

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

- As per the announcement made by the Privatization Administration, the deadline to submit bids for the privatization of the motorways and bridges has been postponed by 3 months. By virtue of this extension the pre-qualification application deadline is extended to 5 April 2012 and the deadline to submit bids is extended to 17 May 2012.
- It has been stated by the General Directorate of Highways that the tender for the North Marmara Highway, including the third bridge to be constructed in Istanbul, will be held on 10 January 2012 and no extension will be granted. Additionally, 33 companies have reviewed the tender specifications and 18 of which have purchased the same.
- Pursuant to the dailies, Park Holding has been granted with an extension to submit the required guarantees for the privatization of Istanbul Bogazici Elektrik Dagitim. Previously, the winning bidder and the second highest bidder have failed to submit required securities. Park Holding is the last investor in the row and in the event the Holding fails to submit the guarantees on time, the tender will be cancelled.
- Pursuant to the dailies, the share sale agreement regarding Trakya Elektrik Dagitim has been executed with IC Ictas, the second highest bidder with its bid amounting to US\$ 575 million. The payment shall be realized in 4 installments and 20% of the purchase price shall be paid in cash and in advance. Trakya Elektrik Dagitim is active in Edirne, Kirklareli and Tekirdag with its approximately 822 thousand subscribers.

ENERGY SECTOR NEWS

- Pursuant to the dailies, Bosphorus Gaz has applied to the Energy Market Regulatory Authority to import 750 million m³ natural gas from Kazakhstan to Turkey.

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- As per the international treaties announced in the Official Gazette, by virtue of the loan agreement executed by and between Turkiye Kalkinma Bankasi and Uluslararası İmar ve Kalkınma Bankası, an additional loan facility amounting to US\$ 135 million and Euro 114 million 300 thousand will be extended for the renewable energy efficiency projects.
- Zorlu Enerji Group has purchased 28 wind tribunes with 18 MW capacity from Vestas, a Danish tribune producer, for the wind power plant to be constructed in Pakistan. The tribunes will be delivered within the first half of 2012. Such wind power plant will feed Pakistan's energy need for 20 years.

BANKING SECTOR HIGHLIGHTS

- As per the statistical data released by the Banking Regulatory and Supervision Agency, net earnings of the banks as of November 2011 have decreased by 10.4% and recorded as TL 18.257 billion. Accordingly, the loan amounts have increased by 35.5% and reached to TL 675.6 billion and the capital adequacy ratio has been recorded as 16.4%.

CAPITAL MARKETS UPDATES

- Pursuant to the dailies, Calik Holding has authorized Goldman Sachs for the sale of ATV television and Sabah newspaper. It has been reported that Texas Pasific Group, KKR CO, Time Warner Group and RTL are the interested investors. Additionally, it is expected that purchase price will be 15 times of the EBITDA. It is expected that the Holding will receive the offers by 18 January 2012 and the offers the due diligence process will be initiated upon receipt of the offers from the interested investors.

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Highlights

a. Privatization Highlights

b. Energy Sector News

c. Banking Sector Highlights

d. Capital Markets Updates

e. Other News

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- Park Group B.V., a subsidiary of Park Group, has executed a share transfer agreement to acquire 99.92% shares of Macedonian Paper Mills, a cardboard production company active in Greece.
- Turk Ekonomi Bankasi has applied to the Capital Markets Board to obtain the Board's approval for the offering of bonds with TL 350 million value and 178-day maturity to be offered between 18 and 20 January 2012. The offering will be realized by way of book-building and TEB Yatirim Menkul Degerler will be the intermediary institution.
- SOCAR, an Azerbaijani petroleum company, has restructured its partnership with TURCAS in Socar & Turcas Enerji. SOCAR has increased the Company's share capital by TL 2.4 billion and acquired 25% shares of TURCAS. The paid-in capital of the Company has increased to TL 2.6 billion and the trade name of the Company has changed to SOCAR Turkey Enerji.

OTHER NEWS

- According to the announcement released by the Competition Board, the investigation on Turkish Airlines concerning the abuse of dominant position by externalizing competitors has been concluded in favor of Turkish Airlines and the Board has ruled that there is no need to impose any administrative fine on Turkish Airlines.
- Pursuant to the dailies, Carlyle, the largest US financial investor, has invested in Bahcesehir Kolejleri and acquired 48% shares of the Company which has 34 pre-schools, 20 elementary schools and 11 high schools.

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- As per the announcement released in the Official Gazette, the Turkish Standardization Institute has terminated 29 Service Adequacy License Agreements. The reasons of the termination are stated as, (i) failure to make annual renewals; (ii) interlude control inconsistencies; (iii) cancellation application; and (iv) change of control.
- Graniser Granit Seramik has executed a share sale and shareholders agreement with Bancroft Private Equity LLP. As per the dailies, Bancroft Private Equity will have the majority of Graniser Granit Seramik's share capital following the approval of the Competition Board. The General Manager of Graniser Granit Seramik has stressed that the Company will be a major player of its sector within 5 years through this partnership of Bancroft Private Equity.
- As per the dailies, Orhan Holding has acquired 51% stake in Fuzhou Rocket Enterprices Co, a Chinese company active in Fuzhou, Liuzhou, Chongging and Haikou regions. By virtue of this acquisition, the Holding has extended its operations to 13 countries with 41 companies, 29 factories and over 7 thousand employees.
- Pursuant to the statement made by the CEO of Silk&Cashmere, Zamanpur family has executed an agreement with Eastgate Capital Group for the sale of Silk&Cashmere shares to the Group. It is further noted that the majority of the Company will remain with the Zamanpur family and by virtue of this partnership the Company will easily reach its targets.

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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