the next generation**

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Djenane El-Malik  
Hydra • Argel • Argelia  
Tel: 213 21 54 70 00  
Fax: 213 21 54 77 00  
[www.sonatrach-dz.com](http://www.sonatrach-dz.com)  
e-mail: [sonatrach@sonatrach.dz](mailto:sonatrach@sonatrach.dz)

# ALGIERS: From the Mediterranean to globalization

The unprecedented economic prosperity that Algiers and other major Algerian cities are experiencing is giving rise to numerous large-scale urban renewal projects, improved infrastructures and the subsequent modernization of the business fabric of Algeria.

For the first-time visitor to Algiers, encountering the works being done at the modern airport terminal of Houari Boumediene is just a prelude to what he'll find as he discovers the Algerian capital in the midst of a real construction boom. On the way in from the airport to the city's center, dozens of large cranes can be seen working on homes, hotels, highways, bridges and tunnels, dotting the landscape with yellow in what is known as "Algiers the white".

The European Commission stated in a recent report that in 2008 and 2009 Algeria experienced the largest growth of the nine Mediterranean partners with an annual growth rate of over 6% of GNP —Gross National Product—.

Furthermore, overall income from oil and gas exports reached a record level of 31.5 billion dollars in 2009; a 31.32% increase over 2008.

These figures are not only due to the rise in oil and gas prices in the international marketplace but also to economic policies of adjustment and liberalization that began in the mid '90s under the auspices of the IMF — International Monetary Fund— when the country was on the verge of bankruptcy and immersed in terrorist violence.

Things have changed a lot since then. In 1999, Abdelaziz Bouteflika was elected President of Algeria. His election and the implementation of his 'National Concord Policy', together with the Algerian people's strong desire to pacify the ideological differences in order to live in peace, has brought Algeria back in line with other countries after the bleak decade of the '90s. After his re-election in April 2004, Buteflika's main objective is to improve the quality of life for 32 million Algerians and to definitively anchor the country in a globalized world economy.

As proof of this will, and of the efforts the Algerian authorities have made to adapt their legal system to the demands of global commerce, negotiations to join the WTO —World Trade Organization— as a full member will conclude in the next few months. As a sign of the will to liberalize its economy and open up its markets, like its Moroccan and Tunisian neighbors, last month the Algerian parliament ratified the Association Agreement with the European Union that will lower trade barriers on numerous European goods and services.

The opening up of the country's economy, the resumption in 2004 of the privatization program, and the renewed transparency in the awarding of public works are just a few examples of the progress being made. Nevertheless, there are areas that still need work, such as the slow banking system and the overly bureaucratic administrative processes, although the progress is real.

IN 2009 TOTAL REVENUES FROM THE OIL AND GAS EXPORTS REACHED A RECORD FIGURE OF 31.5 BILLION DOLLARS

## Mediterranean Ambitions

Sonatrach, a clear symbol of the "new Algeria", is the country's largest company and has experienced a true cultural revolution over the last few years. A mastodon of the economy and the country's largest taxpayer, the national petroleum company has become an effective multinational energy company that now rivals other global giants. The Sonatrach Group is currently Africa's premier company, the 12th largest petroleum company in the world, and the 5th in gas reserves. Vertically integrated, Sonatrach covers the entire gamut of activities from exploration to trade and distribution of oil and gas products.

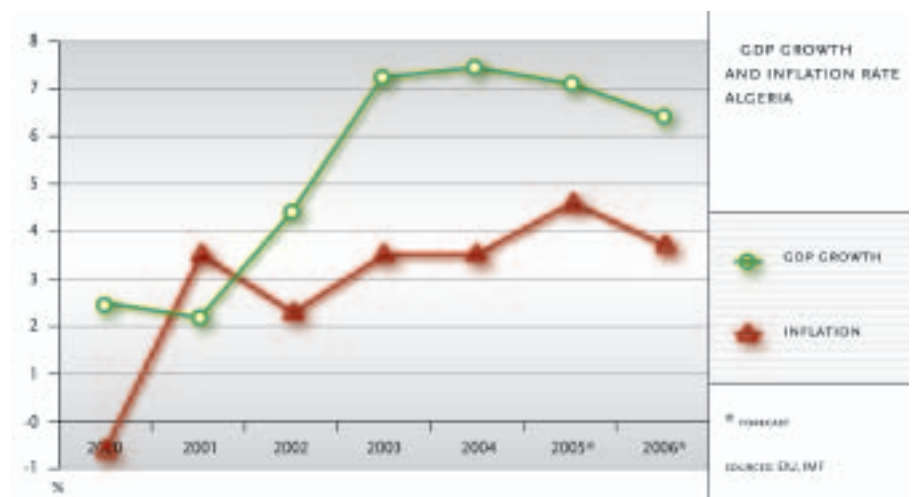
According to Mohamed Méziane, the President of Sonatrach, the company's current



priority is "its international presence and investments. Our new strategy consists of entering new markets outside Algeria, particularly in the Mediterranean basin where Sonatrach already invests in Spain and Italy, but also in South America, such as Peru".

In recent declarations to the Financial Times, Chakib Khelil, Algeria's charismatic Minister of Energy and Mines, reiterated that the main objective is "to obtain 30% of production outside Algeria over the next decade." In fact, the new petroleum law, frozen since 2002 due to pressure by the trade unions, was presented again at the middle of March in the Algerian Parliament. Without providing for the privatization of Sonatrach, it enables other international companies to develop production in Algeria and participate with Sonatrach in order to reach the goal of producing 2 million barrels a day by the year 2010. While it shares investments and risks with other companies in the exploration and exploitation of the immense Algerian territory, Sonatrach wants to take on the same risks and look for opportunities outside the country. According to Mohamed Méziane, "Given its proximity, Spain has become a strategic country for us. Supplying natural gas to the Spanish market through the Pedro Duran Farell pipeline —which crosses Morocco, the Straits of Gibraltar and ends in Spain— has further solidified this investment".

"Another of Sonatrach's important investments", added Méziane, "is our joint venture





**Chakib Khelil**  
Minister Of Energy  
Algeria

with the German company BASF where we have a 49% share in the propylene production complex in Tarragona. We are also present in Spain with a 10% share in the Reganosa reception and regasification unit in Galicia”.

In closing, Sonatrach’s President adds, “We are presently co-generating electricity with our partner, Cepsa and have a 30% share in a joint-venture company with them dedicated to supplying LNG —Liquefied National Gas— and co-generating of electricity with a total of 3 units”.

Sonatrach also has a presence in Latin America in Camisea, Peru, producing natural gas, LPG —Liquefied Petroleum Gas— and condensate, as well as transporting gas and condensate through two pipelines and a regasification unit. “We are also interested in investing in the south of Algeria and especially in bordering countries such as Niger, Mauritania, Sudan and Cameroon”. Nevertheless, Spain continues to be our present priority, states Mohamed Méziane, “We expect to continue investing in Spain, as in the case with the Medgaz Project”.

