

TABOGLU, ATES & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

- As per the declaration of Halkbank, the Bank has executed a loan agreement with the World Bank for the sum of Euro 100 million. This loan has been extended within the scope of “World Bank Small and Medium-Sized Enterprises Financing Project” and will be used for increasing the sale volume and efficiency of small and medium-sized enterprises.
- As per the announcement sent by Akbank to the Istanbul Stock Exchange, the Bank’s issued share capital has been increased up to TRY 3 billion and this increase has been registered with the Trade Registry on 25 June 2007.
- The Treasury has requested banks (such as Akbank, Deutsche Bank, Finansbank, HSBC Bank, Oyakbank, Garanti Bankasi, Halkbank, Is Bankasi, Vakifbank, Ziraat Bankasi and Yapi Kredi Bankasi) to enter into primary dealership contract to submit their demands regarding applications of the market efficiency system until 20 July 2007. The Treasury has also indicated that a sample Primary Dealership Contract drawing the outline of the rules and principles to be applied for the new system has been circulated in the Treasury’s official website.
- As per the dailies, it has been resolved that Economic Cooperation Organization Trade and Development Bank (Ecobank), founded by Iran, Pakistan and Turkey, shall start its operations as of 1 December 2007.
- The Central Bank of the Republic of Turkey has declared that the total borrowing limit in the interbank money markets has been doubled to be effective as of 9 July 2007, as a result of the increase in the total assets in the banking system.

CAPITAL MARKETS HIGHLIGHTS

- The tender for the privatization of 51% of Petkim’s shareholding has attracted aggressive competition of the investors. The public auction has started with a bid of US\$ 1 billion 680 million and the winning bidder, Trans Central Asia Petrochemical Holding Joint Venture, has submitted the bidding offer of US\$ 2 billion 50 million. The joint venture is composed of Troika Dialog, a Russian investment bank as the financial shareholder, Industrial Group Euroasia from Russian and Caspi Neft, owned by Transmeridian, an American petroleum company. Kazakh TuranAlem, which had recently purchased 33,98% of Sekerbank has provided strategic consultancy to the consortium. The bidding offer proposed in the tender has beaten a record amongst previous major privatizations. Subsequently, Kazyna, a fund of Kazakhstan for financing continuing development, has declared that they shall financially support the winning consortium.
- As per the dailies, 36% of Anel Elektrik will be offered to public through increase of share capital. Projects completed by the company have been listed as Ataturk, Kahire and Doha Airports and Ford Otosan Factory. It has been declared that the Company’s scope of business include electricity undertaking, construction, operation and preparation of projects relating to airports, shopping malls and touristic premises both in domestic and international markets.
- Pursuant to the dailies, the General Manager of Sanli Ilac, one of the shareholders of Baticim, has declared that they do not intend to sell their shares notwithstanding the amount of the offer proposed for such shares.

Highlights

a. Banking Sector News

b. Capital Markets Highlights

c. Energy Sector Updates

d. Other News

ENERGY SECTOR UPDATES

- As per the declaration of Turcas Petrol, Turcas Elektrik, its wholly owned subsidiary, has signed a framework agreement with Innovative Wind Power, a wholly owned subsidiary of Dubai based Energy Group. This cooperation has been structured for construction, improvement and operation of wind power plants in Turkey. It has further been elaborated that 50% of the joint venture to be formed for the wind power plant projects, having the capacity of around 200 MW shall be owned by Turcas Elektrik, while the remaining half shall be owned by Innovative Wind Power.

OTHER NEWS

- BCE, the Canadian telecommunications group has been sold to Ontario Teachers Pension Plan and Providence Equity and Madison Dearborn, two American securities investment company in consideration of US\$ 32,6. Further, AT&T, an American telecommunications company has been sold to Dobson Communications, a wireless transporter.
- As per the dailies, the transfer of 75% of each of Eczacibasi Saglik Urunleri and Eczacibasi Ozgun Kimya, owned by Eczacibasi Ilac Sanayi, to Zentiva N.V., one of the leading corporations in the generic pharmaceuticals in Europe have been finalized. Upon this transfer, Zentiva N.V. has also become one of the leading pharmaceutical production companies in Turkey. Zentiva has the purchase option for the remaining 25% shareholding. The new company will maintain its operations in Turkey under the brand-name of Eczacibasi-Zentiva.

- Celebi Hava Servisi shall participate in Sabiha Gokcen Airport tender through a joint venture formed with Russian Joint Stock Company Sheremetyevo. Celebi has announced that they will participate in the tender of the airport to be built and operated through build-operate-transfer method, with Joint Stock Company Sheremetyevo International Airport, the operator of International Moscow Airport, and they had obtained the related certificate (work plant observation certificate) on 29 June 2007.
- As per the announcement made by Tek Art Turizm Zigana A.S. to the Istanbul Stock Exchange (ISE), Iktisat Yatirim, which has been given authority for financing of Tek Art and its subsidiaries' new investments, is negotiating with Morgan Stanley.
- Prestige Mall, a shopping mall located in Bahcesehir, Istanbul, has been purchased by Quinn Real Estate of Ireland in consideration of US\$ 55 million.
- As per the dailies, Mondi Packaging of Australia has become a strategic partner to Ulker Group by purchasing 54% shareholding in Tire Kutsan, the packaging company. It has been declared that a tender offer shall be made for the minority shareholders.
- Within the scope of restructuring in Akkok Group, share transfer transactions have been completed. Accordingly, 27% of Ak Enerji and 22% of Ak-AI Tekstil has been sold at the Wholesale Market.
- As per the announcement of TAV Airports Holding to the ISE, the Company has purchased 25% of TAV Esenboga for an amount of Euro 30 million.

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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