

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS HIGHLIGHTS

- The Communiqué which is amending the Communiqué Serial VI, No. 11 on Principles Regarding Real Estate Investment Trusts has been published in the Official Gazette dated 27 July 2008 and numbered 26949. According to the Communiqué, the establishment conditions, qualifications of the shareholders, qualifications of the members of the board of directors, special clauses regarding the leader equity owners and major decisions of the real estate investment trusts are amended. The Communiqué came into effect on its publication date.
- Turkcell has signed a share purchase agreement with Belarus Republic State Assets Committee to take over 80% of Belarusian Telecommunications Network's ("BeST") stakes. The purchase price has been declared as US\$ 500 million and the payments will be made in three installments. The purchase process will be finalized after all pre-conditions which are set in the share purchase agreement are satisfied. Accordingly, there are two other active GSM operators in Belarus telecommunications market and BeST currently has the smallest market share.
- The Communiqué which is amending the Communiqué Serial V, No. 46 on Principles Regarding Intermediary Activities and Intermediary Institutions has been published in the Official Gazette dated 31 July 2008 and numbered 26953. As per the amendment, the qualifications required for the shareholders, directors, specialized employees and auditors are extended. The Communiqué came into effect on its publication date.
- According to the dailies, the Chairman of the Turkish Institutional Investors' Administrators Association has stated that the hedge funds may be submitted to the investors beginning from September 2008. He also stated that the applications of Garanti Bankasi, Is Yatirim, and Oyak Yatirim for the establishment of hedge funds have been approved by the Capital Markets Board.

cont'd

- The Capital Markets Board has requested from National Bank of Greece S.A., the controlling shareholder of Finans Financial Leasing Company, to renew its application regarding tender offer for the Company's small shareholders with a new price. Accordingly, the Board's previous approval for offer amounting to TRY 3.97 in 2006 has been cancelled by the Ankara 16th Administrative Court and the new price shall be determined over TRY 3.97 by NBG.
- TAV Havalimanlari Holding A.S. has made an application for pre-qualification of SJSC Riga International Airport tender. As per the statement made to the Istanbul Stock Exchange, TAV has constituted a consortium with Skonto Buve Limited Company, a Lithuanian construction company, for the tender which was realized by the Lithuania Transportation Ministry. TAV is currently operating Istanbul Ataturk, Ankara Esenboga, Izmir Adnan Menderes and Antalya Gazipasa airports. Accordingly, TAV will build and operate an airport terminal in Czech Republic and participate in the tender for international airport operation rights in Abu Dhabi.

BANKING SECTOR UPDATES

- According to the dailies, the social support project via microcredit of HSBC Bank which was initiated in Ankara Mamak has now been expanded to over 22 cities such as Adana, Rize, Kayseri, Elazığ, Bursa, Mardin and Edirne. Accordingly, within the scope of the project, microcredits amounting to US\$ 5 million will be granted until the end of 2010.
- Fortis has established a "Small and Medium Size Enterprises Group A Equity Fund". The new Fund will make investments in the companies the free float market value of which is more than US\$ 10 million and the market value is less than US\$ 1.5 billion.

cont'd

Highlights

a. Capital Markets Highlights

b. Banking Sector Updates

c. Energy Sector News

d. Other News

ENERGY SECTOR NEWS

- Pursuant to the dailies, an agreement has been signed between the Russian oil company, Lukoil and Aytemiz Group regarding the sale of 100% shares of the Turkish fuel distribution company, Akpet, to Lukoil Eurasia Petrol A.S., the subsidiary of Lukoil. As per the agreement, Lukoil Eurasia Petrol A.S. has acquired eight petroleum product terminals, five LNG storage tanks and three jet fuel terminals, as well. Upon the approval of the Competition Board and the Energy Market Regulatory Authority, the transfer will be realized.
- French Areva T & D Enerji Endustri A.S. will construct a distribution transformers' factory through making an investment amounting to Euro 66 million in Industrial Zone of Transportation Supplier Industry in Kocaeli. It is expected that the factory will be start operations as of August 2009.
- The Law which is amending the Electricity Market Law has been published in the Official Gazette dated 26 July 2008 and numbered 26948. Accordingly, articles of the Electricity Market Law regarding the definitions, activities of electricity market, distribution licenses, privatization and expropriation and submission security have been amended. The Law came into effect on its publication date.

OTHER NEWS

- According to the dailies, the semiannual production of premium of the insurance sector in 2008 has increased to TRY 6.2 billion with a ratio of 12% compared to the same period of the previous year.

cont'd

- Studies on draft laws regarding the restructuring of the General Directorate of the National Railways of the Republic of Turkey have been completed. According to the drafts, the National Railways which is a public economic enterprise will maintain the utilities services such as railroading, maintenance and repair services. Furthermore, the National Railways will prepare a tariff for the usage of the lines of railways and the companies, which will use the lines for freight and passenger transportation, will pay fee as per the tariff. The operation of the railways for the transportation of passengers and freight will be performed by Demiryolu Tasimaciligi A.S. which will be established as the affiliate of the National Railways.
- The French car manufacturer, Peugeot, is planning to realize a factory investment in Poland or Turkey with approximately 300 thousand car production capacities per year. It is expected that Peugeot will determine the country in which the factory will be established during the course of this year.
- As per the dailies, a loan agreement amounting to Euro 100 million has been signed among Sinai Kalkinma Bankasi, Is Bankasi and Akfen Gayrimenkul Yatirim Ortakligi, which is planning to construct 50 hotels in 10 years in different cities of Turkey according to the agreement executed between Akfen and the French hotel chain, Accor. Ten years loan with two years grace period has been created with the equal participation of the banks.

*cont'd***TABOGLU & DEMIRHAN****Attorneys at Law**

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.trwww.taboglu.av.tr

PHONE: (212) 339 8800

FAX: (212) 339 8899

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.