

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

- As per the weekly bulletin of the Capital Markets Board, Dogus Otomotiv has applied to the Board for issuance of shares amounting to TL 110 million through bonus issuance. It has been further reported in the bulletin that Latek Lojistik Ticaret and Escort Teknoloji Yatirim have applied to the Board in order to implement the registered capital system.
- As per the written statement of the Istanbul Stock Exchange to the Public Disclosure Platform, the Board of Directors of the Stock Exchange has decided to allow the trade of group B bearer shares of Ihlas Yayin Holding in the national market, amounting to approximately TL 58 million, with a TL 1.30 minimum price per share.
- As per the dailies, the Capital Markets Board has decided to impose administrative fine to Galatasaray Sportif Sinai ve Ticari Yatirimlar in the amount of approximately TL 131 thousand on the grounds that the Company did not make the necessary disclosure of material event relating to the collection of its receivables.
- Pursuant to the dailies, the Istanbul Stock Exchange 30 Warrants of Is Yatirim have started to be traded at the Istanbul Stock Exchange.
- As per the dailies, Is Yatirim Portfoy Yonetimi has announced that the total assets managed by the Company have reached to TL 43 billion and the Company holds its leading position in the sector with 24% market share and with a portfolio volume over TL 10 billion.

PRIVATIZATION HIGHLIGHTS

- As per the announcement of the Privatization Administration, the Administration will start the privatizations concerning the electric generation companies upon the completion of the privatizations of electric distribution companies. The Administration has further indicated that the revenue gained from the privatizations realized in 2010 is recorded as US\$ 10 billion.

BANKING SECTOR NEWS

- As per the announcement made by Denizbank to the Public Disclosure Platform, the Bank has signed a loan agreement with Japan Bank for International Cooperation within the scope of global action for reconciling economic growth and environmental preservation program in the amount of US\$ 20 million with a maturity of 5 years.
- Pursuant to the dailies, Banco Bilbao Vizcaya Argentaria (BBVA), a Spanish bank, has purchased shares corresponding to 24.9% share capital of Garanti in return for US\$ 5.8 billion. As per the statement of Garanti, the shareholding ratio of Dogus Group in Garanti will decrease to 24.89% upon the completion of such transfer. Dogus Holding has executed a share purchase agreement with BBVA in order to sell the shares of Garanti in the amount of approximately TL 264 million which corresponds to 6.26% of the issued share capital of Garanti. The total value of the shares subject to sale has been stated as US\$ 2 billion 62 million.
- As per the report published by Fitch Ratings, it is stated that the bond issues which have been recently realized have positive effects on the Turkish banks in relation to their credit ratings and such situation will arrange the debt balances of the banks and the short term debts will be replaced with the long term ones.
- As per the written announcement of Halkbank, the Bank has expanded its loan volume by 25.8% within 9-month period and reached to TL 52 billion 600 thousand.

Highlights

a. Capital Markets Updates

b. Privatization Highlights

c. Banking Sector News

d. Energy Markets News

e. Other News

ENERGY MARKETS NEWS

- As per the announcement of Polat Enerji, the Company has completed the first part of the Soma Wind Power Plant project and 88 turbines have become active. Soma Wind Power Plant will be Turkey's largest wind power plant with 156 tribunes and a total production capacity of 140.4 MW. Upon the completion of Burgaz, Sayarlar, Soma, Poyraz, Seyitali, Samurlu and Kozbeyli Wind Power Plant projects, Polat Enerji and its subsidiaries will produce an average of 1 billion KWh electric energy.
- As per the written statement of Turkish Petroleum International Company, a subsidiary of Turkiye Petrolleri, the Company will sell 1,000,000 tons of fuel oil to Teknecik Elektrik Santralleri, which is located in Northern Cyprus, within 5 years.
- As per the written statement of Petrol Ofisi, the Company has paid TL 22 million, by reserving the right of objection for the fine imposed by the Energy Market Regulatory Authority. The original amount was approximately TL 29 million.
- According to the statement made by Turkiye Petrol Rafinerileri to the Public Disclosure Platform, the Company has withdrawn the conciliation before assessment with regard to the tax examination report of 2005-2009 special consumption tax accounting period.
- As per the dailies, the Minister of Energy and Natural Resources has stated that a new company is anticipated to join the oil exploration works in the Black Sea and the relevant negotiations are ongoing. It has been also indicated in the statement that oil exploration in the Mediterranean Sea is also intended for the year 2011 upon the completion of the works in the Black Sea.

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- The Energy Market Regulatory Authority has amended the Regulation on Electricity Market Balancing and Settlement. As per the amended Regulation published in the Official Gazette dated 6 November 2010, market operators operating in the Market Financial Settlement Center will be provided with collaterals by market participants in return for their responsibilities relating to the balancing mechanism and settlement. Additionally, Settlement Bank will be established to carry out operations relating to payments and collaterals. The Turkish Lira, the United States Dollar or the Euro, performance bonds for an indefinite period, bearer government debt securities issued by the Undersecretariat of the Treasury have been listed as assets accepted as collaterals in the Regulation.

OTHER NEWS

- As per the dailies, Turk Hava Yollari Teknik, a subsidiary of Turkish Airlines, has signed an agreement with Turkish Aeronautical Association for the maintenance of the Bombardier CL-215 aircrafts. According to the statement made by Turkish Airlines, the maintenance services of the landing gears of 14 set of Bombardier CL-215 aircrafts will be provided in the facility of Turk Hava Yollari Teknik, located in Istanbul.
- Pursuant to the announcement made by Anel Elektrik to the Public Disclosure Platform, the Company has executed an agreement regarding mechanical works of the New Doha Airport's expansion section, in the amount of Qatari Riyal 58 million, in addition to its ongoing contracted works.

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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