This underwater gas pipeline will join the Orán region —Beni Saf— with Almeria. It is “a strategic project for Spain, Europe and Algeria, given that it provides a direct link and guarantees a continuous supply of natural gas to Spain”. One of the key points during President Bouteflika’s visit to Madrid on February 24th was to reaffirm the strategic nature of cooperating in energy. In fact, the Spanish government has agreed to give the Medgaz Project top priority within the National Energy Plan that is to be presented before June 30th. In addition, the Spanish Minister of Industry, Tourism and Trade, José Montilla, after his visit to Algiers at the beginning of the year, reiterated that the Medgaz gas pipeline is considered a priority by the government. Once the preliminary studies have been completed, works are scheduled to start this summer.

### Electricity Markets

Taking advantage of the deregulation and liberalization of electricity markets in Europe, the next goal for Sonatrach will be to enter the production and supply of electricity, either by participating in or associating with European companies, or by setting up subsidiaries.

Likewise, smaller Algerian companies would also like to enter the European electricity market. This is the case of NEAL —New



Photo: Sonatrach



Photo: Sonatrach

Algerian Energy—, an engineering company specializing in renewable energy, especially solar energy. As its president, Tewfik Hasni, explains, “Solar energy has the greatest potential given that using only a 10th of the Sahara would completely satisfy Europe’s energy needs”.

### THE SPANISH GOVERNMENT IS COMMITTED TO GIVE MAXIMUM PRIORITY WITHIN THE NATIONAL ENERGY PLAN TO THE MEDGAZ GAS PIPELINE

With an acute awareness of the local population’s concerns about the impact on the environment, and given that oil reserves are not eternal, Tewfik Hasni explains that “Algeria’s goal is to attain 5% of electricity from now until 2010 using renewable energy sources”.

For the president of NEAL, this field “offers significant opportunities for growth, investment and cooperation in solar and photo voltaic installations”. In fact, some of its so-called solar-gas hybrid projects have caught the attention of Spanish companies such as ACS and Cobra.

One of NEAL’s goals is to export electricity by means of an extensive network of combined cycle solar-gas hybrid plants from the Algerian desert to continental Europe, and from Spain to Germany; taking advantage of the extensive networks on the old continent.

### Growing Investments

On the other hand, in the crude oil market, Sonatrach has signed several contracts with foreign companies. Algeria intends to produce two million barrels of crude a day by the year 2010.

Actually, Spanish investment in oil and gas is significant. From 1999 to 2003, according to data from Sonatrach, direct foreign investment in the oil and gas sector amounted to 7.7 billion dollars in oil fields —15% of Spanish origin—, and 874 million in exploration and production, and 241 million in refining and distribution.

For example, the consortium formed by the Spanish company Cepsa and the French-Belgium company TotalFinaElf is exploring and exploiting various oil wells in Algeria. With regard to gas, Repsol with 60%, and Gas Natural with 40%, have been awarded a project recently to extract and process natural gas and they have estimated a record investment of close to 1.628 billion Euros.

In summing up his relationship with Spain, Mohamed Méziane affirms that “With regard to the evolution of relations between Sonatrach and Spain, great progress has been made since the time the first methane tanker travelled to Spain in 1969. Today we are partners in Algeria and in Spain with numerous international companies in all areas of the oil and gas industry, as well as in electricity. Together we invest in our country and in yours”.

Before concluding, he affirms that “Nevertheless I am convinced that we have yet to exploit the potential that this cooperation offers. The last contract signed between Sonatrach and RepsolYPF and Gas Natural consortium is to undertake an important project of integrated gas of Gassi Toul. This gives you an idea of what we are capable of doing together”.

“We are open to all ways of working together. There are numerous opportunities in research and oil and gas exploration that we bid on at least twice a year. There are also projects regarding the liquefaction and transformation of gas, as well as opportunities in the petrochemical industry”.

## Interview with Mohamed Méziane President of Sonatrach - Algeria

The Algerian Sonatrach Group is today the leading company in Africa, the 12th largest in oil and gas production in the world and the 5th in gas reserves. Its president, Mohamed Méziane, speaks about the process of internationalization and the importance of its relationship with Southern Europe.

*"... WE HAVE A COMMON HISTORY AND CULTURAL TIES THAT DATES BACK SEVEN CENTURIES. TODAY DISTANCES ARE NO LONGER GREAT. WE ENCOURAGE YOU TO LOOK TOWARDS ALGERIA IF YOU HAVEN'T DONE SO YET..."*



Photo: Sonatrach

### How would you sum up the Sonatrach Group's activity in 2009?

*M.M.- Sonatrach is an integrated company that was founded on December 31, 1963 and has been in business for 41 years. It started out with a simple pipeline and marketed its products on a small scale. Its activities and profits have grown over the years and we finished up with excellent results in 2004, with a turnover of almost 40 billion dollars. This is due partly to the rise in oil prices as well as an increase in Sonatrach's production capacity in oil, condensate, LPG and gas.*

### What are the main projects Sonatrach currently has in Algeria and how much have you invested in them?

*M.M.- Our main projects at the moment in Algeria are in the area of developing new oil fields. With regard to the production of gas, we are starting production in the In-Salah field that has a capacity of 9 billion cubic meters. As far as the Ain Amenas project with British Petroleum, production will start sometime this year. We are also developing and refurbishing other fields such as Hassi-Messaoud. These projects have enabled us to increase our overall production capacity and since this trend will continue, we hope to reach approximately 1.5 million barrels a day in 2005 or at the beginning of 2006.*

### A priority for Sonatrach over the last few years has been to form joint ventures with foreign companies. What direct investment opportunities does Sonatrach offer and what are the prospects for the coming years?

*M.M.- Our policy of associating with other companies is a strategic one. All of our actions and commitments to develop business in Algeria are offered to our partners. In accordance with the Law 8614 passed in 1986 that allows foreign companies to participate in the exploitation and development of fields in Algeria, and its modification in 1991, has enabled us to do joint ventures with other companies to make important finds and together improve production. We have been able to reach 1971 reserve quantities and even have surpassed it slightly. Another area where we have*

*joined forces with other companies over the last five years has been in the area of exploration and exploitation of new fields. We have been able to sign around 30 contracts. In 2004 we were able to sign 8 contracts in the fifth bidding process.*

*The number of foreign companies increases with each new bidding and the Algerian market now has partners from each corner of the horizon, Americans, Asians, Arabs and Europeans. It provides a great opportunity to share know-how and different practices; at the same time we have been able to increase our reserves and production capacity.*

### The second axis of your policies is to make internationalization a priority. What is your overall internationalization strategy?

