

TABOGLU & DEMIRHAN

Newsletter

ENERGY SECTOR NEWS

- Borusan Holding and EnBW Energie Baden – Wurttemberg, the 4th largest energy company of Germany, are to form a strategic partnership to invest in Turkey's energy sector. According to the statement made by Borusan Holding, the companies have signed a term sheet to enable EnBW to purchase up to 50% stake in Borusan Enerji. The groups are aiming to make an investment in renewable energy resources for a capacity up to 2,000 MW. In the past, EnBW had executed a letter of intent with Ciner Group for the tenders regarding Ayedas, Baskent and Sakarya Elektrik Dagitim.
- The General Manager of Turkiye Sinai Kalkinma Bankasi has stated that they have evaluated 130 energy projects and supplied financing for 70 projects so far. He has further stated that they have financed 15% of renewable energy investments of Turkey and allocated 20% of their loan portfolio directly to energy investments. He has also added that the Bank, which is not accepting deposits and hence financing itself through supranational corporations, is surely in an advantageous position as compared to the other banks during the poor conditions caused by the global financial crisis, and will not be affected by the crisis because of the funding received from International Finance Corporation and European Investment Bank.
- Petrol Ofisi has announced that 26.75% stakes held by Toredor Turkey in the Guney Akcakoca Sub Basin Project has been successfully transferred to Petrol Ofisi Arama ve Uretim, a subsidiary of Petrol Ofisi, in consideration of US\$ 55 million. Accordingly, Petrol Ofisi has become the 2nd major shareholder after TPAO in the said project. The transaction is considered as the largest transaction in terms of its volume in exploitation and production sector for natural gas and oil.

TELECOMMUNICATIONS SECTOR NEWS

- Avea, increasing its subscribers by way of number portability and launching new campaigns, has increased the amount of its revenues to TRY 2 billion 113 million. The Chief Executive Officer of Avea has stressed that they have become the most successful GSM operator in terms of the new service "number portability" and gained 2 million 280 thousand new subscribers in 2008. He also stated that they have made an investment of about TRY 465 million for the infrastructure in 2008 and will continue their investments in 2009. Turkcell, on the other hand, has officially filed a complaint to the Information Technologies and Communications Authority stating that Avea is acting in violation of competition legislation.
- Vodafone, dismissing 260 employees last week, is reported to be facing challenging conditions due to the financial crisis. According to the statement released by Vodafone, they have paid fringe benefits to the discharged employees and "outplacement" service has been provided to such employees by the Company.

BANKING SECTOR HIGHLIGHTS

- Sekerbank is to increase its number of branches as well as its capital by TRY 100 million in 2009. The Chairman of the Board of Directors of Sekerbank has announced that ISS Corporate Services, the international rating corporation, has raised Sekerbank's corporate governance rating to 81 and accordingly, Sekerbank has become the bank with the highest corporate governance rating in Turkey. The Chairman has further stated that the Bank plans to open up 5-10 new branches and added that Kazakbank Turan Alem, which is holding 33.98% of Sekerbank stake, will also participate in the capital increase to be performed in 2009.

Highlights

a. Energy Sector News

b. Telecommunication Sector News

c. Banking Sector Highlights

d. Other News

OTHER NEWS*cont'd.*

- The Consortium of TAV Havalimanlari and Skonto Buve Ltd., a construction company active in Latvia, has won the tender that has been called for improvement works and operation of the infrastructure of SJSC Riga International Airport in Latvia. The Chairman to the Executive Committee of TAV expressed that the result of the tender is clearly emphasizing that TAV is well ahead among its competitors and has an excellent coordinated organizational structure ranking beyond other airlines and service providers in terms of such bids. He has also stated that SJSC Riga Airport has had an average expansion of 39% between the years of 2003 and 2008 and that they contemplate to start the investments for infrastructure improvement and operation in the summer of 2010.
- PricewaterhouseCoopers and Urban Land Institute have released a report entitled "Emerging Trends in Real Estate, Europe 2009" and designated Istanbul as the leading city in Europe in terms of foresights in development. According to the report, the European businessmen prefer mostly to invest in office spaces and hotels with respect to real estate sector and new projects are anticipated to be developed in Istanbul and other coastal cities.
- Henkel has increased its sales by 8.1% up to approximately Euro 14 billion in 2008 and increased its profit up to approximately 1.5 billion with an increase ratio of 9.1%.
- The Regulation regarding Procedures on Framework Agreement Tenders has been published in the Official Gazette on 5 March 2009. The Regulation governs generally the tender procedures applicable to framework agreements in terms of construction works and procurement of goods and services by public administrations that are within the scope of the Public Procurement Law, as well as execution of separate agreements to be entered to that effect. Accordingly, as per changes launched by the said Regulation, the framework agreements can not be used for purposes restricting competition and can not be entered for a period longer than 48 months. The Regulation further governs that execution of framework agreement shall not burden the administrations to make procurement and the administrations shall be at liberty to use other methods provided by the law to procure their needs. Furthermore, the bidders which shall act as a party to the framework agreement are to be determined in the respective tender documentation and the number of them shall not exceed 3. In cases where the agreement shall be entered at the presidency or province level, each administration shall be entitled to execute separate agreements. Should the number of bidders drop below 3, then the termination shall be notified to the parties. The Regulation further prohibits the consortiums to participate in framework agreement tenders. As an additional requirement, the bidders are to evidence their adequacy once in every 12 months. Other principles are broadly defined under the captioned Regulation.

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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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