

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

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- The Capital Markets Board has made amendments in several Communiqués on 25 October 2010. In the Communiqué Serial: II No: 26, the Board has revoked the provision regarding public disclosure and in the Communiqué Serial: I No: 42, if the shares of a publicly held company are going to be traded on the Exchange, the exemption conditions regarding the expulsion from the Board registration under the Communiqué Serial: IV No. 39 shall not exist as to its final annual financial statements. Furthermore, in the Communiqué Serial: VII No: 70, the Board has imposed the obligation of disclosure for the public offering of the debt instruments by issuing prospectus and of the companies that are being traded on a stock exchange and has made its clearance about the non necessity of public disclosure for the debt instruments issued by dedication or for the issuers of debt instruments that are sold to qualified investors. Also, in the Communiqué Serial: VII No: 71, the Board has decided that the issuance of debt instruments through private placement or issuance of debt instruments sold to qualified investors are not subject to the provisions of the Communiqué Serial: VII No: 57. Finally, in the Communiqué Serial: VII No: 72, the Board has enabled encouragements and mechanisms that would lead to a change in the public offering revenues in relation to the form of payment of the share fee in the public offerings.
- Pursuant to the dailies, the Undersecretariat of Treasury has made a TL denominated zero coupon bond tender with a maturity of 21 months on 26 October 2010. The maturity date of the bonds is 8 August 2012.
- The shares of Ihlas Yayin Holding, which has aggregated the subsidiaries and the assets of Ihlas Grubu in the media sector, within its body, has been offered to public on 25-26 October 2010 through book-building method. The public offering is being realized by the consortium established with the leadership of Oyak Yatirim Menkul Degerler.

- The Capital Markets Board has published the Communiqué on Principles Regarding the Registration with the Capital Markets Board and the Sale of the Foreign Capital Market Instruments and Depositary Receipt. By this Communiqué, the Board has enabled the public offering of foreign stocks in Turkey and the foreign companies shall appoint a representative for the sale of the foreign capital market instruments. Furthermore, the companies, shares of which are being traded at the exchange, shall prepare financial reports in compliance with the international accounting standards and the pre-application process for the registration with the Board is removed. Finally, the foreign companies will be obliged to authorize one of an international independent audit firm that is counted on the list of the Board for the auditing of their statements.

PRIVATIZATION HIGHLIGHTS

- The Istanbul Metropolitan Municipality will initiate a tender, granting a right of sea public transportation license on 10 November 2010. The estimated annual price of the business is indicated as TL 200 thousand.
- Pursuant to the information released by Finansinvest, there are over 20 applicants, both local and foreign investors, for the privatization of IDO. Privatization is planned to be realized in the first half of 2011.
- The Privatization Administration has approved to include Hamitabat Elektrik Uretim ve Ticaret in the privatization programme.

BANKING SECTOR NEWS

- As per the written announcement of Is Yatirim, Is Yatirim and Arma Portfoy, with their partnership, have put the hedge funds for sale.

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Highlights

a. Capital Markets Updates

b. Privatization Highlights

c. Banking Sector News

d. Energy Markets News

e. Other News

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- Pursuant to the dailies, Is Bankasi has acquired a small Russian bank, Bank Sofia. The purchasing price is approximately US\$ 40 million.
- As per the announcement of Ford Otomotiv in the Public Disclosure Platform, Ford has obtained loan from the European Bank of Reconstruction and Development in the amount of Euro 150 million for the financing of the investment projects.
- Pursuant to the dailies, the European Bank of Reconstruction and Development targets to provide loan facilities to Turkish Investors in the total amount of Euro 750 million, next year.

ENERGY MARKETS NEWS

- According to the statement made by Petrol Ofisi to the Public Disclosure Platform, international rating agency, Standard and Poor's, has changed the rating of the Company from stable to positive and confirmed the Company's current note as B.
- As per the dailies, Atescelik, which produces heavy metal structures and pressured and non-pressured equipments for energy and industrial plants, will produce wind power plant towers in its factory in Aliaga with an investment amounting to TL 30 million. Atescelik targets to produce 100 wind power plant towers per year.
- As per the dailies, Zorlu Enerji is planning to complete the construction of its second wind power plant in Osmaniye, in 2013. Osmaniye Gokcedag wind power plant of Zorlu Enerji is Turkey's largest wind power plant and the wind power plant in Akcadag will have a production capacity of 120 MW.

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- The 13th Chamber of the State Council, has decided to suspend the execution of Konaktepe Hydroelectric Plant 1 and Hydroelectric Plant 2 in Tunceli. It has been further stated that the decision will be a precedent for all hydroelectric plants.
- As per the dailies, Calik Holding, who is active in banking and telecommunication areas in Albania, is doing feasibility studies to make energy investments.

OTHER NEWS

- Dexia, a Europe an bank that focuses on retail and commercial banking in Europe, has initiated negotiations regarding the sale of its insurance activities in Turkey.
- Turkiye Havacilik ve Uzay Sanayi will form an association for the construction of a local airliner. As per the statement of TUSAS, negotiations for such cooperation are ongoing and purchasing power of Turkish Airlines is determinant for the negotiation with Bombardier.
- Pursuant to the statement made by European Space Agency (ESA), ESA has signed three different agreements amounting to Euro 5.4 million with Indra, which is active in the renewal of the current radar systems of General Directorate of State Airports Authority. By these agreements, Indra is charged with the design and development of a prototype of a future radar system to identify the objects close to Earth.
- As per the dailies, Sisecam is planning to establish a joint stock company to realize the investment of household glassware in Egypt.

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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