*M.M.- Sonatrach was created in December of 1963 and celebrated its fortieth anniversary in 2004. It's totally natural then for us to think about internationalization. We already started this process in 1989 and set up Sonatrach Petrol Corporation, opening an office in Singapore and a company in London, as well as a company called Sonatrading that took charge of marketing LNG on the North American market.*

*Sonatrach has mainly invested in Spain. The first investment that started up our relationship was the Pedro Duran Farell gas pipeline that joins Algeria to Spain via Morocco, this being expanded in 2004. The second investment was through our association with CEPSA in the Reganosa region — Galicia — with a gas receiving, regasification and redistribution station. We have also invested with CEPSA in the supply of LNG, the co-generation of electricity. We are also present in Latin America with gas fields in Camisea, Peru. There we produce gas and have a 10% share in transporting of condensate and natural gas. Furthermore, we are negotiating a liquefaction project in Peru as well as entering a new field with a 10% share.*

*Finally, we are studying several other possibilities, especially in countries that border Algeria such as Mauritania, Mali, Niger, Sudan and Cameroon. This internationalization policy is a necessary for the overall development of Sonatrach.*

**The President of the Spanish government as well as the Spanish Minister of Industry has expressed their renewed interest in strategic projects between Algeria and Spain. What do you see as the challenges in this relationship?**

*M.M.- Algeria has an important place in the Mediterranean energy market, and both Spain and Algeria have an important role to play. We can talk about petroleum and the Duran Farell gas pipeline that has formed a bridge between Algeria and Spain. But there is also the Medgaz strategic project that will enable us to strengthen both our countries in the energy area. This direct gas pipeline project between Spain and Algeria has a capacity of 8 billion cubic meters. It is expected to be up and running by the end of 2007 or the beginning of 2008.*

*We have already signed a contract with Iberdrola to sell one billion cubic meters and are negotiating with other partners as well.*

*There is another element that is the need for secure energy in the Mediterranean basin. That is why there is another project that should be considered strategic as well, an electric cable between Algeria and Spain with 1,200 or 2,000 megawatts. This cable could be completed with another connection to Italy and thus guarantee secure energy in the Mediterranean through an energy loop.*

### Algeria is an important market for Spanish operators. Sonatrach has signed a new contract in 2004 with Repsol-YPF. What opportunities do you see for these operators in the oil and gas sector?

*M.M.- Given the proximity of Spain, the relationship and cultural understanding we share provides excellent opportunities for both. A good example of this is the presence of companies such as Cepsa or Repsol that are producing and making important discoveries. Another recent element is the competition won by the Repsol Group in association with Gas Natural to undertake an integrated project that includes the exploration, exploitation of oil fields and the transport of LNG. This is a very important project given that it amounts to 3.5 billion dollars. The trust between the parties proves the importance of the relations between Algeria and Spain and the possibilities of developing new projects together.*

### What is the main message you would like to send to foreign investors?

*M.M.- The message I'd like to get across to Spanish investors is that they are welcome here. The Algerian market has changed and continues to do so. The opening up of its market, the process of contractual relations and the process of transparency and competitiveness are all very important. In the petroleum sector, for example, they are welcome and the results obtained so far make Algeria more inviting. Not only in production but also in other areas such as the service sector for small and medium size companies that strengthens the Algerian industrial fabric in a framework of greater consolidation. We have a common history and strong cultural ties that date back seven centuries.*

# ISTANBUL: A true economic crossroad

With an exceptional geographic location and political situation, and just a stones throw between the East and the West, Istanbul looks towards its future in an integrated Europe



Photo: Ministerio de Cultura y de Turismo



**Aldo Kaslowski**  
President of *Tüsiad*  
*Internacional*  
and *Organik Holding*

No other country's candidacy to join the European Union has aroused such passion as Turkey's. On December 17, 2004, the leaders of the 25 European countries culminated with an historic "Yes" to initiating negotiations for Turkey's accession to the European Union. It is without a doubt an unprecedented measure to bring the nations closer together and will entail a complex process and profound transformations that will have a positive affect on the development of one of the most important emerging economies in the region.

Strategically located at one end of the Mediterranean and in the heart of Eurasia, Turkey forms a crossroads between two continents and has extraordinary potential as a point of access to its neighboring markets. It is a perfect base for companies wishing to take advantage of the business opportunities offered by Turkey's vast market, as well as those available in neighboring countries.

Negotiations for Turkey's adhesion to the EU are expected to be long and arduous and may take anywhere from 10 to 15 years. Turkey will have to adhere to strict conditions if it wants to take advantage of the opportunity of becoming a full member of the European Union.

## An Unknown Giant

How much do we really know about Turkey? With a total population of 72 million people, 66% of which are under the age of 35, Turkey is experiencing a demographic transformation that greatly contrasts to the accelerated aging of the European population. The workforce is growing in proportion to its population, and this implies that the demand for consumer goods and services will continue to grow over the next several

years. With a young, dynamic and hard-working population, it will no doubt rejuvenate the old European Union and open up new markets as well as provide numerous business and investment opportunities.

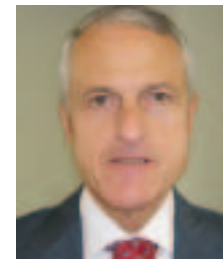
Turkey has enjoyed privileged economic relations with the European Union since 1995. Not only is it a natural ally of the United States, it is also the only stable democracy in the region, and is NATO's second most important military force. Because of the continual political and economic turmoil of its neighbors, Turkey is often misperceived and there is a lack of up-to-date information regarding its unlimited possibilities. This country is a vibrant nest of opportunities and is advancing towards stability with a government that, after its election in 2002 by an overwhelming majority, has been able to implement the necessary reforms to meet the conditions of the Copenhagen Criteria. After forty years of frustrated aspirations to be a part of Europe, Turkey finally has the opportunity to begin negotiations with the EU on October 3rd this year.

## Confidence in the Future

Ömer Sabancı, President of Tüsiad, The Business and Industrial Association of Turkey, states, "Over the last three years, Turkey has made important progress in both its political and economic stability, two determining factors in a country's development. In addition to meeting the legal and democratization requirements of the Copenhagen Criteria, indispensable conditions to begin negotiations, the economic fundamentals have shown a marked improvement, the battle against inflation is progressing positively and it is expected to decline to 8% per year."

The President of Tüsiad confirms that "The new IMF (International Monetary Fund) agreement will be one of the most important conditions to maintain this confident atmosphere. Of course, adhesion to the European Union is an important step for Turkey. The EU is as an important catalyst for the positive evolution of our institutions. Joining the EU will serve as a beacon for sustained economic development and as an anchor for our structural transforma-

tion which will have very positive effects in the long term. It will also put Turkey on the list of preferred destinations for international investment. In 2001 we instituted reforms to improve the investment climate in Turkey and they have had a direct and significant impact. Among the reforms, the new foreign investment law reduces the number of steps it takes to set up a company in Turkey from 19 to 3. If foreign investment were to grow by 3 or 4% of our Gross National Product, Turkey's economic growth could reach the same level of some Asian countries, such as the one Korea has experienced over the last two decades", concludes Ömer Sabancı.



**Rona Yıcarlı**  
President of *DEİK*

## International Relations

DEİK, another one of the country's most important business institutions is made up of nine prominent business organizations with the purpose of establishing and fostering Turkey's economic relations with more than 66 countries around the world. Its President, Rona Yıcarlı, comments, "We are trying to increase our foreign trade with every country on earth, but especially with our neighbors, emphasizing the advantages of our geographic, political and social proximity. We have settled our political differences with Greece and are actively pursuing our relations with Russia. We also have good relations with Iran, Syria, Israel and the Arab countries."

The President of DEİK, adds, "We have political stability for the first time since 1980, and I believe that the next eight years will be decisive for our economic and social development. We must concentrate on organizing and promoting our advantages properly and effectively." Yıcarlı concludes, "Politicians, businessmen and tourists from around the world visit Turkey and take away a favorable impression, especially of Istanbul. Having a good product isn't enough, one must know how to market it and that is what we must do with the Turkey's image around the world."

