

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION NEWS

- Pursuant to the dailies, revenue of US\$ 6.3 billion has been achieved from the completed privatizations in 2008. On the other hand, revenue of US\$ 4.2 billion is expected to be received from the uncompleted privatizations after their finalization. Accordingly, the tender processes of Sakarya Elektrik Dagitim, Baskent Elektrik Dagitim, Meram Elektrik Dagitim, Aras Elektrik and Izmir, Derince, Bandirma and Samsun ports have been completed. However, their approval stages have not been finalized yet. In addition, the sales of Ayvalik saltpan belonging to Tutun Isletmeleri and state-owned immovable properties located in Adiyaman belonging to Sumer Holding are also at the stage of approval.
- As per the announcement made by the Privatization Administration, the bids for the immovable properties of Sumer Holding located in Konya have been submitted on 4 December 2008. However, no bid has been received for the immovable property of Sumer Holding located in Malatya.
- Makro Insaat, a company active in construction sector, has won the tender held by the Housing Development Administration of Turkey relating to the construction of international entertainment and nature park in Halkali, Istanbul.
- The tender process of the second tube pass-way to be built at the Bosphorus has been completed. The Ministry of Transportation has decided to execute an agreement with the second highest bidder, TKJV, which is a consortium composed of Yapi Merkezi and the South Korean companies SKEC, Samwhan, Hanshin and Kukdong. As per the statement made by the Ministry, the construction project will be completed within 5 years and the tube pass-way will be operated by the consortium for a 30-year period.

CAPITAL MARKETS UPDATE

➤ According to the dailies, Moonlight Perakendecilik, a subsidiary of BC Partners, and Migros, 97.9% shares of which are owned by Moonlight, will be merged and Moonlight will be the surviving company of this transaction. The merger will be realized in accordance with Migros' consolidated financial statements dated 30 September 2008. Following the consummation of the transaction, all assets and debts of Migros will be transferred to Moonlight. Moonlight previously acquired 50.8% of Migros from Koc Holding. After such acquisition, Moonlight had increased its shares in Migros to 81.6% through 4 share purchase operations in August 2008. Finally, Moonlight has 97.9% through a mandatory tender offer made in October 2008.

BANKING SECTOR NEWS

- A new Communiqué on the Regulation of Consolidated Financial Statements of Banks is promulgated by the Banking Regulation and Supervision Agency and published in the Official Gazette on 3 December 2008. The Communiqué will be in force as of 1 January 2009. Pursuant to the Communiqué, Turkish banks shall prepare consolidated financial statements together with their partnerships which are credit or financial enterprises. These statements will be prepared quarterly each year in accordance with the Turkish Accounting Standards.
- The Financial Times has published a special newspaper supplement relating to investments in Turkey. As per this supplement, the profits of Turkish banks will decrease and such decrease will trigger new mergers in the banking sector. Besides, Turkey becomes an ideal investment area since Turkish banks provide an opportunity of high interest rate for investors.

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Highlights

a. Privatization News

b. Capital Markets Updates

c. Banking Sector News

d. Telecommunication Sector News

e. Energy Market Update

f. Other News

TELECOMMUNICATIONS SECTOR NEWS *cont'd.*

- Pursuant to the dailies, Turkcell has become an industrial partner of the World Economical Forum. This industrial partnership enables Turkcell to participate in the World Economical Forum's studies which will focus on solutions of global problems. In this context, an industrial partnership agreement regarding information technologies and telecommunication areas has been executed between the parties. As per the agreement, Turkcell will participate in the studies and activities arranged by the World Economical Forum, and will take an active role in determination of the World Economical Forum's agenda and strategy relating to the global communication and technology. Turkcell will also attend in regional and strategic meetings of the World Economical Forum. Beside Turkcell, several multinational companies such as AMD, Google, HP, Intel, Microsoft and AT&T are also industrial partners of the World Economical Forum.
- As per the dailies, Petrol Ofisi has won the tender held by Turkiye Tarim Kredi Kooperatifleri for the supply of oil and lubricant supply to 16 regional units controlled by Turkiye Tarim Kredi Kooperatifleri for a 5-year period. Accordingly, a dealership agreement has been executed. The estimated amount of the oil and lubricant needs of the regional units for the next 5 years is approximately 1 million tons, and such need will be met by Petrol Ofisi through its distribution network consisting of 2,000 sale points.
- As per the statement of the Ministry of Energy and Natural Sources, the responses to the questions posed to the Russian company, which has bid for the nuclear power plant tender, are at the stage of assessment. Following this assessment, the Ministry of Energy and Natural Sources will decide on whether the third envelope relating to bid price will be opened.

ENERGY MARKET UPDATE

- The Prime Ministry has promulgated a circular on the prevention of illegal trade of petroleum products. As per the circular, the commissions established within the Ministry of Internal Affairs, Ministry of Finance, Ministry of Industry and Commerce, Ministry of Energy and Natural Sources, Undersecretariat of Customs, Undersecretariat of Marine, Undersecretariat of Foreign Trade and Energy Market Regulatory Authority will cooperate on the prevention of the illegal trade of petroleum products, and this cooperation will be managed by the Ministry of State and Deputy Prime Minister. In this context, import and export of petroleum products will be controlled by the competent authorities.

OTHER NEWS

- The Ministry of Finance is planning to regulate the Value Added Tax obligations for the sales realized through online shopping. The Ministry is planning to define the sales made via online shopping as commercial sales and non-commercial sales and to exempt non-commercial online sales from the Value Added Tax obligation.
- As per the statement made by the President of the Turkish Union of Chambers and Commodity Exchanges, the number of the companies established in 2008 in Turkey is decreased by 10% in comparison to the year 2007.

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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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