

TABOGLU, ATES & DEMIRHAN

Newsletter

ENERGY SECTOR NEWS

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- As per the dailies, the draft Communiqué on Licenses for the Generation Plants with Nuclear Energy has been submitted to the relevant institutions for comments. According to the draft, the Energy Market Regulatory Authority shall request comments from the Turkish Atomic Energy Authority, the Turkish Electricity Distribution Company and the Ministry of Energy and Natural Resources about the institutions which applied for a license. Additionally, license shall not be granted unless the Ministry of Energy and Natural Resources approves the transactions as “appropriate for national interests”. Pursuant to the draft Communiqué, a generation license can only be requested for which a location license is granted or an application to obtain such license is submitted to the Turkish Atomic Energy Authority.
- Pursuant to the dailies, Austrian OMV, Bulgarian Bulgargaz, Hungarian Mol and Romanian Transgaz have approved French Gaz de France to be the sixth partner in Nabucco Consortium. However, BOTAS has rejected the request. The Nabucco Natural Gas Pipeline is targeting to transfer natural gas from Hazar and Middle East to Europe via Turkey.
- The Council of State has rendered a decision regarding the dispute between the Energy Market Regulatory Authority and TUPRAS. According to the decision, license owners with more than one license shall pay independent participation fee for each license they have been holding. The Petroleum Market License Regulation, which is to ensure the transparent, non-discriminatory and stable performance of market activities pertaining to the delivery of petroleum supplied from domestic and foreign resources to consumers in a reliable, cost-effective manner within a competitive environment, requires each license owner, except for independent user license owners, to pay participation fees each year.

- It is reported in the dailies that the Turkish Atomic Energy Authority has been working on exploration of uranium and thorium reserves from air. The Turkish Military Force has agreed to give assistance for the exploration over 200 meters height. Additionally, the Turkish Atomic Energy Authority is preparing for the privatization tenders in nuclear power sector in Turkey.

NEWS RE BANKING SECTOR

- According to the dailies, the Turkish Central Bank has made profit amounting to TRY 3.1 billion in 2006 after 3-years deficit. Additionally, the 50 billion 518 million US\$ currency reserve has been raised to 60 billion 845 million US\$ in 2006.
- Pursuant to the dailies, the general assembly of Halkbank will be held on 19 April 2007. In the meeting the initial public offering of Bank's shares by the Privatization Administration and the amendments of the articles of association about transformation of the share values into TRY currency shall be discussed.
- The price range for the shares of Is Yatirim has been determined as TRY 2,40 – 3,00. Pursuant to the statement made by Is Bank, 15% of the share capital of Is Yatirim, one of its subsidiaries, including a green shoe option amounting 4.6 million, with the total nominal value of TRY 12.9 million shares will be offered to the public. Subsequent to the sale, the share of Is Bank's shareholding ratio shall decrease to 63.8% with the nominal value of TRY 76.1 million. Is Yatirim has been also planning to enlarge its capacity through Gulf Area, in Bahrain or Dubai.

Highlights

a. Energy Sector News

b. News Re Banking Sector

c. Telecommunication Highlights

d. Other News

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- Pursuant to the dailies, banks listed in the Istanbul Stock Exchange closed the year 2006 with surplus according to their unconsolidated balance sheets. Akbank has become the first with the highest profit with 1 billion 600 million 192 thousand TRY, Is Bank followed Akbank with TRY 1 billion 109 million 218 thousand net profit and Garanti Bank with TRY 1 billion 63 million 663 thousand net profit. The bank which increased its profit the most in 2006 has been Turkiye Kalkinma Bankasi. Subsequent to the merger with Kocbank, Yapi ve Kredi Bankasi which had announced TRY 1 million 543 thousand loss in 2005 has ended 2006 with TRY 512 billion 239 thousand profit.

TELECOMMUNICATIONS HIGHLIGHTS

- As per the dailies Tellcom, which is one of Turkcell's affiliates, stated that the local fixed voice traffic shall be opened to competitive service providers. The Chairman of Tellcom has stated that Turkey is the sole country without a competitive local fixed voice traffic. Furthermore, the competitive structure will result in the benefit of the customer.
- As per the dailies the Chairman of Sabanci Telekom and Bimsa, has stated that the companies are ready for the liberalization policy of Telecommunications Authority in fixed telephone market. He has also criticized the new tariff of Turk Telekom arguing that the conditions shall restrict the competition. He has added that they have been providing telephone and data transfer services with the new generation telecom utility under Bigalo, Turk Nokta Net and TNN brands, and finalized the product development operations for voice transfer through ADSL. He has further stated that Sabanci Telekom was ready for international co-operations.

OTHER NEWS

- The Saving Deposits Insurance Fund has confiscated 63 affiliates of Ciner Holding including Sabah and ATV, subsequent to the declaration of the confidentiality agreement between Ciner Holding and Ahmet Bilgin. Additionally, the Capital Markets Board would evaluate the transactions in case of the sale or transfer of any listed companies of Ciner Holding confiscated by the Fund. The Chairman of the Saving Deposits Insurance Fund stated that, in addition to CanWest Group and Fox TV, Axel Springer, German and American investors and hedge funds are also interested in Sabah and ATV.
- The Chairman of Ak Emeklilik, which is one of the affiliates of Sabanci Holding, has stated that Ak Emeklilik has agreed to merge with the Aviva Hayat ve Emeklilik, the Turkish affiliate of leading English insurance company, Aviva. The negotiations on the merger agreement are ongoing whereas both of the companies are willing to complete the merger.
- According to the dailies, the Chairman of Migros stated that they were planning to open 207 new stores in 2007. According to statement made after the first general assembly held on 5 April 2007, upon the acquisition of Tansas, Migros has increased the number of its customers to 300 million. Additionally, Migros will continue investments in foreign countries, and assess new locations in Middle East and Caucasian.
- As per the dailies, Carrefoursa, which had acquired Gima in year 2005, has changed the names of all Gima stores to be renamed as CarrefourSa Express.

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.

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