## A Geographic Exception

Turkey most certainly stands out as an exception among its neighboring countries. The immense potential of its emerging economy and its condition as a power in the region would no doubt be a great asset for the European Union that aspires to be a truly global economic and political power. Jak Kamhi, president of several private companies and of

the Quincetennial Foundation, states, "Turkey is an interesting country. I have been a member of the European Round Table until January of this year. The presidents of the most important European private companies meet every six months and during our meetings our concern is always competition and competitiveness: it was decided in Barcelona that in 2010 the European Union would be the largest economic power in the world."

Kahmi adds, "Last year we asked ourselves what was going to happen now. We have China with 1.2 billion people on the one hand, and India on the other. Thus we have half of the world's population in Asia and we must not for-



**Jak Kamhi**  
President of  
Quincetennial  
Foundation

get Russia, which also has great ambitions to become the third economic power competing with China and India. Turkey is a natural doorway to these markets. The situation in Iraq and Afganistan is worrisome; it is a type of confrontation between civilizations. Jews, Christian, and Muslims fight amongst themselves and that is why we want to form part of the European Union's mosaic of cultures and traditions. Turkey's potential is really fantastic and we have many things in common with Spain. We are similar in many aspects and can develop many business opportunities together, especially in the service sector." Kamhi emphasizes.

### An Optimistic Outlook

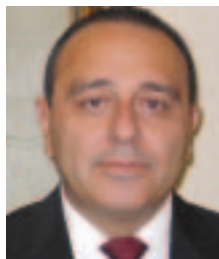
One can feel the optimism surrounding Turkey's spectacular economic growth. Its prospects are promising and are based to a great degree on the political stability that country has attained after decades of coalition governments who were unable to implement the necessary reforms to definitively launch its transformation into a competitive economy.

Aldo Kaslowski, President of Tüsiad International and of Organik Holding, a leading chemical company, comments: "We have lived for more than two decades with an inflation rate of over 100%. The devaluation of our currency and high interest rates made it almost impossible to properly calculate real profits."

Kaslowski affirms that, "The current government has been decisive in turning this situation around by implementing the necessary reforms and achieving a new agreement with the IMF (International Monetary Fund). Last year our growth rate was 13.8%, one of the highest rates in the world, even larger than China's. This growth had a lot to do with

our exports of which 58% were to countries in the European Union. If we are able to maintain this rhythm of economic recovery, we will be able to absorb 15 to 20 billion dollars in annual investments during the next fifteen years." Mr. Kaslowski points out.

Turkey is also considered the largest European economy outside the EU. Nevertheless, many countries still wonder if Turkey's entry in the EU is the most convenient option for both parties. Mr Kaslowski exclaims, "This is mainly due the debate that arises over the fact that Turkey, in spite of being a secular country, is 99% Islamic. It is necessary to examine these criteria and also evaluate the enormous



**Ömer Sabancı**  
President of  
TUSIAD

economic and strategic contributions it can provide the European Union. For some Middle Eastern Arab countries, Turkey is a true model of democracy, however the image of Turkey in some European countries and the United States are frequently unjust because in some cases they



do not have sufficient knowledge of what Turkey is really like."

The Organik Holding, through its four divisions, has grown at a rate of 35% over the last two years and has a production capacity of hundreds of tons of polymers per year. Organik has just acquired another production plant in Switzerland, in addition to one already under construction in Holland. It also foresees investing in Russia, China, India and Brazil over the next five years. "Although we compete with giants such as Basf or Dupont, we are a medium-size company that is very customer oriented and we continue to invest in intensive research." concludes Kaslowski.

# One city on two continents

The spectacular development of transportation infrastructures has made Istanbul a crossroads between civilizations



**Hamdi Akin**  
President of  
Akfen Holding

Only one city in the world is Asia's city closest to Europe and Europe's city closest to Asia! There is no doubt that Istanbul's privileged geographic location is a true asset that has made it one of the most unique and attractive cities in the world. Located on two seas (south of the Mediterranean Sea and north of the Black Sea), and on two continents, with the Bosphorus waterway dividing the two; Istanbul seems to retain all the magic from over the centuries. It is a real open-air museum that exhumes the beauty and charm of the city that was once the capital of the Byzantine and Ottoman Empires. This enormous metropolis of unending interconnections has a population of 15 million people and is one of the most important business, financial, cultural and tourist centers on the Mediterranean, a true point of access towards the neighboring countries.

The President of Turkish Airlines, Abdurrahman Gündoğdu, explains: "Istanbul's potential as a tourist destination has grown very rapidly over the last decade and even more so over the last two years. After joining the European Union (EU), Spain has become a more



Photo: TAV

expensive destination and other cities on the Mediterranean basin like Egypt, Turkey or Tunisia have become more attractive."

Gündoğdu points out, "The number of Greek tourists, for example, has grown significantly. We share the same culture and are very similar in many aspects. We like the same music, the same cuisine and the same life style. We are trying to increase the frequency of flights between Greece and Turkey. Istanbul has a privileged location and we are a natural bridge between Asia and Europe--between the East and West. In less than 3-hours flying time, one can fly to 55 different countries from Istanbul and we are not yet fully taking advantage of this fact."

"Domestic air travel in Turkey still has a huge potential for growth because of tourism, trade and over five million Turks living in Europe that come home often," adds Gündoğdu. Turkish Airlines is now one of the largest airlines in Europe and has ordered 51 new planes, 36 Airbus and 15 Boeing. It plans to further increase its fleet by 50% over the next three years. Turkish Airlines serves 27 domestic and 76 international destinations and transported 10.4 million passengers last year.

"In 2002 we set our 5-year objectives for the tourism and Turkish Airlines and we surpassed them in just two years. Thus we continue setting even more ambitious goals. Our goal for tourism was 20 million in 2010 and 30 million in 2015. In 2004 our expectations were for 17 million and we reached this goal once again," explained Gündoğdu.

Also with regard to our flight maintenance and training centers, Turkish Airline uses state-of-the-art technology. "We have a long tradition and experience in technical maintenance

and we have the only high-technology center in our region. Last December 3rd we signed an agreement for the Greenfield MRO Center Project (Greenfield Center of Maintenance, Revision and Repair) that will end in 2007," concluded Gündoğdu.

## Investing in Technology

State-of-the-art technology is not only found in Turkish Airlines but also in one of Europe's most modern airports. Akfen Holding, a conglomerate that is active in construction, tourism, industrial machinery, natural gas distribution, food and foreign



**Abdurrahman Gündoğdu**  
President of  
Turkish Airlines

trade. TAV —Tepe Akfen Ventures— was set up as one of the few private companies in the region with the capacity to design, finance, build and operate airports, based on diversification that is a key aspect of its sustainable success. "When we founded Akfen, the company's main focus was on the mechanical dimension of the sector since I am a mechanical engineer," stated its President, Hamdi Akin. "In the year 2000 we began to diversify and started moving into different sectors and then we continued with concessions. For airports we have a joint venture with Tepe called TAV (Tepe Akfen Ventures) and it has many subsidiaries. We began work on the airport in 1990."

"We are very proud of Istanbul's International Airport, Atatürk, and we call it our country's window to the world since it's the first impression foreigners get when they arrive in Turkey. For instance, when the CEO of HSBC landed here for the first time he told journalists that when he saw the airport he decided to invest in Turkey.

