

TABOGLU, ATES & DEMIRHAN

Newsletter

ENERGY SECTOR HIGHLIGHTS

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- According to the dailies, Sabanci Holding and Verbund have established a joint venture in energy sector based on equal partnership. It has been stated in the announcement sent by Sabanci to the Istanbul Stock Exchange that Sabanci and Verbund had signed the transaction agreements on 27 March 2007 and the closing has taken place on 31 May 2007.
- As per the dailies, Austrian based energy company OMV holding 32% shares of POAS has made an agreement with Russian Gazprom, one of the biggest natural gas producers worldwide to strengthen its distribution line in Europe.
- Pursuant to the dailies, the President of the Energy Market Regulatory Authority (EMRA) has announced that 59 natural gas distribution companies around Turkey will be audited by 2 special auditor companies chosen by EMRA for a period of 3 years.
- According to dailies, EMRA has approved application of Calik-Indian Oil Company on the establishment of refinery and decided to hold the application of Petrol Ofisi emphasizing that a legal opinion on whether a company can be authorized to carry out both distribution and refinery activities is required.
- Pursuant to dailies, Iran and Turkey have reached an agreement in principle to increase the capacity of the energy transmission lines and establish power plants and dams to generate electricity for the needs of both countries.

- According to the dailies, Sama Dubai, the winning bidder in the tender of land owned by IETT located at Levent, has not paid the sale amount of TRY 1 billion 156 million and requested the suspension of the tender process until the lawsuits relating to the land are finalized.
- As per the dailies, title to the land owned by Karayollari (Highway Authority) located at Zincirlikuyu, Istanbul has been transferred to Zorlu Group, the winning bidder with a bid amounting to US\$ 800 million upon the full payment of the purchase price.

BANKING SECTOR NEWS

- As per the dailies, Board of Directors of Sanpaolo, one of the financial conglomerates of Italia, has authorized its management to start negotiations concerning the acquisition of Oyak Bank.
- Pursuant to dailies, the Vice Chairman of Turkish Bank has stated that they will not sell more than 30% of the Bank's shares to foreign investors and added that the negotiations with National Bank of Kuwait is still continuing.
- According to dailies, Yapi Kredi Bank has concluded the preparations for the sale of its non-core real properties and decided to sell them to companies to be owned by AIM Consortium in the amount of not less than Euro 111.3 million. The Bank is expecting to gain at least Euro 30 million 376 thousand 235 profit from such sales. Yapi ve Kredi Bank has also sold its shares in Superonline representing 96.67% of its share capital to Demir Toprak for Euro 7,500,000. The Bank holds no more direct or indirect shares in Superonline.

PRIVATIZATION UPDATES

- As per the dailies, Ministry of Finance has stated that the privatization of Tekel will be realized after the general election in July and added that the privatization process of bridges and highways will be accomplished within this year.

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Highlights

a. Energy Sector Highlights

b. Privatization Updates

c. Banking Sector News

d. Capital Markets News

e. Other News

CAPITAL MARKETS NEWS*cont'd.*

- As per the dailies, Koc Holding which continues divestitures of its non-core business, has sold 72.56% shares of Demirdokum to Vaillant for Euro 211.1 million. Koc Holding has announced that there is no tender offer requirement under share transfer agreement, whilst Vaillant has announced that they are planning the purchase all of the shares and therefore a voluntary tender may be realized. Vaillant has also purchased 5.68% shares of Demirdokum from Taylan Holding and increased its share ratio to 78.24%.
- Pursuant to the dailies, Kordsa is planning to make an investment in the amount of US\$ 200 million to strengthen its position as the tyre equipment producer of world's largest tyre companies. The Chief Executive Office of the Company has announced that they are planning to increase sales of the Company to US\$ 1.2 billion in 2010.
- As per the announcement sent by TAV to the Istanbul Stock Exchange, the general assembly of the Company has resolved not to distribute dividends for the financial year 2006 as the Company has net period loss as of its position at the end of 2006. Meanwhile, TAV has announced that they have filed an appeal before the Council of State upon the dismissal of action they had filed before tax court alleging that the rental which is being paid by TAV to the Airports Operations General Directorate must be exempted from value added tax.
- Authorization Certificate concerning the Intermediation of Public Offerings issued by the Capital Markets Board to Morgan Stanley has been published. As per the certificate, Morgan Stanley has been authorized to perform intermediation activities for public offerings as of 17 May 2007.
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- As per the dailies, the Head of Sabanci Cement Group has announced that they have decided to sell Pilsa on the ground that the activity of the Company is not one of the core businesses of Sabanci Group.
- As per the announcement sent to the Istanbul Stock Exchange, Oysa Cimento is planning to be merged into Cimsa Cimento in accordance with the Turkish Commercial Code, the Corporate Tax Law and the Communiqué Serial I, No.31 on Principles Regarding Mergers.

OTHER NEWS

- According to the dailies, Cukurova holding has announced that they have initiated a lawsuit against Alfa Telecom Turkey in British Virgin Islands to force them to accept the pre-payment and removal of the pledge over stocks.
- Pursuant to dailies, Dogan Yayin has decided to sell some of its shares in Dogan Gazetecilik to long term corporate investors and/or strategic investors without losing the control over such subsidiary. Currently, Dogan Yayin holds 79.76% of shares in Dogan Gazetecilik. Meanwhile, it have been announced that Seat Pagina and Dogan Yayin has signed a protocol in order to establish a company for developing internet and printing media applications.
- As per the dailies, representatives of plastic sector have declared that producers in Turkey experience difficulties to find out plastic raw materials and have stated that Petkim should focus on investments on plastic raw material after privatization process is completed.

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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.

TABOGLU, ATEŞ & DEMIRHAN**Attorneys at Law**

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.tr**www.taboglu.av.tr**

PHONE: (212) 339 8800

FAX: (212) 339 8899