

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

- According to the announcement of Fiba Group, upon the finalization of the process for obtaining the necessary approvals, Credit Europe Bank, a subsidiary of the Group based in the Netherlands, has acquired 95% stake of Millennium Bank Turkey on 27 December 2010. The name of Millennium Bank will be changed in the forthcoming months.
- As per the written statement of ABank, one of the subsidiaries of Anadolu Group, the Bank has obtained a subordinated loan in the amount of US\$ 105 million from International Finance Corporation, Black Sea Trade and Development Bank and Dutch Development Organization with 10-year maturity. It has been further stated that such loan is the first subordinated loan realized by way of syndication in Turkey. The loan will be used to strengthen the capital base of the Bank and to meet the financing needs of the small and medium sized enterprises.
- Pursuant to the dailies, Turkish Industrial Development Bank and German Development Bank have executed two loan agreements with respect to the renewable energy and municipal infrastructure projects. Accordingly, Turkish Industrial Development Bank has obtained loans amounting to Euro 91.7 million in total from German Development Bank.

CAPITAL MARKETS UPDATES

- Pursuant to the statement of Turkish Airlines to the Public Disclosure Platform, the Board of Directors of the Company has resolved to establish a joint venture with THY Teknik and Turk Havacilik ve Uzay Sanayi, which will engage in manufacturing, modification and marketing of cabin products and components. The Company, THY Teknik and Turk Havacilik ve Uzay Sanayi will hold 30%, 21% and 49% stake, respectively, in the joint venture and the parties will equally participate in its management.

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- The Capital Markets Board has approved the public offering of Kiler Alisveris Hizmetleri by way of selling some portion of its current shares corresponding to TL 4.1 million and through capital increase in cash in the amount of TL 13.5 million.
- Kilic Deniz, an aquaculture company, has issued a statement announcing that NBK Capital, a subsidiary of National Bank of Kuwait, has acquired 20% stake in Kilic Deniz. Kilic Deniz is the 301st amongst the 500 biggest industrial entities in Turkey.
- Aslan Cimento has completed the process for the purchase of shares in Oyak Beton corresponding to 20% of the share capital with a total nominal value of TL 14 million 324 thousand in return for TL 40 million 240 thousand 800.
- As per the statement of Petrol Ofisi to the Public Disclosure Platform, its parent company, OMV Enerji Holding, has applied to the Capital Markets Board for the takeover of the publicly traded shares of Petrol Ofisi, which are neither held by OMV Enerji nor OMV Aktiengesellschaft.

PRIVATIZATION HIGHLIGHTS

- The share transfer agreement with regard to the transfer of the privatized Yesilirmak Elektrik Dagitim to Calik Enerji has been signed. The Minister of Finance has stated that 42% of the electricity distribution sector has been privatized upon the transfer of Yesilirmak Elektrik Dagitim to Calik Enerji. He has further stated that 97% of the sector will be transferred to public sector with the completion of the tenders as of the next year.
- The Privatization High Council has approved the sale of 80% stake in Baskent Dogalgaz Dagitim to MMEKA Makina Ithalat Pazarlama within the framework of the tender specifications. MMEKA Makina Ithalat Pazarlama had won the tender with its bid amounting to US\$ 1 billion 211 million.

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Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Privatization Highlights

d. Energy Markets News

e. Other News

ENERGY MARKETS NEWS

- According to the statement made by Akenerji Elektrik Uretim to the Public Disclosure Platform, Feke 2 Dam and Hydroelectric Power Plant belonging to Akkur Enerji Uretim, one of the subsidiaries of Akenerji Elektrik Uretim, has commenced generation upon the completion of the acceptance procedures before the Ministry of Energy and Natural Resources. Consequently, the installed capacity of Akenerji Elektrik Uretim in terms of renewable energy resources has reached 310 MW and the total installed capacity has reached 659 MW.
- Pursuant to the statement of Anel Telekomunikasyon Elektrik Sistemleri to the Public Disclosure Platform, Anel Enerji Elektrik Uretim, a subsidiary of the Company, and Kioto Photovoltaics have signed a protocol in order to establish a company for the manufacturing of photovoltaic solar panels. The companies will have 50%-50% partnership in the to-be established company.
- Karabuk Demir ve Celik Fabrikalari and Akfen Hidroelektrik Santral Yatirimlari, an affiliate of Akfen Holding, had executed an agreement for the purchase of 100% shares held by Akfen Hidroelektrik Santral Yatirimlari in Enbati Elektrik Uretim in return for Euro 10 million. According to the announcement made by Karabuk Demir ve Celik Fabrikalari, upon obtaining the approval of the Energy Market Regulatory Authority, the transaction has been completed and the shares have been transferred to Karabuk Demir ve Celik Fabrikalari on 27 December 2010. Enbati Elektrik Uretim will install and operate a hydroelectric power plant with 22.5 MW capacity in Pirinlik.

OTHER NEWS

- As per the written statement made by Nestle Turkey, the Company has executed an agreement for the purchase of 51% stake in Dogan Gida and Balaban Gida, which produce a variety of biscuits, chocolates and wafer brands including the chocolate brand "Toto". Accordingly, the founders of Dogan Gida and Balaban Gida will continue to undertake the management in this new partnership. It has been further stated that the agreement is subject to the approval of the Competition Board.
- According to the statement of the Savings Deposit Insurance Fund, 76 immovable properties with a total estimated value of TL 52 million 87 thousand 900 had been put out for sale through auction method. Accordingly, 13 of these immovable properties have been sold and the Fund has collected TL 1 million 541 thousand 500 from such sale.
- Pursuant to the announcement of Dogan TV Holding to the Public Disclosure Platform, the execution of the collection process initiated by the tax office against the Holding and its affiliates with respect to the tax case has been suspended.
- The Ministry of Industry and Commerce has announced its project called "Central Registry System". With the realization of the Project, all information regarding all companies across Turkey will be available. The companies will have an identity and a citizenship number. The aim of the Project is to unite all trade registries under one data base and to enable the citizens to reach all information online. In a short while, it will be possible to establish companies online. The State Planning Organization has already granted its approval to the Project.

The aim of this weekly newsletter is to highlight mainly the regulatory changes made by the Turkish Government during the relevant week. The content of this bulletin is limited to those areas Taboglu & Demirhan advises its clients. It contains a general summary of the changes and the areas it covers are broader. Thus, one should not rely on it for specific advice. For further information or advice please contact Taboglu & Demirhan, a full-service law firm based in Istanbul.

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