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**HEAD OFFICE / FACT:** Büyükdere Yolu 51. Sokak Kat: 06 34462 İSTANBUL - TÜRKİYE  
Tel: +90 (0212) 307 08 00 - 444 3 700 (gsm) Fax: +90 (0212) 370 48 07 - 031 34 70 - www.pks.com.tr  
Organize Sanayi Bölgesi POB 18. SİMSİT, Başak Çay. & Şişli, 34390 Beşiktaş / İSTANBUL  
Tel: +90 (0212) 756 14 98 (gsm) Fax: +90 (0212) 756 14 10

**İSTANBUL OFFICE:** Tuna Çar. Ormanca Sk. No: 29. 80000 Beşiktaş / İSTANBUL - TÜRKİYE  
Tel: +90 (0212) 357 40 72 - 27 12 944 Fax: +90 (0212) 357 12 973

# Accelerated financial integration

After the devastating crisis of 2001, the Turkish finance sector has become stronger, demonstrating the value of its discipline and maturity



**Osman Birsen**  
President of the  
Istanbul Stock  
Exchange

The Turkish banking sector has consolidated after the devastating economic crisis in 2001; the worst in its history. Only the strongest and most solid institutions survived this crisis. The rest of the banking entities were either reorganized, merged or sold.

In a little over three years, Turkey has recovered spectacularly by implementing an extensive economic stabilization program. At the end of 2004 its economic growth was the third highest in the world, tripling the average growth rate of the OCDE countries and seven times the average rate of the Euro zone countries. The growth figures of the second half of 2004 were the highest for the Turkish economy since 1995.



Photo: Isbank

## A Leader in Private Banking

IsBank, the largest private bank in Turkey, can boast of assets that exceed 25 billion dollars, which represents 22.1% of the private banking sector and 12.7% of the whole Turkish banking sector. IsBank also has the largest private banking network and has a total of 14% of the banking offices in Turkey. It employs 12.5% of all the country's banking personnel, with a total of 848 offices and 15,802 employees.

IsBank's loan portfolio is 8 billion dollars, the highest in the whole banking system and it represents 18% of all loans granted by private banks and 12.2% of the sector's total credit volume. Its President, Ersin Özince, evaluates, "The banking sector continued to grow over the first 9 months of 2004. In addition to the increase in the number of offices, employees, assets and credit volume, deposits also grew given the economic recovery and positive expectations; an unequivocal sign of the banking sector's recovery. We will continue to grow because Turkey is a market with a young population and a strong demand for consumer goods. Turkey is maturing and becoming more stable and our small world needs new markets. Businessmen from European and Mediterranean countries need large seas in which to navigate, and Turkey offers great

opportunities for international investors. There is no doubt in my mind that in four years time Turkey will be completely integrated into Europe, whether we are full members of the EU or not. IsBank will have increased its business with European partners because that is the best way for people to come together is by doing business," emphasizes Özince.

IsBank ranks number one among Turkish companies and is 615th in the world ranking as per the "Global 2000" list published by Forbes Magazine in 2003. It has excellent international relations with more than 1,000 banks around the world.



**Ersin Özince**  
President of  
Isbank Group

Özince explains, "Our international aspirations are centered in Europe and we have good relations with Spanish banks. I am sure that Spanish financial institutions and banks will find very interesting investment opportunities in Turkey. This is from the bank's point of view. From the Group's point of view, IsHolding, our group of companies does a significant amount of business with European countries and also has important investments in the Balkans. Anglo-Saxon discipline shows that financial and non-financial areas need to be completely separated, that is why restructuring our group was so important. IsBank itself is not interested in such areas."

## Lodgings worthy of the sultans



**Jacques L. Morand**  
General Director of  
Hyatt Regency  
Istanbul

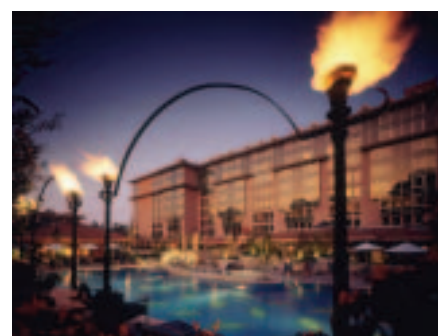
A simple stroll around the streets of Istanbul is really an amazing experience. The city of seven hills has been a cross-road of cultures for over 3,500 years, and this heritage prevails in a true mosaic of Ottoman mosques, Orthodox churches and Jewish synagogues. They share the stage with impressive glass skyscrapers and palaces where the Sultans lived for some 400 years.

"Istanbul's culture and what it has to offer in the way of tourism makes it one of the Mediterranean's most interesting cities.

Nevertheless, it still has a lot to do to promote itself as an international conference and convention center, because there is great competition from other Mediterranean cities such as Barcelona," assures Riccardo San Martino, Director of Hilton Istanbul.

Tourism will be one of the first sectors to feel the positive effects of the negotiations to join the EU. Once people know more about Turkey they will want to come and visit, especially now that the sector has been able to recover from a crisis that lasted several years. Istanbul has a vast array of hotels and many are top-quality four and five star hotels. Cruise lines are also recovering, thus prospects for the immediate future are really quite positive," affirms San Martino.

Hilton has a total of eight hotels in Turkey and has a tremendous portfolio of regular clients through its Hilton Honors Program. "I feel very proud to be the Director of the Hilton



Istanbul because this was the first five-star hotel founded in the city in 1955. On June 10th we will celebrate our 50th anniversary and we are organizing a program of celebrations around the world," concludes San Martino.

In fact, Istanbul has hotels to meet everyone's tastes and needs. In contrast to Hilton's tradition, other international giants are also competing for a share in the market. This is the case of the Hyatt Regency Istanbul, another one of the most prestigious hotels in the city and a real dream for business travelers.

# Engine of growth

Turkey's industrial sector is confronting its two most difficult challenges with great success to satisfy the buoyant internal market and to earn Europe's trust



Photo: TAV



**Selim Bergsen**  
General Director of  
Sel Hoses

Without a doubt, the driving force behind Turkey's spectacular economic growth over the past year has been the industrial sector. In 2009 exports reached 55 billion dollars, a 32.3% increase over 2008. The industrial heart of Turkey is located in the northeastern region of the country, mainly in the cities of Istanbul, Izmit and Bursa.

Tania Küçük, President of Istanbul's Chamber of Industry, comments that, "Forty percent of all Turkey's industry is in Istanbul. The macro-economic indicators are very positive so the forecast for this year is promising, but there's still a lot to be done. We need to improve the investment climate and consolidate the implementation of structural reforms laid down by the government," Mr. Küçük indicates.

Our vision for Turkey runs up to 2023, the Centennial of the Turkish Republic, and our goal to be among the top ten most powerful economies in the world. Currently 90% of our exports are to the European Union and I think the EU should accept us if it wants to become a true global power.

In the future the weight of the EU without Turkey would not be the same, so my personal opinion is that in the long run the EU needs Turkey more than Turkey needs the EU," ponders Küçük.

