

**WORLD'S BIGGEST PRIVATE EQUITY FUND  
REPRESENTATIVES MANAGING US\$ 1 TRILLION OF  
ASSETS WORLDWIDE GATHERED IN TURKEY**

**President Recep Tayyip Erdoğan's message to the investors marked the event of "3rd Annual Executive Briefing on Private Equity in Turkey and Environs" which was held by Globalturk Capital with the partnership of EMPEA. President Recep Tayyip Erdoğan, who failed to participate in the event due to his visit to Greece for the first time in 65 years as the President of Turkey, emphasized in his written message that despite the obstacles and troubles Turkey has faced in recent years, it has not closed down but opened up further into the world. Addressing the investors Erdoğan said: "Despite all the negative propaganda abroad, we consider your presence here very important. With this attitude, you have shown that the real economy is honoring facts and opportunities, not hearings and rumors."**

In his written message, Erdoğan stated that: "It is possible to see the traces of this on every corner of Turkey and Istanbul, where you are at the moment.

Incubation centers, research centers, fast-growing Private Equity ("PE") funds and the granting, incentive and aid mechanisms that support our state show the value that we give to entrepreneurship. On the other side, a growing number of our companies are partnering with international ones. Again, many foreign companies are active in our country or are expanding their fields of activity.

**"We attach great importance to private equity and venture capital investments"**

We attach great importance to the contribution of private equity and venture capital funds to the economy. Unlike classical investments, we know that the strong growth

appetite of fund investments has coincided with our growth targets, which can lead to productive and profitable results for all parties. In this context, we'll be offering investors many more possibilities besides the Sovereign Wealth Fund which will soon start its operations. By simplifying the company startup process, we make it easier to invest and accelerate legal and administrative processes related to investments. We reduce foreign trade costs, which will facilitate the integration of investments into domestic and foreign markets.”

**“Economic development is one of the most effective medicines of terrorism”**

Erdoğan, thanked all the investors by saying that, “Despite all the negative propaganda abroad, we consider your presence here very important. With this attitude, you have shown that the real economy is honoring facts and opportunities, not hearings and rumors.”

He ended his words by saying: “We consider economic development to be one of the most effective medicines of terrorism, which is the biggest problem facing the world today. We see that the constructive dialogues that we have carried out with the participants in the US or the investors who are active in our country give positive results. I hope that today’s meeting will provide successful results for all parties. Even if I cannot be here with you right now, I would like to assure you that our state will be supporting you in every aspect.”

**Global players reinstated their relations with Turkish investors**

More than 200 private equity fund representatives from Turkey and abroad gathered in the meeting of “3rd Annual Executive Briefing on Private Equity in Turkey and Environs” which is organized by Globalturk Capital, who acts as the venture partner of Turkish companies as well as foreign private equity funds, together with EMPEA, the largest association in the world for private capital in emerging markets.

The representatives of the PE funds, managing over US\$ 1 trillion assets in more than 100 countries, who came together with President Erdoğan in his recent visit to the US, reinstated their relationships with Turkish investors.

### **The parade of executives**

The event hosted 30 executives and experts as keynote speakers and panelists including **Barış Öney, Founder and Managing Partner of GlobalTurk and EMPEA Turkey Representative, Jeffrey Leonard, Board Member, Spokesman and Former Chairman of EMPEA** as well as **Co-Founder of Global Environment Fund** that operates more than 25 years, **Colman Deegan, CEO of Vodafone Turkey, Hassan El-Khatib, Managing Director, Equities of EBDR** and so on. In addition, more than 200 investor representatives participated to the event as the member of the audience.

At the meeting, the dynamics of the Turkish economy, the vitality of the PE funds and the interest of foreign investors in Turkey had been discussed.

Speaking at the opening of the event, **Globalturk Capital Founder and Managing Partner Barış Öney** emphasized that the meeting held by Globalturk Capital, with EMPEA, is one of the most important platforms that brings together PE funds investing in emerging markets. He mentioned that they are very much pleased to welcome more than 200 PE fund representatives from Turkey and abroad in the 3rd Annual Briefing. Indicating that international fund holders who participate to this very event provided more than US\$ 30 million of resources to Turkey to date, he said: “According to a survey conducted by Globalturk Capital, 65% of FDI transactions in Turkey in the last 10 years are carried out directly by PE funds or by the foreign companies that they manage. In a survey conducted during the event, 80% of the PE fund representatives said they plan to invest in Turkey in 2018. ”

### **A representative solely for Turkey**

Öney mentioned that the emerging markets private equity funds association EMPEA, where its member firms manage over US\$ 1 trillion of assets in over 100 countries, appointed a country representative solely for Turkey for the first time in the world.

