

1st Investor Relations Award

Melsa Ararat's speech when handing out the Award for Best Corporate Governance Disclosure

'Good evening; before I announce the winner for this important category I would like to give you some insight into the thinking of the selection panel.

There are two major approaches to CG regulations in the world. Turkey has opted for a 'Comply or explain' approach, which relies on voluntary self regulation, transparency of governance policy and practices, and disclosure of reasons for deviation from best practices. I have to say that we were generally quite disappointed with the level of disclosure by the shortlisted candidates. Furthermore most CG Compliance reports provided little insight into their reasons for non-compliance. And nearly all companies kept silent about CG disclosures that are regarded as standard internationally, such as Board performance evaluation, their Directors' nomination process, and the disclosure of CEO compensation. One may argue the relevance of these disclosures for controlled by shareholders, but disclosures more specific to the Turkish context were also generally absent; for example none of the companies provided any information about the nature of the relationship between the controlling shareholders and their nominee directors. Obviously lack of CG disclosure does not necessarily mean that the CG is bad, but it means there is no way for investors to assess CG risks or its potential for value creation.

In the aftermath of the global financial crises CG practices have come sharply into focus. CG is becoming an increasingly important factor affecting investment decisions world-wide. You only have to look at what has happened to Shell Petroleum to note that investors have started to become more active and I must say, responsible owners. Turkish issuers should take notice of this trend.

In reflection of our general disappointment in this category we have not awarded a second or a third place. The Selection Panel considered that, aside from the winner, the short listed candidates fall short of best practices. While too many companies are still not appreciating the value of CG disclosure for outside investors, our winner however, stands out as the best example, by complying with the strictest CG disclosure regulations in the world - the NYSE regulations. Ladies and Gentlemen it gives me great pleasure to announce this category's winner - Turkcell.

Let us congratulate Turkcell!'