

FOREIGN INVESTMENT CONSULTANCY SERVICES

Foreign Investment in Turkey and Consultas

Especially, since year 2000, the stability and sharp growth has attracted foreign investors to enter Turkish market. "Foreign Direct Investment Law" which came into power on June 2003 caused considerable increase in the number of companies with foreign capital.

Consultas is acting like a key player during the foreign investment processes with its extensive know-how and experienced team. Consultas provides different services that a whole investment process needs such as from strategy decision to feasibility reports.

The various specifications of Consultas team ensure that our clients benefit from integrated solutions that are individually tailored to their requirements and structured according to the business they want to invest.



During the whole foreign investment process Consultas is working with its business partners (e.g. law offices, information technology consultants), that are respective and well-known firms in their fields.

Foreign Investment Consultancy Services

Consultas Bağımsız Denetim ve SMMM AŞ offers the following services under Foreign Investment Consultancy:

- a. Analysis of Turkish market and selected sectors including the key players in these sectors
- b. Feasibility reports and business plans *[refer to page 2]*
- c. Due diligence services *[refer to page 3]*
- d. Mergers and acquisitions *[refer to page 3]*
- e. Valuation services
- f. Preparing or reviewing sale and purchase agreements
- g. Structuring of the investment and dealing with organization
- h. Tax planning *[refer to page 4]*
- i. Remodelling and restructuring
- j. Cash flow modelling
- k. Recruitment of key staff and approval of certificate for employing foreign personnel
- l. Tax agency services

Feasibility reports and business plans

Consultas has carried out a great number of feasibility studies for its foreign clients as well as domestic direct investment projects. The studies have often been starting points for successful and profitable new projects, which have been realised by our clients.

A feasibility study for an investment project will cover hundreds of elements and aspects. All these can be linked up to constitute the following main issues:

- Background of the project, including a description of the initiator(s) and the motives for starting the project
- The product or service, including the customer needs it will fulfil
- A sales forecast, based on through market research
- The marketing strategy for the new products or services
- Analysis of the competitors and local producers
- Description of manufacturing operations
- Tax analysis of the project and subsidies granted
- Management, personnel and organization
- Project implementation schedule
- Investment schedule
- Projected balance sheets and profit and loss accounts
- Projected cash flow
- Proposed financial structure
- Project payback computation
- Financial evaluation based on profitability and ratios

In a feasibility study for an investment project in a developing country (like Turkey) certain specific aspects must be highlighted. These aspects are related to the relevance of the project for the national developing economy, such as:

The amount of local value added:

- A positive foreign exchange balance: the project will generate more foreign exchange because of exports than it will use for the operations
- The use of products from local manufacturers
- Transfer of know-how to local management
- Extent to which local management and labour can be used

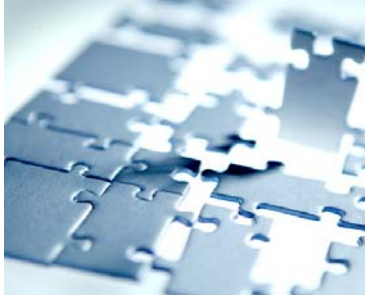
If a project is particularly relevant for Turkish economy, the possibility of obtaining development funds for the preparation and implementation of the project might be available.

Due diligence services / Mergers & Acquisitions

Consultas is performing due diligence works and business analyses for organizations that are contemplating investments, strategic partnerships and mergers and acquisitions.

We are generating valuable due diligence reports and business analyses that become an integral component of clients' decision-making and negotiation processes. We are offering a confidential, sound, unbiased perspective and our clients' are profiting from our deep understanding of Turkish economy built up over many years. Our professionals have both consultancy and real sector experience and that provides a major advantage for our clients in means of "understanding business".

We are offering due diligence services with a focus on investment viability. We seek to evaluate:



- Is the project feasible as conceived?
- Can the project be financially viable?
- Are the capital, operating and maintenances costs reasonable?
- Have the country, market and other environmental issues been adequately addressed?
- Does the project have the potential for a positive net present valuation?

Our due diligence work includes the following procedures;

- Define and understand the client's needs and the type of investment.
- Understanding the business, current market conditions and performing a detailed SWOT analysis.
- Understanding the company structure and performing benchmark with similar type of companies
- Analysis of financials of the company, review of assets quality, search for unrecorded liabilities, possible tax risks
- Conversion of financial statements to IFRS and US GAAP
- Liaison with MSI Global Alliance's offices worldwide where due diligence is required on a business outside Turkey

Projects are customized based on client needs. Due diligence services range from initial validation of targets to detailed on-site due diligence visits to the preparation of complete integration plans. Strict confidentiality is maintained for all engagements.

Tax planning

Consultas offers the following services for tax planning during foreign investment process:

- Taxation issues about the country, the sector (special taxes) and the entity
- Analysis of previous tax reports and current tax issues of the entity
- Consultancy about double taxation
- Future tax planning
- Tax investments and subsidies
- Consultancy about transfer pricing

About Consultas

We are a medium-sized auditing, accounting and consultancy firm. We are providing audit and assurance services, tax audit and tax planning services, business and management consultancy services and outsourcing services for the clients from different sectors and different sizes.

Our team consists of auditors, consultants, tax advisors and accountants who have sound experience about their areas. The various specifications of Consultas Team ensure that our clients benefit from integrated solutions that are individually tailored to their requirements and structured according to the business they are operating.

We are applying the following principles for all our services;

- Understand the business the client is operating and the current market conditions
- Understand client's specific needs due to organizational structure or the industry operated
- Evaluate alternative solutions, discuss with clients and implement the best one
- Create synergy among the services offered
- Inform clients about opportunities and threats and work with clients to get required steps.

MSI Global Alliance

We have been appointed as MSI Global Alliance's exclusive accounting and consulting firm in Turkey starting from October 2007.

MSI is a worldwide network of independent professional firms with more than 250 offices in about 100 countries. The member firms provide their services to our clients all over the world. The membership in MSI ensures international business solutions of highest quality for our clients. For international clients MSI provides auditing, tax and consultancy services worldwide.

With our membership in MSI we combine the flexibility and the personal service of midsized professional firm with the advantage of an internationally operating company.

