

PRESS RELEASE

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A BIG MERGER IS SIGNED DESPITE OF THE GLOBAL CRISIS AGENDA

İş Private Equity, has invested 21.4 million YTL in Turkey's one of the most rooted pharmaceuticals companies; Dr. F. Frik Ilac.

İş Private Equity; which continues, even in crisis times, supporting companies with competitive advantages and those that are in industries with improving potential; has become partners with Frik Ilac on a 17 percent share level with an investment of 21.4 million YTL. Frik Ilac is the performer of the most stable growth among the leading companies in the Turkish Pharmaceuticals Industry.

This investment is the biggest one that İş Private Equity, which has invested in 10 companies to date, has ever made.

This collaboration of two companies both of which are significantly successful in their own fields is considered to be the messenger of a mutual success story.

Turkey's biggest local private equity company İş Private Equity continues to invest in companies, with competitive advantage and which are in industries with high growth potential, even in times of economical crisis. İş Private Equity, which contributed to the creation of many success stories by the investments it made and thus has grown very rapidly, and Frik Ilac which attracts attention with its stable growth trend among the leading companies of Turkish Pharmaceutical Industry, combined their forces.

With an agreement concluded in recent days by the parties; İş Private Equity became a partner to Frik Ilac of 17 percent share with an investment of 21.4 million YTL. This investment is also the largest investment ever made by İş Private Equity which has invested in 10 other companies to date.

Frik Ilac is established by one the earliest doctors of Turkish Republic, Dr. Feridun Frik, in the year of 1948. In year 2004 the company has gone under restructuring and changed significantly;

as a result of this change between the years of 2005 and 2007, its revenues performed an average annual growth of 57.30 percent, which is above four times the 14.28 percent average growth rate achieved by the industry, and has performed the most stable growth among the leading companies of the industry.

By multiplying its revenue 15 times from 5 million YTL in the year of 2001 to 75 million YTL in the year of 2007, the company has strengthened its position in the market and became the 37th largest company among the 334 companies in the Turkish pharmaceuticals industry. Frik Ilac targets to complete the year of 2008 with a turn over of 100 million YTL.

- **Frik: “We will create a mutual success story out of this collaboration”**

Ömer Erol Frik, Chairman of the Frik Ilac Board of Directors, spoke on the press conference that took place to share the details of İş Private Equity and Frik Ilac merging and Mr.Frik told that they feel deeply happy about the partnership they made with the Turkey’s most prestigious and powerful private equity company; İş Private Equity Company. Frik said “We are one of the most rooted pharmaceuticals companies of Turkey with our history of 60 years in this industry. With our investments and continuing restructuring efforts, we became the fastest growing medicine company in a stable way among the leading companies of the Turkish medicine industry. We restructured and strengthened our position in the market. We created a real success story in recent years and we keep on creating.”

Frik also mentioned that İş Private Equity, which decided to invest in Frik Ilac, despite the global economic crisis that affects the whole world; has great successes in its field and added “The success of İş Private Equity is conspicuous by the performances of the other companies it invested in. İş Private Equity will have an effective contribution in the continuation of Frik Ilac’s growth as it is a company that grows up with the companies they invest in. We preferred the most prestigious private equity company in Turkey; İş Private Equity, for our search of resources required for our target to continue our rapid and stable growth. From now on, we will keep on strengthening our position in the market with the experience, reliability and capital support of İş Private Equity which is an İş Bank backhanded affiliate. With the resource that İş Private Equity has provided us, we will add new medicines to our product range and also improve our marketing and promotion activities. I strongly believe that the cooperation of these two sides that both had created success stories will create a new mutual success story this time.”

- **Çelikkanat: “We are the fastest growing company among the leading companies of Turkish pharmaceuticals industry.”**

CEO of Frik Ilac Murat Çelikkanat told “We are very impressed by İş Private Equity’s vision, the investments they did up to today, the additional values they create in the companies they invest in, their competency and their approach to Frik Ilac.” Çelikkanat also underlined that as a result of the institutionalization and restructuring efforts which began 4 years ago they

multiplied their revenues 15 times from 5 million YTL in the year 2001 to 75 million YTL by the end of the year 2007.

Çelikkanat gave information about the Turkish and global pharmaceutical Industry and underlined the high growth potential in the Turkish Pharmaceutical Market and spoke about the advantages that this partnership will create for the company:

“Pharmaceutical industry size in the world has reached 712 billion US Dollars by the end of the 2007. It is estimated that the global pharmaceutical market will only grow by 5 percent between the years 2007-2012. And as we check the improvement of Turkish Pharmaceutical Industry, we see that it shows a much faster growth and it will go on to do so. The world pharmaceutical market has grown by 10 percent between the years of 2000-2007 while Turkish pharmaceutical market has increased by 30 percent in this time period. With this rapid growth trend Turkish pharmaceutical market has reached the level of 11.1 billion YTL. According to IMS Health data, by revenue base Turkish market is world’s 13th and Europe’s 6th biggest market and in the condition that Turkey continues with this growth rate trend it is estimated that Turkish pharmaceutical market will become the 11th biggest medicine market of the world in year 2012. We as Frik Ilac will continue to grow with the support of İş Private Equity in these market conditions that offer high growth potential.”

Frik Ilac, in 8 of 16 medicines in their portfolio, has more than 15 percent of market share in the related medicine’s market. Frik Ilac is market leader for four medicines and holds the second position in the market for two of its medicines. Besides its operations in Turkey, Frik Ilac has a branch in Azerbaijan and it also exports to Georgia.

- **Özgen: “We improve with the companies we invest in.”**

CEO of İş Private Equity Murat Özgen pointed out they have invested in 10 companies up to today and they are ready to support, even in the crisis times, the companies which they see a growth potential and also said “The most tangible result of this approach is the investment we introduce you today. We are very happy to be partners with one of Turkey’s most rooted pharmaceutical companies Frik Ilac. This investment is especially very meaningful for us as it is our biggest investment till today.”

“The companies we added to our portfolio has shown a 42 percent growth in US Dollars terms with the support we gave them during our partnership” said Özgen and added “İş Private Equity is a company that improves with the companies it invests in. To know that we are a part of their success stories makes us proud. We perfectly believe that this new partnership we made with Frik Ilac in an era that the results of the global economic crisis have begun to be felt, will be the messenger for new mutual successes.” Özgen went on;

“As İş Private Equity, we invest in the companies that we believe in its future and profitability regardless of their industry and which are managed in professional mentality. We invested in 10

companies till today. We exited from four of them when the time for the exit was right for all shareholders. We made 76 percent income in US Dollars terms from those companies we invested in and exited and as a result our fund has grown rapidly. And now we invest in Frik Ilac which is rapidly growing among the leading companies of Turkish pharmaceuticals industry. This is the biggest investment we made up to now. We have been following the success story of Frik Ilac for a long time. We believe in Frik Ilac and the future of the pharmaceuticals industry. We will serve all our knowledge and experience in the use of Frik Ilac. With our capital support, we will help finance the rapid growth of the business. We will support their actions that will help them to reach their targets. We will be the promoter of their growth and thus we will grow with them. We as İş Private Equity go on to search for new opportunities even in economic crisis conditions. We will keep on supporting the institutions that we believe will help the Turkish Economy improve and grow.”

Özgen reminded that they have gone public in the year of 2004 and they are publicly traded on ISE as one of the industry leaders and said “We feel the confidence of accomplishing our responsibility against our shareholders by profitable and stable growth performance due to our right investments. Frik Ilac will be a new step for creating value for our shareholders.”

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