

# TABOGLU, ATES & DEMIRHAN

## Newsletter

### CAPITAL MARKETS NEWS

- As reported in the dailies, the president of the Capital Markets Board stated that the year 2007 was one of great leaps forward for the capitalization of the Turkish capital markets, which is increased by 77% in 2007, from US\$ 164 billion to US\$ 290 billion. Moreover, in 2007 nine initial public offerings were held in the Istanbul Stock Exchange, realized with total amount of US\$3.3 billion and the Istanbul Stock Exchange's annual trade volume also reached US\$ 301 billion, with a 31% growth in comparison with the previous year.
- Pursuant to the dailies, 10 domestic and foreign firms and consortiums submitted pre-qualification applications in order to bid in the tender for the creation of a natural gas storage facility to be built under the Salt Lake. According to the list announced by BOTAS, American, Austrian, Russian and Italian firms and Turkish companies such as Gama, Calik, Ozaltin and Enka are the applicants. As a part of the project, natural underground salt formations will be dissolved using controlled injection of fresh water and 12 separate caverns will be built.
- As per the dailies, Sise Cam has decided to increase its paid-up capital up to TRY 1 billion. Accordingly, new shares in return for TRY 58.6 million, under the ceiling of registered capital of Sise Cam which is amounting to TRY 2 billion, has been registered with the Capital Markets Board. The reason of such capital increase of the company is declared as the acquisition of Cam Pazarlama.
- As per the dailies, Fintur Holding, a subsidiary of Turkcell and TeliSonera, has sold 26% of its stake in cell phone company Coscom. In accordance with the declaration of TeliSonera, Fintur Holding operates Eurasia operations of Turkcell and TeliSonera and the sale of the Coscom shares has been realized in return for US\$ 50 million.

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- As per the dailies, the Capital Markets Board has approved the request of Is Bankasi regarding displaying activity as a custodian institution. In accordance with the Communiqué on Principles Regarding Portfolio Management Activities and Institutions, which are Authorized to Provide Portfolio Management, Is Bankasi is entitled to keep the financial assets belonging to the clients of the bank.

### ENERGY SECTOR HIGHLIGHTS

- As per Zorlu Energy's statement, Rotor Enerji, a subsidiary of Zorlu Energy, signed an "Emission Reductions Purchase Agreement" with EcoSecurities Group for a wind power plant with 135 megawatts of installed capacity to be constructed in Osmaniye region. According to the statement, "Emission Reductions" are among incentive mechanisms under Kyoto Protocol and since Turkey is not a party to the protocol, this agreement is executed as a "Gentlemen's Agreement".
- As per the dailies, Ministry of Energy and Natural Sources has determined the period for obtaining offers for the establishment of nuclear power station as at least three months after the tender. The Turkish Atomic Energy Authority will inspect compatibility with the criteria determined by the Turkish Atomic Energy Authority and disqualify the ones not meeting the essential criteria. The winner will be selected by TETAS among the qualified ones and will be entitled to establish a nuclear power station after obtaining the permission of the Council of Ministers.
- According to the statement given to the Istanbul Stock Exchange by Enka Insaat, Enka Insaat and Korea Electric Power Cooperation, a company of South Korea, have executed a memorandum of understanding in order to cooperate in nuclear energy field in Turkey.

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#### Highlights

a. Capital Markets News

b. Energy Sector Highlights

c. Banking Sector News

d. Other News

### **BANKING SECTOR NEWS**

- As per the dailies, the Banking Regulation and Supervision Agency has prepared a draft on “Law regarding Financial Leasing, Factoring and Financing Companies” in order to gather the financial leasing, factoring and financing companies, which are established in Turkey, under one single piece of legislation and to procure effectiveness of the lending system. Pursuant to the draft Law, inserting new products to the sector will be permitted and application of “operational leasing”, which has not been performed until now, will be applicable.
- As per the dailies, Citi Group has entered into an agreement with Central China Securities to jointly incorporate an investment bank. It has been reported that the new company will apply to the public authorities for approval in the coming weeks.
- As per the dailies, Finansbank is giving support to KobiDestek Health Package, with a package containing options of Hospital Investment Loan, Health Modernization Loan, Hospital Equipment Loan and Import Support Loan.

### **OTHER NEWS**

- According to the dailies, Delta Petrol proposes to establish the biggest independent petroleum storage facility of the Mediterranean region by using the loan, amounting to US\$ 45 million, which will be granted by the International Finance Corporation. The chairman of Delta Petrol stated that the 300,000 ton capacity of the current facility in Ceyhan region will be increased to 650,000 ton capacity with the new investments to be realized in June 2008.

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- According to the statement given to the London Stock Exchange by Efes Breweries International N.V., the subsidiary of Anadolu Efes which is the owner of 70% shares of Efes Breweries, Efes Breweries and Heineken International have executed an agreement to establish a partnership, which is subject to a joint management, for making an investment to the beer market of Uzbekistan by purchasing a brewery. 60% of the shares of the partnership will be held by Efes Breweries, whereas Heineken will hold 40%. Furthermore, Efes Breweries and Heineken have agreed to cooperate for the beer markets of Kazakhstan and Serbia.
- As per Soda Sanayii's statement made to the Istanbul Stock Exchange, Soda Sanayii will bid to purchase an Egyptian sodium producer company, Alexandria Sodium Carbonate, which is being sold by the Egyptian government by reason of reduced employment costs and Egypt's natural gas reserves.
- Due to the dailies, the Efesan Group, who has acquired Ferro Dokum from Sisecam Group in consideration of US\$ 80.5 million, is aiming to reach US\$ 300 million turnover in year 2009 with a growth in foundry sector besides the iron and steel industry and the construction sector. Efesan Group has declared that they are planning to realize new investments in the foundry sector and the iron and steel industry for the year 2008 for growth.
- As per the “Global Power of Retail, 2008” report which has been prepared by Deloitte, Migros is numbered among the biggest 250 retail companies of the world for the first time this year. Accordingly, Wal-Mart, Carrefour and Home Depot are ranked in the first three places of the list.

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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, 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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