

# TABOGLU & DEMIRHAN

## Newsletter

### ENERGY MARKET UPDATES

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- Kuwait Petroleum International Limited Company, a Kuwaiti Oil Company, has started feasibility studies to establish an oil refinery in Adana's Ceyhan district. The President of the Ceyhan Chamber of Commerce and Industry has stressed that the capacity of oil will be approximately 30-40 million tons and the total amount of 190 million tons oil will be delivered to Ceyhan per year. 25% of the crude oil will be processed and 75% will be exported to the world market. Calik-Indian Oil, Socar-Turcas, Cevahir Group and Petrol Ofisi-OMW have applied for refinery license. Presently Calik-Indian Oil Company has the license, and the other companies are waiting for approval of the Energy Market Regulatory Authority.
- Pursuant to the dailies, Zorlu Energy has executed an agreement with the Privatization Administration on 1 September 2008 and taken over nine plants of Ankara Dogal Elektrik Uretim ve Ticaret A.S. Accordingly, Zorlu Energy among thirty other bidders has submitted the highest bid amounting to US\$ 510 million and won the tender on 5 March 2008. Operation rights of the plants with 141 MW total powers will belong to Zorlu Energy during 30 years. Zorlu Energy has declared that their subsidiary Zorlu Dogal Elektrik Uretim A.S. has obtained a loan amounting to US\$ 360 million with one year and seven days of maturity to finance the tender.
- Galata Enerji Uretim A.S., a subsidiary of Global Yatirim Holding, has applied to the Energy Market Regulatory Authority for obtaining production license in order to establish electricity plant with a total capacity of 270 MW in Sirnak. The President of Global Enerji Group has declared that they plan to invest approximately US\$ 400 million to the project, namely "Galata Sirnak Plant" within 36 months. Construction of Galata Sirnak plant will start in 2009 and the first production will be realized in 2012.
- German electricity and natural gas company RWE has been the twelfth company who purchased the specification of the tender which will be realized on 24 September 2008 for the first nuclear plant of Turkey in Mersin, Akkuyu. Other companies which have previously purchased the tender specification has been declared as AECL Atomic Energy of Canada Limited, Itochu Construction Grand Projets, Suez Tractebel, Atostroyexport, KEPCO, China Nuclear Power Components Co., Unit Investment N.V., Haci Omer Sabanci Holding, Alsim-Alarko Sanayi Tesisleri and Hattat Holding.
- As per the dailies, the Energy Market Regulatory Authority has declared a new tender for Igdır, Agri and Dogubayazit Natural Gas Distribution license. The license will be valid for 30 years of period and the amount of guarantee has been determined US\$ 1 million by the Authority. The bidders will provide interim guaranty amounting to US\$ 500 thousand as well. The interested bidders are required to submit their offers until 27 October 2008, 5.00 p.m.

### BANKING SECTOR HIGHLIGHTS

- As per the dailies, ATMs which belong to "Altin Nokta" member banks including but not limited to Garanti, Fortis, Vakifbank, Akbank and Yapi Kredi, will be located in stores, schools, hotels, business places, gas oil stations as well. Currently there are 20 thousand 467 ATMs which are enabling drawing cash, paying bills, purchasing event tickets, in Turkey as of June 2008.
- Garanti Bankasi has become preferred bidder of the Shop & Miles credit card tender of Turkish Airlines by submitting the highest offer which is amounting to Euro 170 million. As per the statement made by Garanti Bankasi, its Shop & Miles partnership with Turkish Airlines has been extended until 2011 according to the renewed agreement.

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#### Highlights

a. Energy Market Updates

b. Banking Sector Highlights

c. Capital Markets News

**CAPITAL MARKETS NEWS***cont'd.*

- The highest bid amounting to Euro 200 million for the tender regarding modification and operation rights of two airports in Skopje and in Ohrid and construction of one airport in Shtip which was realized by Macedonia Transportation Ministry has been submitted by TAV Havalimanlari Holding. The other bidders are declared as Hochtief from Germany, Vienna from Austria and Egeis Kaupping-Singer Friedlander, an English-French partnership. TAV is currently operating Istanbul Ataturk, Ankara Esenboga, Izmir Adnan Menderes and Antalya Gazipasa Airports in Turkey.
- As per the Public Enterprises' Report of 2007 published by the Turkish Treasury, the total nominal share capital of 25 companies which are in the portfolio of Turkish Treasury, including 19 public economic enterprises, 4 public banks and 2 other enterprises, is amounting to TRY 40.4 billion and TRY 33 billion of such amount is determined as the paid-in capital by the end of 2007. Whole share capital of the companies in the portfolio of the Turkish Treasury, excluding TPAO, TEM-SAN, Development Bank and Turk Telekomunikasyon A.S., are owned by the Turkish Treasury.
- Is Yatirim has announced its net profit pertaining to the first half of 2008 as TRY 12 million 589 thousand. According to the statement made by Is Yatirim which has an asset volume of TRY 1.3 billion, the profit of the Company has increased with a ratio of 498% compared to the first quarter of 2008 and compared to the same period of the previous year, it has increased five times.
- As per the dailies, Eczacibasi Ilac has decided to apply to the Capital Markets Board to change its trade name as EIS Eczacibasi Ilac Sanayi.
- Anadolu Sigorta is going to establish a loss controlling company and the related studies are going to be initiated together with Spanish company Mapfre. As per the statement made to the Istanbul Stock Exchange by the Company, the general management of Anadolu Sigorta has also been authorized to constitute a partnership with Mapfre Asistencia, Compania Internacional de Seguros Reaseguros S.A. in order to establish the said loss controlling company.
- Yapi Kredi Koray Gayrimenkul Yatirim Ortakligi A.S. and Dogus-Ge Gayrimenkul Yatirim Ortakligi A.S. have decided to transfer their whole shares in their subsidiary GKY Real Estate Investment to Metaltrade International SRL in return for Euro 4 million each. As per the written statement given to the Istanbul Stock Exchange, each company is holding 49.9% shares of GKY Real Estate Investment.
- Carrefoursa Carrefour Sabanci Ticaret Merkezi A.S. has reached a memorandum of understanding with Dog-Pa Doganlar Pazarlama Ihracat ve Ithalat A.S. in order to acquire its three supermarket and fixed assets. As per the statement made by Carrefoursa to the Istanbul Stock Exchange, the transfer will be realized upon the fulfillment of the conditions precedent such as financial and legal due diligence process and obtaining the administrative permissions in accordance with the memorandum of understanding signed between the parties.

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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.*