

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

cont'd.

- The Capital Markets Board has recently prepared two draft Communiqués amending (i) the Communiqué Serial VIII, No. 22 on Principles Regarding Sale Methods of Capital Markets Instruments through Public Offering and (ii) the Communiqué Serial I, No. 26 on Principles Regarding Registration with the Board and Sale of Shares with a view to harmonize Turkish legislation with the European Union legislation. Accordingly, the draft Communiqué amending the Communiqué Serial VIII, No. 22 allows determination of pricing, sale and distribution principles for initial and secondary public offerings freely by the issuer and the intermediary institution. Persons who may access insider information of the issuer may now purchase offered shares on public offerings without any limitation. Additionally, the book-building period is shortened and placement ratio for individual investors is decreased to 10%. Moreover, as per the draft Communiqué amending the Communiqué Serial I No. 26, the obligations regarding underwriting and minimum public offering ratio are revoked. The requirements to include the quarterly and semi-annual financial tables and independent audit reports as well as pricing report and sale price in the prospectus are amended to be optional. The principles of shelf registration system and the principles of qualified investors are regulated, as well. Furthermore, in line with such draft, the circular and prospectus may be introduced via electronic means and issuers may advertise public offering in accordance with the principles set forth in the draft Communiqué before the announcement of the prospectus. As per the announcement released on the Board's website, the Board will receive the opinions on the draft Communiqués until 15 January 2010.
- Pursuant to the announcement made by Akenerji to the Public Disclosure Platform, the Board of Directors of the Company has resolved to increase its issued capital from TRY 65 million 340 thousand to TRY 375 million 814 thousand.
- Alapis Group, based in Greece, has acquired 50% shares of Genesis Ilac in return for Euro 1.7 million. Genesis Ilac is the 61st company among the leading 200 companies in Turkey.
- As per the announcement released by Aygaz to the Public Disclosure Platform, Akpa and Mogaz, subsidiaries of the Company, have transferred their shares in the ratio of 4% in Opet to the members of Koc Family in return for TRY 66.7 million.
- Ittifak Holding has announced that its Group B shares have started being traded on the Secondary National Market of the Istanbul Stock Exchange as of 31 December 2009 with the nominal value of TRY 58.50. It has been also stated that the information form for listing with the Istanbul Stock Exchange has been registered with the Trade Registry, and the relevant announcement has been published in daily newspapers on 29 December 2009.
- Sinpas GYO has announced that the Company has acquired 100% stake of Seven Et in return for TRY 27 million 650 thousand. As per the relevant public disclosure, Seven Et is to be merged with Sinpas in forthcoming days and Sinpas is planning to develop a new housing project on 46,079.48 m² land owned by Seven Et.

TELECOMMUNICATIONS NEWS

- Vodafone has executed a share purchase agreement with Borusan Holding in order to purchase 100% stake of Borusan Telekom. It has been noted that the gross revenue of Borusan Telekom is US\$ 70 million and the size of its assets is US\$ 18 million. The Chief Executive Officer of Vodafone has stated that they are planning to use the same trademark for the next 18 months and continue the business under Vodafone trademark thereafter.

Highlights

a. Capital Markets News

b. Telecommunications News

c. Privatization Highlights

d. Banking Sector News

e. Energy Market Updates

f. Other News

PRIVATIZATION HIGHLIGHTS

- Pursuant to the dailies, the Privatization Administration has put on sale 56.09% stake of Dogusan Boru representing approximately TRY 8 million 863 thousand of the share capital. According to the announcement published in the Official Gazette on 29 December 2009, the bids will be submitted to the Administration until 25 March 2010 and the bid bond to be provided by the bidders shall be US\$ 500,000. The tender shall be realized through bargaining method.
- The Privatization Administration has announced that the shares held by Halkbank in certain companies, including Ziraat Portfoy, Vakiflar Bankasi, and Kalkinma Bankasi, will be privatized through sale method. As per the announcement made to the Public Disclosure Platform, the privatization transactions are planned to be completed until 23 November 2010.

BANKING SECTOR NEWS

- Turkiye Kalkinma Bankasi has executed a loan agreement amounting to US\$ 41 million with Karabuk Demir Celik for energy efficiency. The Chairman of the Bank has stated that the Bank has granted loan amounting to TRY 217 million in 2009 for 36 energy projects with a total capacity of 535 MW.
- Pursuant to the announcement made by Eczacibasi Ilac and Eczacibasi Yatirim, the Companies will apply to the Banking Regulation and Supervision Agency in order to incorporate an investment bank. It has been announced that Eczacibasi Ilac and Eczacibasi Yatirim will hold 40% and 20%, respectively, of the share capital of the investment bank to be established.

ENERGY MARKET UPDATES

- As per the announcement made by Zorlu Enerji to the Public Disclosure Platform, a natural gas purchase agreement has been executed by and between Zorlu Petrogas, majority shareholder of Zorlu Enerji, and Enerco Enerji regarding the purchase of 50 million m³ natural gas for a term of one year and the purchase of 975 million m³ natural gas for a term of five years. Zorlu Enerji has also announced that the natural gas purchase agreement executed by and between Amity Oil Istanbul Branch, a subsidiary of Zorlu Enerji, and Thrace Basin Natural Gas Ankara Branch has been terminated.
- Kore Electric Power Corp. is planning to submit an offer to the tender to be held in the first half of 2010 regarding four nuclear power plants to be constructed along the North coast of Turkey.
- The Council of State has decided on stay of execution of certain provisions of Istanbul Metropolitan Municipality's decision enabling privatization of IGDAS, Istanbul natural gas distribution company.

OTHER NEWS

- The Competition Board has applied a fine of TRY 36.1 million to Turkcell for violation of the Law on Protection of Competition. It has been indicated in the Board's decision that Turkcell has the dominant market position in the GSM market and mobile marketing in Turkey and the Company has abused such dominant position by creating de facto exclusivity through certain practices in the relevant market. Turkcell announced that the Company will take necessary actions against the Board's decision.

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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