

TABOGLU & DEMIRHAN

Newsletter

ENERGY SECTOR HIGHLIGHTS

- According to the announcement made by the Ministry of Energy and Natural Resources, additional time period for provisional assurance in the amount of US\$ 192.7 million has been granted to the bidders of electric distribution tenders. As to the tender specifications, the due date for the provisional assurance was 31 May 2011; however, the bidder companies communicated the financial hardness to find US\$ 192.7 million with Taner Yıldız, the Energy and Natural Resources Minister. Thus, the due date for the provisional assurance is prolonged to 25 July 2011 by the Ministry. If the bidders fail to gather the provisional assurance, the amount of US\$ 85 million deposited by the bidders during the application to the electric distribution tenders will be registered as income of the public authority.
- The Natural Gas Agreement signed by and between BOTAS and Russia for 25 years has expired. BOTAS officials have called for additional time in order to decide whether or not the Agreement would be extended. The decision of BOTAS and its termination request as to the Agreement shall be communicated with the Russian authorities until the end of June at the latest; otherwise, the Agreement will automatically be extended for 5 more years with the same terms and conditions. On the other hand, it is also told that due to the general elections in Turkey, BOTAS is willing to ask for 2 additional months from the Russian government to make its decision for the Agreement.
- According to Fortune 500 List, TUPRAS takes the first place in Turkey and the gross sales of 500 companies increased by 28% and reached to TL 452.8million.

BANKING SECTOR NEWS

- As per the announcement made by the Central Bank of Turkey, the credit volume of the banks in Turkey has increased to US\$ 527 billion 461 million as of 17 June 2011. As to the weekly facts of the Central Bank, while the credit volume of Turkish banks except for Islamic banks has increased by US\$ 3.6 billion, the credits granted to traders have increased to TL 11 billion from TL 10.8 billion. Accordingly, the Central Bank also supports the decision of the Banking Regulation and Supervision Agency to increase the banks' reserve amount allocated for consumer credits.
- As per the written statement released by Aktifbank, the first bank issuing bonds in Turkey, it is stated that the Bank decides to issue the 6th bonds. Such bonds will be 5% advantageous as to the depository income. Up until today, Aktifbank has issued bonds in the amount of TL 2.3 billion.

COMPETITION NEWS

- The Competition Authority has finalized its investigation on Anadolu Elektronik and Samsung Elektronik as to Article 4 and 5 of the Competition Law No: 4054 and declared its final decision. Namely, the Competition Board has imposed the monetary penalty in the amount of approximately TL 1 million to Anadolu Elektronik due to the breach of Article 5 of the Competition Law; while it finds that Samsung is not in breach of competition. The penalty amount has been decided by the Competition Board as %0.5 of Anadolu Elektrik's income for the year 2010.
- The guide book explaining the terms of related entity, revenue and additional restrictions mainly used in the Communiqué on Merger and Acquisitions number 2010/4 has been published by the Competition Board.

Highlights

a. Energy Sector Highlights

b. Banking Sector News

c. Competition News

d. Other News

OTHER NEWS

- As per the announcement made by Svenska Cellulosa Aktiebolaget (SCA), SCA, a Swedish paper producer, and Yıldız Holding have agreed to purchase 50% of Komili by SCA in return for US\$ 48 million approximately. The transaction is deemed to be finalized in the third quarter of the year 2011.
- Denizbank has sold 99.96% of its shares in Deniz Emeklilik to American Life Hayat Sigorta (MetLife) in return for € 16193 million. The purchase price is subject to revision according to financials of Deniz Emeklilik. Additionally, Denizbank has also granted AXA with the usage right for insurance sale network except for life insurances.
- A joint venture agreement has been signed by and between MB Holding and Hilton regarding a new building constructed on Gazi Muhtar Paşa Bulvarı by MB Holding. The parties have agreed that the new building of MB Holding would be used as a hotel and named as Hampton. The hotel will be opened by the end of 2012.
- Koctas has opened its 32nd storeroom in Turkey which is located in Nilufer, Bursa. According to the announcement made by Alp Onder, the General Manager of Koctas, Koctas has three storerooms in Turkey and the last one will employ 90 personnel. The Company plans to open 5 new storerooms in Turkey by the end of 2011 creating employment for 500 personnel.
- As per the announcement made by Metro Turizm, Galip Öztürk has acquired all shares of Varan Turizm being independent from Metro Turizm and a protocol as to terms and conditions of such share transfer was executed by the parties.
- Garanti Bank has been granted with the securitization loan in the amount of US\$ 300 million abroad in order for its money transfer ratios. The loan is composed of two tranches one of which is in the amount of US\$ 225 million and financed by SMBC Nikko Securities America Inc., West LB AG and Wells Fargo Securities LLC and the rest is from Standard Chartered Bank .
- Turkcell sued Avea for 5-3-2 advertorials at Beyoğlu 2nd Commercial Courts demanding damages for pain and suffering. In its court file, Turkcell states that in the advertorial, the slogan "there is no place for 532, which is the GSM number of Turkcell, in Turkey" is in breach of prudent competition principals and also false and misleading for the consumers. Depending on the facts above, Turkcell has first requested the court to decide to stop the referred advertorial and to rule Avea to compensate Turkcell.
- As per "Der Spiegel" and "Auto Bild" magazines General Motor, one of the biggest American car company, is willing to sell Opel located in Germany.

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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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