## A Leader in Electronics

The home-appliance industry is one of the most important propelling forces behind Turkey's industrial growth and exports. With a population of 70 million people, an increase in the standard of living and the number of young couples getting married every year increase the demand for durable goods, and this trend is expected to continue. The market is dominated by major brands such as Arçelik or Bosch-Siemens-Profilo. If we look at the

**IN 2009 TURKISH INDUSTRIAL EXPORTS REACHED A RECORD 55 BILLION DOLLARS, A 32,3 % INCREASE OVER 2008**

economic indicators over the last three years, we see that the automobile and electronics industries are growing immensely, thus the export profile of the country is also changing.

Profilo-Telra, the leading consumer electronics company in Turkey, began manufacturing televisions in 1972. Today it employs 2,000 people.



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From its beginnings, Profilo-Telra has continued to invest in and develop its own technology, adopting the philosophy of offering its customers quality products at a reasonable price. As one of the first companies in the sector to obtain the ISO 9001 certificate, it has a production capacity of 4.5 million televisions, of which it exports 70% to the EU, mainly England, Germany, France and Portugal, as well as to North Africa, the Middle East, Australia and South America.

Göksen Körezlioglu, Profilo-Telra Managing Director, states, "Over the last 30 years our growth rate has been truly spectacular. We are the third largest company in our sector in the domestic market and our philosophy is not necessarily to be the biggest but rather the best. Our goal is to provide the best service, logistics and, of course, the best products and technology. In 1992, the European authorities carried out research where only three Turkish manufacturers were offered the possibility of signing a special agreement guaranteeing that we completely adopt the stipulated rules of ratification in order to be able to sell to the EU. We accepted and adopted these rules in 1992; therefore we have more experience than other industrial sectors in Turkey. The European Union receives the majority of our international exports and this is important because the European client is very demanding. Selling to Europe signifies that we have met their rigorous technological standards on the one hand, and that our products have been accepted by one of the most difficult markets in the world on the other," assures Körezlioglu. He goes on to add, "The world of electronics advances very quickly and, according to analysts in the sector, within 10 years the three most important strategic points for the production of electronics will be Mexico, China and Turkey. Over the next decade, Turkey will become one of the most important logistic bases for electronics production in the world."

### Accelerated Growth

Teknik Kauçuk A.S. (Sel Hoses) is another excellent example of production and international expansion. Founded in 1957, Sel Hoses is the leader in its sector as the largest producer of rubber hoses with all sorts of applications for the industrial and agriculture sectors. Sel Hoses has 40 years of experience and 850 employees. "We manufacture hoses that can transport all types of liquid and solid materials in order to satisfy our clients' needs," emphasizes Selim Bergsen, the company's President.

"Our goal is to diversify. Over the last five years our growth has been good and we are evolving rapidly. We cover a large proportion of the domestic market but at the same time export around 75% of our products. We have an important network of clients and distributors in most countries and are establishing distribution channels around the world."

## Interview with Mehmet Ali Yalçındag President of Dogan Yayin Holding

Dogan Yayin Holding (DYH) is a leading conglomerate in publishing and entertainment in Turkey with a privileged position in its main area of business: printing and publishing of newspapers, magazines, books, commercial television, the audiovisual and entertainment industry. We spoke with its President, Mehmet Ali Yalçındag, to find out what he sees as the company's most ambitious challenges.

**"... DYH CONTROLS 38% OF THE TOTAL NEWSPAPER CIRCULATION IN TURKEY, 44% OF MAGAZINE SALES AND 19% OF TELEVISION AUDIENCE..."**

### What are the most important aspects of DYH's strategy?

*M.A.Y.- Our objective is to maintain our position as the leading publishing and communications conglomerate in Turkey and offer our customers access to a wide range of channels that are key to advertising; such as, daily newspapers, magazines, television channels and audiovisual media. DYH controls 38% of the total newspaper circulation in Turkey, 44% of magazine sales and 19% of television audiences, and our subsidiaries are positioned at the top of almost all advertising media. We are determined to maintain our leadership in our core businesses while looking for new areas of opportunity. Our current content production enables us to create strong synergies with new instruments and channels of communication as we develop them. Our growth objectives in the domestic market are mainly oriented towards the television market, despite the fact that it is already very saturated. Investing in a new television channel is on our agenda, which would reflect a significant increase in our advertising revenues.*

### What role does DYH play in Turkish society as a publishing group?

*M.A.Y.- DYH is an advocate for complete freedom of the press and objective journalism. These universal values of the press are reflected in all our activities in the media and publishing industry. We act responsibly and follow strict ethical principles in order to produce a top quality product. Our purpose is to fulfil our corporate governing principles established by the Capital Markets Board of Turkey, elaborate an effective risk management auditing system and continue with projects that will assure our efficiency, prestige and profitability in the future.*

### What will DYH get out of the start of negotiations with the EU affect DYH?

*M.A.Y.- We have experience working with foreign companies. We have worked with Burda-Rizzoli for six years now and this association represents the flagship of our operations in the magazine world in Turkey. In television, we have a fruitful relationship with Turner International and created CCN Turk, this being CNN's most successful transaction abroad.*

*Turkey's accession to the EU will provide the*



Photo: Dogan Yayin Holding



Photo: Dogan Yayin Holding

*Union with new borders because our neighbors are the countries of the Middle East and the Caucasus, such as Iran, Iraq, Syria, Azerbaijan, Armenia and Russia. Even though these countries are not stable at the present time, if we look at them with a more dynamic perspective, we can imagine the large number of opportunities that will open up in this region in the future. With their vast natural resources and their strategic location, these countries will be fundamental in the development of the 21st century. Turkey has a unique perception and knowledge of this region and could help the European Union build stronger relationships with these countries.*

*Besides developing our domestic market, we want to strengthen our prospects in foreign markets. While Turkey comes closer to the EU, we can join forces with some of the most prominent representatives of the European media and open up new markets together, combining the know-how of our partners with our experience and knowledge of the region. This will most certainly give rise to a number of important and fruitful projects. We hope that with the commencement of negotiations and the improvement of the Turkish market, we will be able to attract foreign investment. This will create jobs and Turkey will become a base of exports for international brands.*

## Interview with Güler Sabancı President of Sabancı Holding

As the head of the largest Turkish business holdings, Güler Sabancı speaks to us about her business priorities, and her hopes and confidence in the future of Turkey as part of the European Union

"... I WOULD SAY THAT THE MOST COMPETITIVE ADVANTAGE OF SABANCI HOLDING IS THE HUMAN FACTOR, WE ARE VERY CLOSE TO THE PEOPLE IN TURKEY AND WE ARE VERY PROUD OF THIS FACT..."



Photo: Sabancı University



Photo: Sabancı University

### What impact does Sabancı Holding have on the Turkish economy?

**G.S.-** Sabancı Holding is a conglomerate based in Turkey and I think well represents the strength and success of the Turkish economy. At the end of 2009, our revenue exceeded 7 billion dollars, 25 billion in assets and net profits of 583 million dollars. And the results show that our profits, earnings and profitability will continue growing.

The Sabancı Group is active in both the financial and non-financial sectors. We say non-financial when we mean industrial, retail and commercial activities, everything except for banking. Our bank, AkBank, is performing well and our most important and immediate goal is to achieve a balance between our financial and non-financial activities so they achieve equal growth, earnings and revenues. We are present in six sectors and our group is composed of 66 companies. The majority of these companies are recognized leaders in their respective sectors; including banks, insurance, food, retail stores, information technology, communications, automotive, tires and tire reinforcement materials, chemicals, cement, textile, paper and packaging materials, tourism and international trade. So I'd say that our biggest competitive advantage is our ability to manage diversity.

