

TABOGLU, ATES & DEMIRHAN

Newsletter

CAPITAL MARKETS HIGHLIGHTS

- Global Yatirim announced that the company would purchase back 20% of Global Menkul Degerler shareholding held by Banca IMI SpA as the parties were not able to reach an agreement on transfer of 70.1% shares of Global Menkul Degerler. It was also stated that Banca IMI SpA's decision to withdraw from Turkish Market affected this decision.
- The Capital Markets Board has prepared a regulation as a guide for hedge investment funds. The chairman of the Board has stated that hedge investment funds are such funds that gain high profits by using complex financial instruments, with flexible investment limits, put out for sophisticated investors.
- According to the dailies, Yapi Kredi Bankasi has applied to the Capital Markets Board for call exemption. Within the scope of the share transfer allowing the main shareholder Koc Finansal Hizmetler A.S. increase its shares more than 10% of all the shares, rose the duty of calling other shareholders to sell their shares in Kredi Finansal Kiralama.
- As per the dailies, Koc Holding has stated that they cancelled the sale of Demrad Dokum to Fatinoglu Holding, which was announced in September.
- As per the weekly bulletin published by the Capital Markets Board, Migros, Alternatif Bank and Yapi ve Kredi Bankasi have applied to the Board to issue new securities.
- Home appliances producer Arcelik has signed a strategic cooperation agreement with New Zealand-based durable goods producer Fisher & Paykel. According to a statement released by Arçelik to the Istanbul Stock Exchange, the two companies will cooperate on product supply and use common marketing networks.

ENERGY SECTOR NEWS

- According to the amendment on the Electricity Market Licensing Regulation published in the Official Gazette dated 30 September 2007, the Energy Market Regulatory Board will investigate the activity progress made in the prior licensed installations of the shareholders of the company applying for a license, as well as prior licensed installations of the company.
- As per the dailies, a renewable energy project called Hydepark, supported by the State Planning Agency, has been launched by the Energy Institute, Marmara Research Center of the Scientific and Technological Research Council of Turkey.
- The Energy Market Regulatory Board has adopted a decision which requires mandatory submission of a letter of guarantee to apply for a license, a system aiming to urge investors to put the licensed projects into action and to eliminate those companies holding a license but not performing any investment thereunder.
- As per the dailies, Cevahir Group has applied to the Energy Market Regulatory Authority to establish an oil refinery in the Yumurtalik region of Adana, the end point of the Baku-Tbilisi-Ceyhan, Samsun-Ceyhan and Kirkuk-Yumurtalik oil pipelines. The refinery will cost approximately US \$6 billion and will be able to process 10 million tons of crude oil per year. Including this latest application, the total value of refinery investments has increased up to US \$21 billion and total processing capacity has reached to 45 million tons per year.

Highlights

a. Capital Markets Highlights

b. Telecommunication News

c. Banking Sector News

d. Other News

BANKING SECTOR NEWS

- Turkey's leading financial institution for individual loans, Akbank, has introduced its latest service the "Loan Machine" allowing customers to obtain credit cards or to benefit from individual loans up to TRY 10,000 without having to pay a visit to a bank office. Akbank is planning to put 10 such machines into service by the end of the year and increase this number to 100 in two years.
- The Deputy Prime Minister has announced that payments to depositors of the Imar Bank will begin on 8 October 2007. The Minister stated that necessary resources will be transferred to state-owned Ziraat Bank on 5 October 2007 and that a total amount of around US \$500 million will be paid to 13702 persons who had applied to the Savings Deposit Insurance Fund.
- The Savings Deposit Insurance Fund will restore ownership of the TV channel Kanal 1, Radyo Marmara, several magazines and real estate and will pay US \$120 million to Ciner Group in consideration thereof.
- The Savings Deposit Insurance Fund has seized assets of Zorlu Holding because of the debts stemming from EGS Bank. According to a release from the Savings Deposit Insurance Fund, the fund had started confiscation procedures with Mazhar Zorlu Holding, including Ege Yildiz, Ege Plast, Ege Soktek, Ege Basteks, Ege Pamtur Tekstil, Ege Sigorta and Ege Palas Hotel, for the Holding's debt amounting to TRY 50 million. The Chairman has stated that their debt was around US \$4 million and that they will repay all sums owed within a month.
- Deputy Chairman of DenizBank has stated that the bank is planning to grant loans to farmers, amounting to TRY 2 billion in total until the end of the year 2009.

OTHER NEWS

- The CEO of Turk Telekom, Turkey's major landline and Internet service provider, has stated that they had been investing in payphones to reinvent the old application in line with modern needs. Meanwhile, the Turkish Telecommunications Workers Union has announced that the Union will go on strike on 16 October 2007 at Turk Telekom premises since negotiations between Turk Telekom and the Union ended in dispute.
- Turkish Airlines has been ranked at first place in a customer satisfaction index released by the Turkish Quality Association.
- The Chairman of Pegasus Airlines, a Turkish low-cost carrier, has stated that their negotiations with Onur Air are on track and to be concluded within a month. The negotiation between the two companies begun in July and the deal comprises acquisition of Onur Air by Pegasus.
- Media Markt has been cleared of all claims targeting its sales campaign for the opening of its first store in Istanbul. Ministry of Industry and Commerce has announced that an investigation over Media Markt on allegations of breaching rules of competition and ignoring consumer rights during its opening-day campaign showed that the company was innocent of all claims.
- The CeBIT Bilisim Eurasia Exhibition was held at the TUYAP Congress & Convention Center with 900 firms participating and 524 new technological products on display.

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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

TABOGLU, ATES & DEMIRHAN**Attorneys at Law**

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.tr

www.taboglu.av.tr**PHONE: (212) 339 8800****FAX: (212) 339 8899**