He said: “As a result of our close relationship and mutual efforts, we came to the point of partnering. Witnessing our successful work, they asked us to be the representative of Turkey and gave us this title. I am honored to receive this title both for myself and Turkey. I find it very valuable for such a powerful institution to give representation in Turkey for the first time in the world, which I believe is emphasizing the importance of Turkey in the emerging markets. This is quite a development that may smooth the path of new funds coming to Turkey.”

### **The partnership of EMPEA and Globalturk Capital**

Öney, continued: “Within the last year, EMPEA and Globalturk Capital partnership has ensured private capital funds to meet with our President in private both in New York and Washington, DC, as well as with our Deputy Prime Minister, Ministers and ISPAT directors. In addition, only after 4 years, a Turkey session could be held in the annual meetings of EMPEA which takes place in Washington, DC, every year in May.”

### **“A milestone for Turkey”**

Giving information about investment style of private equity funds, Öney also shared the following notes:

“The managers of private equity fund managers generally collect funds for 10 years from fund holders and invest these funds to the companies for 5 to 8 years. They enter into the boards of these companies. They aim to help the companies grow rapidly so

as to sell their shares and exit. The more they conduct profitable exits from their investments, the more they can raise funds from the fund holders for the next round. Making a profitable exit is a more important issue than investing. When they exit, they can sell their shares to another company, to a fund or to the existing shareholders of the company, or they may prefer to exit by going public. This year had been a milestone for Turkey for the 3 exits that has been realized by IPOs. It is a crucial development that opens the way for the new PE funds for Turkey to flow into the country next year. "

**“Turkey plays an important role in the global emerging markets PE industry”**

**Jeffrey Leonard, Board Member, Spokesman and Former Chairman of EMPEA** said, that one of the most important reasons of their success in Turkey is derived from the partnership model they developed with Globalturk Capital and their perspective on Turkey in terms of private capital is long term.

Indicating Turkey’s important role in global PE industry, Leonard said: “Although investors have sensitivities for emerging markets like Turkey, these economies do not fail us. In 2012, Turkey had its most productive time in terms of fund raising. At that time India was quiet behind. But nowadays, India is the favorite one in emerging markets among the investors. In fact, this situation indicates an opportunity for Turkey. Because it’s likely to rise again. Those kind of volatilities are normal in the market. There is no need to have concerns.”

**“Turkey is a big market for PE”**

One of the keynote speakers of the event, **Hassan El-Khatib, Managing Director, Equities of EBRD** said that EBRD is operating in a region of 38 countries including Russia, Poland, Mongolia, Egypt and Turkey and the company invests in various sectors such as energy, corporates, public and infrastructure. Emphasizing that they

hold a wide portfolio in Turkey El-Khatib said, “Among our operations, Turkey covers the largest area. Turkey is the largest market with Poland in terms of private capital. Despite the currency imbalance that is currently experienced in Turkey, PE funds doing their share of duty and continue to work by relying on Turkey's sound economy. As EBRD, we continue to invest in Turkey acting as a local partner.”

### **“Turkish telecom market is a real opportunity”**

**Colman Deegan, CEO of Vodafone Turkey** also mentioned that unlike other telecom markets in the world, Turkey is a one that is experiencing constant growth and providing opportunities for investors. He appointed the young population of Turkey and their general interest in technology as the very reason of this growth. Saying that PE investors refrain from investing in telecom companies as they are big entities, Deegan stated: “However, the Internet is used more intensively in Turkey than other countries. This opens the door for OTT or cloud-based services. So there is more space for investments in these areas. I believe we should work closer with the investors in these fields.”

### **Notes to the Editor:**

*Established in January 2011, Globalturk Capital works as a venture partner for Turkish and foreign private equity fund companies. The firm supports Turkish companies by raising capital from private equity funds or foreign strategic investors or by staying in the company after the investment. At the same time, it also makes co-investments with the PE funds and foreign strategic investors in Turkish or international companies as well as operating in the areas of mergers and acquisitions. **Mr. Barış Öney, Founder and Managing Partner of Globalturk Capital**, said that they have provided services to some 40 companies in this scope until today and there are 15 different projects still continuing. Öney stated that in 2018, it is expected that 3 to 4 partnership or sale negotiations might be concluded in the service, production, ICT and health sectors. Öney also announced that they have launched operations in London this year*



*and within these activities they are making progress in the sales of 10 companies from North and Baltic countries, Russia, Ukraine, CIS countries and Asia.*

*In the context of bringing new private equity funds to Turkey, they are also actively working on raising funds that are capable of investing in emerging markets and Turkey primarily in the small to mid-market.*