Among our international partners are prominent companies such as Bridgestone, DuPont, Toyota, Philip Morris, Kraft Foods, Bekaert, Heidelberg Cement, IBM, BNP, Dresdener Bank, Carrefour, International Paper and Dia. We operate in more than 12 countries abroad and export our products to Europe, the Middle East, Asia, North Africa and South America.

### Negotiations are to begin on October 3rd, what are your expectations regarding Turkey's accession to the EU?

**G.S.-** I think that the main goal and philosophy of the European Union is to become more competitive and be able to offer a better quality of life to its citizens. Spreading Europe's values of democracy and human rights to new countries



Sabancı University at Istanbul

Photo: Sabancı University

joining the Union enriches it with more diversity. I feel very optimistic because I believe in the vision of Europe and the principles of the EU. Turkey has met the Copenhagen Criteria, which include: having stable institutions to guarantee democracy, the rule of law, human rights and respect for minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union, and the ability to take on the obligations that membership implies.

As an industrialist and as a businessperson, I believe that fulfilling the Copenhagen Criteria is good for our country because Turkish citizens deserve a higher standard of living, more democracy, more human rights and a more competitive environment. The process we must go through to join the EU is setting the parameters that we must achieve and I am sure we will do so successfully.

### The current government has achieved political stability. What is your opinion about this?

**G.S.-** Since it came to power in 2002, the government has taken the necessary steps to stabilize our economy and it has been successful. Now we need to sustain it in order to stimulate economic growth.

### Do you think the start of negotiations for Turkey's accession will affect the perception of the country?

**G.S.-** We have been a part of the Customs Union since 1995; therefore, from an economic perspective, we are already integrated in Europe. However, we still need more direct foreign investment and I hope the start of negotiations will attract it. This will be a long process and we'll all have to work very hard, be patient and work on changing our mentality.

### How can Istanbul improve its image abroad?

**G.S.-** Istanbul is not only a bridge between the East and West - it is a wonderful mixture of culture and history with an amazing business potential. It is an energetic, welcoming and beautiful city. The legacy of the Byzantium and Ottoman empires left us much more than just historic monuments. I wake up every morning to church bells and calls to prayer from the mosques. I think Istanbul is a very unique and special city that is not perceived correctly abroad, or at least its possibilities are not yet fully appreciated.

### What are the keys to Sabancı Holding's success?

**G.S.-** After Mr. Sakip Sabancı's death on April 10, 2004, the new team has the responsibility of continuing his legacy and legendary reputation.

*Sakip Sabanci was a very well known, loved and trusted personality in Turkey. I would say that Sabanci Holding's biggest competitive advantage is the human factor; we are close to the common people of Turkey and we are proud of that.*

**As heiress of the Sabanci Holding, do you see this as a new era for the Group under your leadership?**

*G.S.- I am proud of Sabanci Holding and my team. The high standards of ethics and the respectful treatment of people continue to be one the Group's basic principles, and we base our reputation on it. Of course, as an industrial and financial conglomerate, our objective is to do business and earn money, but we are a Group with a high social responsibility and we will continue being very sensitive to these issues. Sabanci Holding has a large foundation called The Vaksa Foundation, through which we founded the Sabanci University and the Sakip Sabanci Museum. Our vision is to continue to grow without forgetting our social responsibility to Turkey. The Sabanci University was a dream I had with my uncles and I developed the project and feel very fortunate and proud for having had the opportunity to found it.*

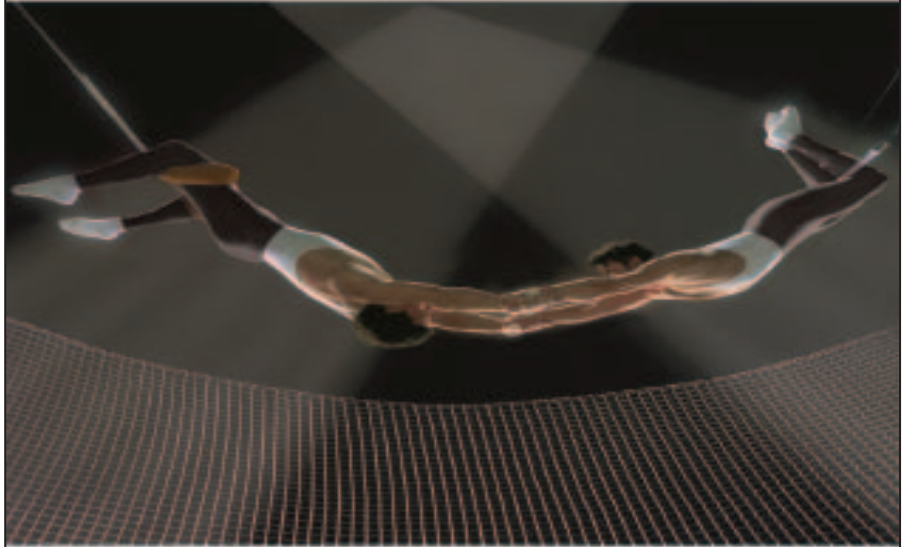
**In addition to being a respected and influential businessperson, you are a woman. Do you think this has special significance for the future of Turkey?**

*G.S.- Since I started working twenty-seven years ago, I never limited myself because I was a woman and I am pleased to say that my family never put any limitations on my career choices. I think this is a good example of contemporary Turkey. In the business world Turkish woman can achieve a lot when given the right kind of support. People see me as an inspiring example for Turkish women. We have many successful businesswomen and entrepreneurs and, I think, women are an important asset and have an important role to play in the development of Turkey.*

**Could you give us your opinion about the Turkish-Mediterranean relations and the position of Sabanci Holding in Spain?**

*G.S.- The Mediterranean is a very interesting area that still has a great potential for development. Our culture and our way of life are very much alike and there are many similarities between Istanbul, Cairo, Alexandria and even Barcelona. We have been in Spain since 1996 with Exportaciones Sabanci, S.A., 15% of which is owned by a Spanish company called BMM Group and the rest by Exsa. It was established to market white cement of Cimsa in Spain. After the construction of a storage and packaging facility in Seville, its sales have grown and it is now the leading white cement supplier in Spain. In the year 2000 we set up Diasa in Istanbul as a joint venture between Sabanci Holding and a leading Spanish discount supermarket chain Dia.*

**Before investing in a high potential country, be sure to find the right partner**



After 80 years of steady growth, Turkey is today one of its region's largest and strongest economies. Its 65+ million domestic market, and rapidly expanding economy, offer vast potential and many investment opportunities.

The first step in making the right investment in Turkey is to find a reliable partner.

Established in 1924, as the country's first private national bank, İşbank pioneered the development of the banking system and industry in Turkey. Today, with 841 branches nationwide and 54 affiliates from industries as diverse as tourism and glass, it is also Turkey's largest conglomerate.

Through its London Branch and its subsidiary in Frankfurt, with 16 branches across Europe, İşbank GmbH works round the clock on an on-line, real-time basis. In addition, its global network of correspondent banks allows İşbank to serve you wherever you may be.

