

Date: 19.08.2011

Subject: Mehmet Kutman Teleconference

Attendees: Mehmet Kutman & Selran Baydar

Transcript:

Dear investors,

I guess this kind of event is first in Turkey. I would like to thank to all attendees. There are more people that i expected, so i'm very surprised.

Before questions, I'd like to summarize shortly.

As you know, our corporation became a holding company from Global Securities in 2005. Actually, "Holdings" doesn't describe our company exactly. Rather than saying Holdings we could describe it as a "Private Venture Capital"

We have started our operations with Kuşadası Port in 2005. The years between 2005-2010, there was an inflow of capital about \$ 107 million. In return for this inflow of capital, our total assets increased to 1 billion 314 million TL and total equity increased to 512 million TL. As a result our profits increased to 209 million TL at the end of the 2010.

As a company we mainly concentrate on 3 business lines and one of them is port. In the past 5 years there has been an investment about \$ 35 million in ports.

Murat Bineysel: What do you think about the stock exchange performance related to Global Securities and Pera REIT?

Mehmet Kutman: In past 5 years there was an inflow of capital about \$ 107,5 million and our first mission is to distribute dividend in next 3 years. We have made some mistakes about Pera. Our shares in Pera came up to 50% and we are going to continue the buying up the shares. But of course we do not have any control on the share prices in the market.

Murat Bineysel: Aren't you going support to Pera stocks like you did to other GIH subsidiaries?

Mehmet Kutman: It's wrong to state it as support. If the stocks are under the market value of course we are going to buy the shares of subsidiaries.

Hakan Sağlık: For The Capital Markets Boards of Turkey's last legislation, companies have the right to get back its shares up to 10%. You've already declared that you've continued to buy it. Did you start to buy before the legislation?

Mehmet Kutman: Yes actually we started to buy before the legislation. Also this legislation do not have validity for us, because we've already right to buy our subsidiaries's shares. The most important criteria is the distribution of dividend; this is not for just GIH, this is for all companies in the stock market. Capital markets can only develop in this way.

Hakan Sağlık: Then, is it possible to distribute dividend next year?

Mehmet Kutman: Yes, it will be distributed. It will be even possible in a shorter term. Also there is problem about distributing dividend in Turkey. There is a huge difference between the financial

statements that is given to Tax Office and that is given to Capital Markets Board of Turkey. The dividend cannot be distributed before getting profit on the financial statement which is given to Tax Office. This regulation will come true automatically when Turkish Commercial Code changes in 2012.

Ismail Gayretli: In your opinion, what should be the target price of GIH? Also I'd like to get some information about the privileged shares of Global Investment Holdings?

Mehmet Kutman: Under normal circumstances, the price of the share shouldn't be under \$ 3. To clarify about privileged shares, privileged shareholders do not have right to assign board of directors although they have only right to nominate candidates for board.

So if the general assembly doesn't accept it, these shareholders can't be chosen. We applied to Capital Markets Board of Turkey for ending this application. But it isn't approved yet, therefore we are not going to do anything about this subject.

Mert Bal: How much profit do you expect from the sale of SümerPark residences?

Mehmet Kutman: There will be 604 residences in total in SümerPark and approximately 150 of them should have the revenue of 23 billion TL.

Mert Bal: Ms. Bensele said that the target of Pera portfolio is approximately 500 million TL. Is it correct?

Mehmet Kutman: Yes, it is true.

Mert Bal: You said that annual SümerPark AVM rental income expectation is 9 million TL. I'd like to ask if the revenue has been added to the rental income.

Mehmet Kutman: No, minimum rental income. The revenue hasn't been added up.

Mert Bal: Are you planning new residence projects in the SümerPark area?

Mehmet Kutman: In Denizli city we see that there is surplus supply both in shopping centers and residences. There is only lack of supply in hotels. Therefore we continue interviews with Divan Hotel.

Mert Bal: There were hospital and hotel plots in the area. Are they going to be transferred back to Pera?

Mehmet Kutman: The sales were made for to solve the cash crunch of Pera. Of course the plots are going to be include to the Pera area.

Serdar Cavuş: What do you need to improve communication between investors and the company? Do you think the PR activities that you have done are adequate?

Mehmet Kutman: Yes we know there is a lack of communication and promotion. Therefore, we are trying to fix the problem about the wrong reputation and we know that it will take a long time. We're planning to focus on more PR activities in future.

Serkan Şahin: You told that the distribution of dividend will be appraised in the next year. As we know in 2012, Holding will make approximately a \$ 75-76 million bond and principal capital repayment.

At this point how do you think to cover this disbursement? Are you planning to issue new bonds or is the entire company will be paid by internal resources.

In addition, it is said that the construction of plant is expected to start in the last months of the year 2011, but at that time it is nearly impossible to invest in the region due to the seasonal conditions. And also is there any problem about the funding of the project and when are you going to start the construction of the plant?

Mehmet Kutman: Issuing new bonds will be our first choice about the payments. And if it is necessary the equity can be used for the payments. I'm very comfortable about that new bonds issuing will be complete in October or November 2011. We are working on the issuing process. The legal department will make the announcement when it is completed. In addition to your question; yes it will be difficult to start the construction in Şirnak in winter months. It is planning to start in April 2012.

Tuğberk Çitilci: I'd like to get more information about the legal process in Kuşadası Port.

Mehmet Kutman: We do not emphasize on the cancellation of tender process. We had already known that we were going to lose that case. A claim brought for the cancellation of concession agreement.

Litigation continues about the development process which is very important for this case.

Tuğberk Çitilci: How much are the commercial debts of Energaz to Botaş and what process is going to be followed about the position?

Mehmet Kutman: All commercial debts are paid by August 18.

Serkan Şahin: What is the final situation about the tender of Başkent Natural Gas?

Mehmet Kutman: The process is continuing about the Başkent Natural Gas. As our legal advisor told us we are going to win the case.

Kamber Kağızmanlı: Is it true that you're in a difficult situation because of the manipulation rumors?

Mehmet Kutman: Actually there is no answer for this question. By the way it is not true. Absolutely, we do nothing about the stock market prices. The only thing we do is to buy the shares of subsidiaries and holding when they are under their values.

Kamber Kağızmanlı: Especially PEGYO has the highest value per share, how can you allow to sell this equity in 0.65 TL?

Mehmet Kutman: We are not satisfied about the decline of the PEGYO stock, however all of us have show patience.

Cem Uşaklı: As a result of the last transaction you made, do you or the foreign partners have a put and call options about Global Ports Holding. If there is, what is the structure?

Mehmet Kutman: The first offer of CitiBank do not included the call and put option. However when we started to meet about the articles of association the offer which includes call and put option became as a debt mechanism. Because of this we declared the agreement with CitiBank. The agreement which is concluded with the VEI Capital do not include call and put option.

Cemal Büyükmen: How can you explain the 74 million as of year-end balance sheet and administrative expenses which is the highest amount in a total of 350 shares that you have shown?

Aren't you going to distribute dividend? How can a company distribute dividend with the 74 million expenses?

Mehmet Kutman: Actually I don't know how to explain your question but last year we had 210 million TL net income. When we look at it in a consolidate way it becomes 240-250 million TL. This means the company is producing therefore it is working. And I really do not think that there is no extremist in Management Costs. Also Ms. Selran would have chance to send you details if you give your e-mail address