



Press Release

December 1, 2014

Is Private Equity and Dogus SK Private Equity have partnered to invest in Radore, one of the leading data centers in Turkey.

Dogus SK and Is Private Equity Invest in Radore

Is Private Equity and Dogus SK Private Equity (DGSK) acquired 57% share in Radore, one of the leading companies in co-location and dedicated server services in Turkey. Having grown rapidly to become a leading player in the industry since 2004, Radore provides co-location, dedicated server, hosting and cloud services to individual and corporate clients.

The rapid growth of internet-based business models and e-commerce and social media applications brought two leading private equity funds together in a partnership in one of the largest data centers in Turkey. **Dogus SK Private Equity (DGSK)**, the private equity fund established by Turkey's Dogus Group with the South Korean SK Group, and **Is Private Equity** became partners in **Radore**, a provider of co-location and dedicated server services. DGSK and Is Private Equity acquired 57% of Radore for TL 35 million and will have equal representation in the company. Half of the investment amount will be injected into the company to enable growth.

DGSK Private Equity General Manager Kayril Karabeyoglu commented on Radore being DGSK's first investment in Turkey. Emphasizing on the critical importance of the uninterrupted continuity of Information Technology (IT) operations, Karabeyoglu said, *"Enterprise data traffic increases along with developments in technology, making data center*

operation crucial for uninterrupted IT operations. Uptime provided by data centers like Radore increase demand for outsourcing in enterprises' data center needs. The new investments brought by this partnership will enable Radore as the largest independent data center in Turkey to shape the growth in the industry. I am confident that our partnership with Is Private Equity will further support the success of Radore."

"Demand for data centers increases"

DGSK General Manager Kayril Karabeyoglu pointed out that tremendous change is happening in many areas from business models to entertainment, communication and shopping habits, adding: *"Nowadays we do most of our transactions online, from paying bills to shopping for groceries. This causes rapid growth in the number of enterprises providing services on web, drawing attention on large and powerful data centers to provide infrastructure and management services by hosting web content. The demand is further increased by the young population's keenness in technology and fast consumption of all things new. In other words, the data center industry grows rapidly as influenced by supply and demand. We also believe that the market will expand with international demand in addition to the growing potential in Turkey."*

Is Private Equity General Manager Murat Ozgen noted in his statement that the partnership was in data center services, which grew by 32% in US dollars in 2013 and is expected to grow by 28% between 2013 and 2017 on an annual basis. Ozgen emphasized the increase in individual and corporate internet penetration, saying *"The spread of internet-based business models led to increased interest in videos, online gaming and e-commerce, particularly among the youth. We see more and more enterprises leaning towards outsourcing their data centers to infrastructure and management service providers in order to meet the demand brought by multiplying web content. Turkey is currently among the top five growth countries in the European data center industry."*

"Turkey has great potential to become a data center hub in the region"

Ozgen said that the data center market would expand with international demand in addition to the growing potential in Turkey, and continued *"More than 70% of the data content consumed in Turkey is held in data centers abroad. The potential of Turkey to become a data center hub in the region by repatriating this content gives an idea about where our data center industry may be in the next 5 years. Investments of this nature promote lead foreign investors to expand their view of Turkey, and are critical to have a well-established industry. We at Is Private Equity invest in the future of Turkey, and are confident that the partnership with DGSK for Radore, one of the strongest and most successful providers of co-location and dedicated server services, will empower the industry."*

Radore General Manager Z. Kubilay Akyol said, *"We are proud to bring two leading Turkish groups together. Our partnership with two reputable private equity funds in Turkey will lead to*

great success both in Turkey and abroad. Today, our company employs about 50 people, and provides data center services to more than two thousand clients with a server capacity of 10,000. Our aim is to take Radore a step further in our rapidly growing industry thanks to the pioneering roles and valuable experience of private equity funds in the development of companies."

About Radore:

Radore Veri Merkezi Hizmetleri A.S. ("Radore") was established in 2004 to provide individual and enterprise web hosting services, made its first data center investment in 2005, and since then became one of the largest co-location and dedicated server companies in Turkey. Radore was named "The Fastest Growing Data Center in Turkey" by the Deloitte Technology Fast Program in 2012, 2013 and 2014, and was among the top 10 fastest growing technology companies of Turkey for two years in a row.

About Is Private Equity:

Is Girisim Sermayesi Yatirim Ortakligi A.S. ("Is Private Equity", Reuters ISGSY.IS, www.isgirisim.com.tr) was established as an Is Bank Group company in 2000 and became operational in 2002. Being one of the pioneers in the Turkish private equity industry, Is Private Equity bases its strategy on providing capital and management know-how to Turkish companies, operating in sectors with high growth potential and sustainable competitive advantage, and selling its shares in the invested companies once targets are achieved. Pursuant to the Capital Markets Law, Is Private Equity went public in 2004 and is listed on the Istanbul Stock Exchange.

Selection of the right entrepreneurs has the highest priority among the criteria of Is Private Equity in assessing prospective projects. A high growth potential, successful past performance, effective management, and capability to sustain growth in future are other considerations, as well as sustainable competitive advantage. Furthermore, the exit potential of the companies in which Is Private Equity invests is also important since the company has to exit from the invested companies due to the nature of its business.

Is Private Equity has invested in 16 companies since its establishment and became the market leader in total number of transactions by performing successful exits from 11 of them. Average internal rate of return in US Dollars from these 11 exits is 26.46%. Specializing in companies with equity values at or above 25 million US Dollars, Is Private Equity has screened around 2,300 projects in various sectors since its establishment.

About DGSK:

Dogus SK Girisim Sermayesi Yatirim Ortakligi A.S. ("DGSK"), established in 2013, is a private equity fund with investment focus in small and medium size enterprises in Turkey. Targeting companies with high growth potential and sustainable competitive advantage,

DGSK is a joint venture between Turkey's Dogus Group and the South Korean SK Group with its initial committed fund size of USD 100 million.

DGSK seeks to invest in high-growth, pioneering companies to realize long-term investment plans and create permanent value. Covering a wide spectrum of sectors, DGSK focuses on consumer, retail, services and manufacturing industries.

Radore Veri Merkezi Hizmetleri A.S is DGSK's first investment.