

TABOGLU, ATES & DEMIRHAN

Newsletter

NEWS RE BANKING SECTOR

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- The Savings Deposit Insurance Fund has published the tender announcements regarding the sale of commercial and economical integrities of Era Financial Leasing, EGS Financial Leasing, K Financial Leasing, Imar Financial Leasing, Eti Financial Leasing, Ulus Factoring, Era Finans Factoring and D Factoring in the Official Gazette on 24 September 2007. As per the announcements by the Fund published in the Official Gazette, the bids are contemplated to be held on 12-13 November 2007 at the Fund's premises in accordance with the terms and conditions set out in the specifications. The bidders will be obliged to deposit TRY 4,500 for Era Financial Leasing, EGS Financial Leasing, K Financial Leasing, Imar Financial Leasing and Eti Financial Leasing in advance in order to attend the tender, and TRY 5.000 for Era Finans Factoring, D Factoring and Ulus Factoring.
- Banks in Turkish market started to set up various new branches after overcoming the crises in year 2001. Based on the principle of being "closer to the clients", the banks have started to open up branches almost in any district of Turkey. Accordingly, Garanti Bankasi has increased number of its branches from 304 to 519 whereas Turkiye Ekonomi Bankasi has achieved the highest rate by increasing its branch number from 75 to 233.
- The Chairman of the Banking Regulation and Supervision Agency has announced that the bankers in Turkey may be compelled to declare their salaries and bonuses through internet as the bankers in the United States, and accordingly those who are dealing with the banks may achieve certain results through evaluation of these salaries and bonuses. The Chairman has also mentioned that the bankers working at public banks may start with declaring their salaries and bonuses which may be disclosed in independent audit statements.

- Yapi Kredi Bankasi having 654 branches throughout the country has recently implemented an accelerated expansion scheme in order to enlarge its market share, thus growing stronger and creating sustainable values. Within the framework of the scheme, the Bank is aiming to open up to 350 branches until the end of 2009 and to have 1000 branches in aggregate. The Bank's main target is to raise its market share for branches from 9% to 11%.

TELECOMMUNICATIONS NEWS

- The Ministry of Culture and Tourism has initiated the "Mobile Information System Infrastructure" Project, through which the users will be able to receive information regarding Turkey via their mobile phones. With a view to realize the project, the Ministry has entered into a cooperation agreement with three GSM operators recently.
- The CEO of Turkcell has stated that Turkcell is ranking among the top 5 most recommended companies in America and the Company has received proposals to enter into cooperation with East European companies due to its latest success achieved in Ukraine.
- In respect of the tender held by the Savings Deposit Insurance Fund for sale of the commercial and economical integrity of Sabah-ATV, five foreign media groups have purchased tender specifications in order to participate in the tender. According to the dailies, the potential buyers are the Greek media group Antenna, Prosieben Sat1 from Germany, RTL group of Europe, News Corp owned by Rubert Murdoch and the Czech Central Europe Media Enterprise.

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Highlights

a. News re Banking Sector

b. Telecommunication News

c. Energy Sector News

d. Privatization Highlights

e. Other News

ENERGY SECTOR NEWS*cont'd.*

- The Energy Group of Zorlu Holding has decided to make its first investment for wind-backed energy in Hasanbeyli and Bahce, the counties of Osmaniye. The Company considers starting the construction works by next month and completing such work within 18 months. Accordingly, 135 MW of energy shall be generated through 54 wind roses by investing Euros 300 million.
- As per the dailies, the Ministry of Energy and Natural Resources will put new regulations and efficiency projects into effect in order to ensure energy savings amounting to at least US\$ 3 billion a year. Regulations and projects to be prepared in accordance with the Law on Energy Efficiency covers rewards to be granted to the enterprises providing energy efficiency, and programs making individuals conscious of saving energy. Through these acts, the Ministry considers reducing the energy wasted per unit by at least 15% until the year 2020. The first project is contemplated to be effectuated between the dates of 15 October - 31 December 2007.
- Pursuant to the dailies, Gama Energy, a subsidiary of GAMA Holding, won the international bid called by the Government of Jordan to supply drinking water to Amman through construction of steel pipes and storage tanks. Gama has submitted the best bid among Jordanian and international firms, and offered US\$ 872 million for the build-operate-transfer project through which Amman will be supplied with 100 million cubic metres a year for the next century.
- TAPCO, joint venture of Calik Energy and Eni International BV engaged in construction of Samsun Ceyhan pipeline, has announced that recent change in the route of the pipeline has arisen from technical requirements.

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- The Chairman of the Board of Directors of Sabanci Holding has stated that the Company is closely interested in privatizations in energy sector and aiming to supply 10% of the total energy production of Turkey by year 2015.

PRIVATIZATION HIGHLIGHTS

- A minority stake in Turkish telecommunications conglomerate, Turk Telekom, is planned to be sold next year through an initial public offering. The Turkish government currently owns 45% stake and Oger, a Saudi company, owns 55% stake in the Company.
- Pursuant to the dailies, Japan Tobacco International will outbid US\$ 1.5 billion for the privatization of Tekel and the offer is expected to be announced in the following six weeks. Korean Tobacco Ginseng and British American Tobacco are also expected to compete with Japan Tobacco International and bid for the tender.

OTHER NEWS

- Sanset Turizm, a subsidiary of pharmaceutical firm Sanovel, has purchased Sagra, which is a food manufacturer that had been seized by the Savings Deposit Insurance Fund, with a US\$ 77.5 million bid. As per the dailies, the Fund has taken certain measures to prevent the successful bidder from closing down the facilities and rushing into production in another city. In this context, the new owner of the Company must continue to produce for at least 5 years in Ordu.

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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

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