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Rıza İ. Kulluoy at +90 212 316 34 02  
Treasury Department:  
A. Erdal Aral at +90 212 316 32 02  
Investor Relations Contact:  
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# The corridor of energy

The opening of the energy sector has made it a true magnet for foreign investment



**Mehmet Hilmi Güler**  
Minister of Energy - Turkey



**Osman Saim Dinç**  
President of TPAO

The Turkish energy sector offers unlimited opportunities for foreign investors. The Minister of Energy, Mehmet Hilmi Güler, explains, "We are pushing forward the liberalization of the sector and have applied new laws and regulations in order to attract private investment and simplify the privatization process. Turkey is rapidly becoming an important corridor of natural gas, electricity and petroleum because the BTC (Baku-Tbilisi-Ceyhan) oil pipeline and the South Caucasus Pipeline (SCP) gas pipeline, which are now operational. In the electricity sector, we will have the European Electric Network in 2006, and we will modernize some of the power plants as well to increase their effectiveness and productivity. With regard to electricity, first we will privatize the distribution and then the production systems," concludes the Minister.

The estimated increase of electricity consumption in Turkey is very high, especially if we compare it to some of the Europe Union countries. Given its large population and growing industrial activity, the demand in the future will be much greater. Önder Piyade, former General Manager of EÜAS, the Turkish Electric Company, adds, "Our current electricity generating capacity is 36,000 megawatts and in 2004 consumption was approximately 150 billion kilowatts/hour, which adequately meets and even exceeds our present needs. But it is estimated that around the year 2008, supply and demand will reach the same level, therefore the sector will need new, more efficient and productive power plants. According to estimates for 2020, we will have



to add 54,000 megawatts to meet demand. Foreign investment of capital and know-how will be essential in order to be able to modernize the existing installations and invest in new ones. Approximately 110 rehabilitation projects have been carried out in different power plants with a total investment of 520 million dollars," affirms Piyade.

## Open Markets

The new gas and petroleum laws promote the free market and stimulate competition. At the present time the EMRA (Energy Market Regulatory Authority) is preparing the necessary legislation to liberalize the sector and attract foreign investment. TPAO (Turkish Petroleum Corporation), the leading petroleum company in Turkey, has 50 years of experience in the exploration and production of petroleum and gas and plays a major role in the construction of the energy corridor. Its President, Osman Saim Dinç, explains, "Our goal is to make sure that Turkey's energy needs are met for the next 20 years. To achieve this, we are increasing our activity in both the domestic and international markets. In 1992, we started some projects in the Caspian region. Since that time, we have invested more than 2 billion dollars and have finished up exploration and production projects with foreign petroleum companies such as Chevron, Perenco, El Paso, and Amity Oil. We are working on an exploration project in the Black Sea with Madison Oil and British Petroleum because we are interested in setting up consortiums

with foreign investors and partners to carry out our projects."

"One of our subsidiaries, TPIC (Turkish Petroleum International Corporation), is an offshore company that gives us more flexibility with regard to our international activities. We are going to continue expanding into other regions and increasing the amount of money we invest. As a result of our strategic investments in central Asia, we are producing 20,000 barrels/day in Azerbaijan and Kazakhstan. When the SCP gas pipeline and the BTC oil pipeline are completed, TPAO's production reaching Turkey will be approximately 150,000 barrels/day," states Dinç. "The BTC project requires an investment of 3 billion dollars and it will open up the vast energy potential of the Caspian Sea, from Azerbaijan via Georgia to Turkey, where it will be distributed to the international market. This project will be operational this year and will export petroleum from the Ceyhan sea terminal starting in June. Our main objective now is to enlarge our portfolio in Kazakhstan. It will be necessary to build a pipeline to transport these reserves, which will make it possible to transport petroleum via BTC forming a belt from Aktau to Ceyhan. We are sure the Azerbaijan and Kazakhstan governments will complete the bases for this connection and the name of the oil pipeline will change from BTC to ABTC (Aktau-Baku-Tbilisi-Ceyhan)," concludes Dinç.

*This Report has been produced by Quality Media Press  
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**DYH**



**Doğan Yayın Holding (DYH) is Turkey's leading media-entertainment conglomerate, with operations in newspaper, magazine and book publishing, television and radio broadcasting, printing and new media. DYH is uniquely positioned in the Turkish media to inform and entertain its target group as well as to enrich their lives and widen their horizons in innovative ways that will take them beyond the role of spectators and encourage their active participation.**



**Strong synergies among the companies**

Operating on the principle of convergence, all these companies produce strong synergies with one another. Many of the DYH companies in these business sectors are leaders in their respective markets. Doğan Yayın Holding, Hürriyet, Milliyet and Doğan Burda Rizzoli are publicly traded companies.

**The core business activity:**

**Newspaper publishing**

Newspaper publishing has traditionally been the core business activity of DYH. Eight daily newspapers including Hürriyet, Milliyet, Radikal, Posta, Fanatik, Referans and Gözcü are the backbone of DYH's print media; recently they were joined by the Turkish Daily News, Turkey's premier English-language newspaper.

**Television broadcasting**

Kanal D is among the leading television channels in Turkey. CNN Türk, another channel under the DYH umbrella, is a joint venture between DYH and AOL Time Warner. CNN Türk is the only national CNN-affiliated local language 24-hour news channel controlled and operated outside of Atlanta, Georgia.

A variety of magazines for diverse tastes Publishing a total of 22 magazines, Doğan Burda Rizzoli (DBR) is engaged in the

import and domestic distribution of some of the world's leading newspapers and periodicals. At the same time, DBR represents two separate international partnerships for DYH: Burda of Germany and Rizzoli of Italy are among the leading media establishments in Europe.

**Book publishing**

With a market share of approximately 20% of the best-selling titles, Doğan Books is Turkey's most dynamic publisher. A joint venture between DYH and Egmont of Denmark, Doğan Egmont is the leading publisher of books for youngsters in the 3-14 year age group in Turkey.

**International music & book**

Doğan Music Company enjoys a licensing agreement with Bertelsmann Music International Service GmbH, a member of one of the world's largest media companies, Bertelsmann AG. With the support of BMG, Doğan Music Company has been able to step into the international music industry and maintain its industry leadership by introducing its own artists globally.

**Setting the standard in quality printing**

DYH has a key market position in the distribution of newspapers and magazines in Turkey due to the size, reach and efficiency of Yaysat. Doğan Ofset is an

internationally competitive printing center offering outstanding print and service quality.

**The internet is all the content on the internet is a network**

DYH, Turkey's largest content provider, has taken important steps in developing its new media activities. The first of these steps was to enlarge and integrate its existing activities by prioritizing investment in Internet and cable television services. As a Group, DYH possesses the potential of achieving widespread synergies in terms of content and connection between its Internet and digital broadcasting units. DYH has put together the widest spectrum of portal groups with Doğan Online, Turkey's largest Internet company.

**Marketing reaches and reaches all world citizens**

The D&R Music and Bookstore chain utilizes a variety of marketing platforms, from stores in prime locations to the D&R virtual store on the Internet to reach book and music lovers.

**DYH**  
DOĞAN YAYIN HOLDİNG

