

TABOGLU & DEMIRHAN Newsletter

CAPITAL MARKETS HIGHLIGHTS

- The Capital Markets Board, the Turkish Union of Chambers and Commodity Exchanges, the Istanbul Stock Exchange, and the Association of Capital Markets Intermediary Institutions of Turkey will hold meetings entitled “Public Offering Mobilization” on 19 October 2009 in order to implement provisions of the protocol executed among them on 7 August 2008. The aim of the protocol is to stimulate entrance of companies into capital markets. The meeting is going to be held in the conference room of the Istanbul Stock Exchange with the attendance of 33 chambers’ chairmen and officers from the related sector institutions. The Stock Exchange encourages investors to public offerings by stating that the Istanbul Stock Exchange has been one of two stock exchanges with the best performance throughout the world and that US\$ 1 billion entry have been realized in share certificates’ market since the year-end and an outflow of US\$ 1.5 billion have been performed after the financial crisis so far.
- Turcas Elektrik, 99.99% stakes of which are held by Turcas Petrol, will increase its capital to TRY 80 million. According to the statement made by the Company to the Public Disclosure Platform, the reason for the capital increase is identified as the need of equity for the project of RWE & Turcas Guney Elektrik where Turcas holds 30% stakes. RWE & Turcas Guney Elektrik formed through the joint control by Turcas and the German conglomerate RWE AG, contemplates to kick off construction of a combined-cycle natural gas in Denizli with a capacity of 840 MW. RWE & Turcas Guney Elektrik has been granted a production license back in May 2009.

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- According to the declaration released by the Istanbul Stock Exchange to the Public Disclosure Platform, 53 stake certificates of Halk Bankasi, and further 10 stake certificates of Coca Cola are about to be put on sale through official auction between 6-8 October 2009. Sale of Halkbank stake certificates are called for based on file no. 2009/1180 of the 15th Execution Office of Ankara, and other certificates of Coca Cola are called for under file no. 2009/9151 of 11th Execution Office of Bursa.

PRIVATIZATION NEWS

- The Report captioned “Privatization in the 21st Century: Recent Experiences of the OECD Countries - Report on Good Practices” has been recently released by the OECD and Turkey has been announced as the 5th country in terms of privatization among all OECD countries. The evaluation has been grounded on the transactions performed between 2000 and 2007 and been made in terms of volume and size of privatizations realized in the OECD countries. The Report has identified 55% block sale of Turk Telekom stakes, accomplished in 2005 as the 8th largest transaction that have been finalized in the OECD countries within the said years. Turkey, in general, has been ranked following France, Italy, Germany and Japan with the transaction volume of US\$ 25 billion.

BANKING SECTOR NEWS

- The Deputy Chairman of Saudi Oger Group has stressed that they have opted for Small and Medium-Sized Enterprise Banking in order to sustain their growth in banking sector. Saudi Oger Group, having made their second move in finance sector by acquiring T-Bank following their buy-out of Turk Telekom stakes, has stated that they have reached 25 branches and are planning to increase the number to 40.

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Highlights

a. Capital Markets Highlights

b. Privatization News

c. Banking Sector News

d. Other News

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- According to the evaluation held by the Global Finance, a finance magazine, Akbank has again been rewarded as the 5th largest bank of Turkey. The evaluation made among 22 countries titled as "Largest Banks of Developing Markets in Middle and East Europe of the year 2009" has considered issues such as growth in assets, profitability, strategic relations, customer services, competitive pricing and promotional products of banks.

OTHER NEWS

- International Energy Congress 2009 has been kicked off in Ankara. Main subject of the Congress is "renewable energy" and a notable number of local and foreign private sector representatives have attended the congress so far. The opening speech was held by the Chairman of the Energy Commission of the Parliament where he noted that renewable energy has gained great importance over the last few years in Turkey and throughout the world since the beginning of 2000. Apart from that, the Chairman of the Energy Market Regulatory Authority has reported that the Electricity Market Licensing Regulation has recently been amended, and furthermore, a crucial arrangement has been accomplished in terms of wind-backed power plants. In that respect, the principles and procedures on competition among private investors for wind-backed power plants are finalized by the Authority. Within the competition regulation prepared in collaboration with TEIAS, the private investors, who shall bid the highest contribution slice for one kWh for 20 years, shall be granted the right of connecting to system.

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- It has been reported that Dogan TV and other relevant subsidiaries of Dogan Yayin Holding have filed for a stay of execution regarding the collateral requested by the tax offices. The special disclosure made by the Holding to the Public Disclosure Platform has brought forward that any legal and administrative burdens on tax investigation reports pertaining to the fiscal years 2005, 2006 and 2007 are being duly performed and followed up by its direct subsidiary Dogan TV, and other indirect subsidiaries D Yapim Reklamcilik, Dogan Produksiyon, and Alp Gorsel Iletisim. According to the latest news, the Council of State has decided on stay of execution in favor of Dogan.
- Aselsan Elektrik has entered into an agreement with the Undersecretariat of Defense Industry for modernization of arms and arms' systems of coast safety boats (STAMP Project) on 2 October 2009. The project with an amount of Euro 9.5 million will be realized between the years 2010 and 2016.
- According to the statement released by Anel Telekomunikasyon to the Public Disclosure Platform, the Company has signed a framework agreement with Ericsson for the performance of assembling and revision affairs of radio base stations on 8 October 2009.
- Toyota Turkey is going through changes in its management after ALJ Group has acquired its stakes from Sabanci Holding in return for US\$ 85 million. Initially, following the take-over ceremony held on 30 September, the Chief Executive Officer and the General Manager of the Company have been changed.

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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