

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION NEWS

- As per the dailies, the Privatization Administration will realize the privatization of Baskent Dogalgaz through the sale of 80% shares in the Company. It has been reported that seven bidders have submitted their offers. The previous tender was initiated by the Metropolitan Municipality of Ankara where Global Yatirim submitted the highest bid and Elektromed submitted the second best offer. However, as the first two bidders did not fulfill their obligations, the tender was cancelled. Subsequently, the Company was included within the privatization portfolio and the Privatization Administration has become the authorized body to sell the Company.
- It has been reported that the Privatization Administration will realize the tender for four electricity distribution regions, including Bogazici Elektrik covering the European side of Istanbul on 9 August 2010.
- The deadline for the submission of the offers to the tender for the privatization of Iskenderun port has been extended to 16 September 2010.

BANKING SECTOR HIGHLIGHTS

- It has been reported that Bank Hapoalim, the biggest bank of Israel, has been preparing to acquire Adabank. Bank Hapoalim has entered into the Turkish market with the acquisition of Bank Pozitif, formerly known as C Bank. It has been further reported that Bank Pozitif operates as an investment bank and does not own commercial banking license.
- TEB has executed a loan agreement with the Export Import Bank of Korea in the amount of US\$ 20 million. As per the statement made by the Bank, the loan proceeds will be extended to those purchasing machines, equipment and services from the South Korea.

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- As per the statement made by Yapi Kredi Bank, the Bank will collect demands for the 8th sub fund with 100% principal amount guaranteed. The fund is offered to the public between 6 to 19 August 2010.
- The Republic of Turkey and the International Bank for Reconstruction and Development have executed a guarantee and loan agreement regarding the financing of small and medium size enterprises on 6 July 2010. As per the agreement, Turkey will obtain loan in the amount of US\$ 100 million, whilst Ziraat Bankasi and Vakiflar Bankasi will each obtain loans in the amount of US\$ 200 million.
- It has been reported that the net profit in the Turkish banking sector has reached to TRY 12.1 billion during the first six months of 2010 with an increase of 10.1% in comparison with the last year.
- As per the dailies, Finansbank will issue a new investment fund, called "Oil Fund with Principal Guaranteed". As per the statement made by the Bank, the fund will target the investors projecting that the American oil prices will remain within a specific band. The offer period is between 9 to 13 August 2010.

CAPITAL MARKETS UPDATES

- Pursuant to the announcement published in the Public Disclosure Platform, Sevket Sabanci, one of the shareholders of Sabanci Holding, has sold his 10,500,000 shares in Sabanci Holding on the Istanbul Stock Exchange on 4 August 2010, each with a value of TRY 6.75, amounting to US\$ 70,800,000. As a result of such disposal by Sevket Sabanci, the ratio of shares held by him and those acting with him have dropped to 9.858% of the share capital of Sabanci Holding.

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Highlights

a. Privatization News

b. Banking Sector Highlights

c. Capital Markets Updates

d. Energy Markets News

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- As per the statement made by Migros to the Public Disclosure Platform, the acquisition of 99.9996% shares in Amac Gida, 99.996% shares in Ades Gida and 99.998% shares in Egeden Gida by Migros has been completed as of 31 July 2010, subsequent to obtaining the approval of the Competition Board.
- As per the statement made by Is Girisim to the Public Disclosure Platform, the Company has sold its approximately 34.9 % shares in its subsidiary, ITD, to Assecco, a Poland based company, in return for US\$ 3,936,068.
- The gold exchange investment fund of Kuvveyt Turk, GoldPlus, has started to be traded on the Istanbul Stock Exchange. As per the statements of the General Manager of Kuvveyt Turk appeared in the dailies, Kuvveyt Turk is planning to go public soon. The General Manager has further stated that the Bank has completed a capital increase of TRY 300,000,000 injected in cash.
- The Communiqué regarding the Amendments to the Communiqué on the Principles for Investment Funds, issued by the Capital Markets Board, has been published in the Official Gazette on 7 August 2010. As per the amendments, daily and annual management fees and commissions to be applied by investment funds must be publicly announced on the official websites of investment funds to secure the investors' right to information and the Capital Markets Board may determine an upper limit for the daily and annual management fees applicable by the investment funds.

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- As per the statement by the Savings Deposit Insurance Fund, Toprak Cam Commercial and Economic Integrity has been offered to sale as of 2 August 2010. Galata Tekstil is the only bidder.
 - It has been reported that the turnover of Petrol Ofisi has reached to TRY 7.6 billion, during the first six months of 2010 with an increase of 20% in comparison with the last year.
 - Pursuant to the statement made by Ihlas Holding to the Public Disclosure Platform, a financial consultancy and intermediation agreement is signed with Oyak Yatirim for the public offering of the shares which the Company holds in one of its subsidiaries, Ihlas Yayin Holding.
- ENERGY MARKETS NEWS**
- Pursuant to the dailies, the total investment amount of projects in the Turkish electricity market, where there are also foreign investments, has exceeded TRY 15.1 billion. As per the research by STEAM (*Strategic Technical Economic Research Center*) included in 2010 Turkish Electricity Sector Report, the foreign and local private companies are involved in 66 projects in total, comprising of 22 thermal and 44 hydroelectric and wind projects.
 - As per the dailies, Akocak Hydroelectric Power Plant has started its operations. The hydroelectric power plant will generate electricity in the amount of 257 million kWh.

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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