

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

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- As per the statement made by the Chairman of the Capital Markets Board, the Board is planning to determine new measures for preventing manipulations on the stock exchange. The Chairman has further stated that the penalties are planned to be aggravated with a view to increase their effectiveness and deterrence.
- As per the announcement made by the Capital Markets Board, the time frame for informing the Central Registry Agency on identity information of the investors who have opened accounts before the Agency will not be applied any more. This new application will be effective as of 1 July 2009. In the announcement, it has also been indicated that the dematerialized capital market instruments have been supervised by the Board since 2005 in line with Article 10/A of the Capital Markets Law.
- The Communiqué Amending the Procedures and Principles on Keeping Records on Dematerialized Capital Market Instruments, issued by the Capital Markets Board, has been published in the Official Gazette and entered into force on 29 April 2009. According to the amendments, the definitions section of the Communiqué have been changed and a section captioned “Transactions regarding the Government Domestic Debt Instruments” has been added. Moreover, the procedure relating to the obligation of exporters to notify the information to the Central Registry Agency has been restructured.
- Esas Holding, which operates Pegasus Airlines, has become the major shareholder of Air Berlin through acquisition of 15.3% Air Berlin shares. The acquisition has been completed upon permission of the German Competition Authority for such transaction.
- Pursuant to the public disclosure made by Migros Turk, the general assembly of Migros Turk has approved the merger of Migros Turk into Moonlight Perakendecilik. Accordingly, the registered shares amounting to TRY 3,706,660 to be issued by Moonlight will be distributed to the shareholders of Migros Turk, other than Moonlight.
- As per the statement made to the Istanbul Stock Exchange, Eczacibasi Yapi Gerecleri has applied to the Capital Markets Board to obtain the Board’s approval regarding the merger of the Company with Vitra Kuvet. According to the statement, the merger ratio and share transfer ratio have been determined as 0.886282 and 0.738001, respectively.

PRIVATIZATION UPDATES

- Pursuant to the dailies, the 13th Chamber of Council of State has decided on stay of execution of the tender in relation to the privatization of Aras Elektrik through block sale method. According to the decision, the transactions are against the public interest since bargaining method specifications have not been provided and insufficient competitive environment between the bidders have been created during the tender. The tender for Aras Elektrik region comprising of Erzurum, Ardahan, Bayburt, Erzincan, Igdır and Kars provinces had resulted in favor of Kiler Alisveris on 25 September 2008 with the attendance of only two bidders.
- The Privatization High Council has approved the sale of Meram Elektrik Dagitim to Alsim Alarko in return for US\$ 440 million.

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Highlights

a. Capital Markets News

b. Privatization Updates

c. Energy Sector
Highlights

d. Telecommunications
Sector

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- As per the dailies, the Privatization Administration has put out to tender for the immovable properties owned by Tutun, Tutun Mamulleri, Tuz ve Alkol Isletmeleri in Istanbul, Ankara, Izmir and Denizli. The tender announcement has been published in the Official Gazette on 30 April 2009. The offers to be prepared as per the tender specifications shall be submitted between 11 - 16 June.

ENERGY SECTOR HIGHLIGHTS

- Pursuant to the dailies, Turkiye Sinai Kalkinma Bankasi is planning to use the major part of its resources amounting to approximately US\$ 600-650 million for the financing of renewable energy projects. The General Manager of the Bank has stated that the number of the renewable energy projects, which have been financed by the Bank since 2002 is more than 70 and the capacity of the current projects is approximately 2,225 MW; in other terms 15% of renewable energy power in Turkey is financed by the Bank.
- Borusan Holding and Energie Baden-Wuttemberg AG, the 3rd largest company in German energy sector, have executed a partnership agreement. Accordingly, the companies will have 50-50% stake. The target of the companies is to complete the investment amounting to Euro 2.5 billion with a production estimation of 2,000 MW by the year 2020.

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- As per the dailies, Akfen Holding has executed a loan agreement with the consortium consisting of Turkiye Sinai Kalkinma Bankasi, Turkiye Is Bankasi, Yapi ve Kredi Bankasi, NBG-Finansbank and Denizbank for financing its hydroelectric power plant investments. The Company is planning to build 20 hydroelectric power plants with an investment amounting to Euro 409 million and the investments are expected to be completed by the year 2012 with a production estimation of 278 MW per hour in total. The Company will use loan amounting to Euro 166 million 450 thousand for the part of the investment amounting to Euro 222.4 million in order to build 11 hydroelectric power plants.

TELECOMMUNICATIONS SECTOR

- As per the dailies, Turkcell, Avea and Vodafone have signed concession agreements with the Information and Communication Technologies Authority to obtain 3G mobile telecommunication licenses. Accordingly, the mobile phone operators will complete infrastructure installations within three months and launch 3G services by the end of July. The government has collected approximately TRY 2.2 billion via 3G license tender held in December 2008. Turkcell previously paid TRY 858 million for the A-type 3G license in the tender, whilst Vodafone paid TRY 600 million for the B-type license and Avea TRY 512 million for the C-type license.

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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