

# TABOGLU & DEMIRHAN

## Newsletter

### **PRIVATIZATION HIGHLIGHTS**

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- As per the decision of the Privatization High Council, shares held by the Social Security Institution in Emek Insaat, Taksim Otelcilik, Yeditepe Beynelmillel Otelcilik and Oyak Insaat are included within the scope of the privatization program.
- The Undersecretariat of Treasury will hold 3 tenders in December, 6 tenders in January and 4 tenders in February within the scope of internal borrowing strategy.
- Pursuant to the written statement of Antalya Fiscal Office, 18 treasury lands valued at approximately TL 2 million will be sold through tender in order to contribute unutilized lands and premises in the economy.

- Pursuant to the dailies, Turkey will sell "Samurai Bonds" in the amount of US\$ 2 billion at the end of this year. The Japanese Bank for International Cooperation will provide a partial guarantee for such sale.
- As per the announcement made by Alarko Holding to the Public Disclosure Platform, Alsim Alarko, a subsidiary of the Holding, has purchased the shares of Societe Nationale d'Electricite et de Thermique in Altek Alarko, corresponding to 50% of the total share capital of Altek Alarko.

### **CAPITAL MARKETS UPDATES**

- Fitch has changed the outlook of the credit rating of the Housing Development Administration of Turkey from positive to stable. The Agency has also confirmed the long term national credit rating of the Administration as stable.
- As per the statement of Arena Bilgisayar to the Public Disclosure Platform, shares representing 49.40% of its share capital have been transferred to Redington Turkey Holdings at approximately US\$ 42 million.
- As per the decision of the Board of Directors of the Istanbul Stock Exchange, trading of Emlak REIT shares has started as of 2 December 2010.
- As per the statement of Aygaz to the Public Disclosure Platform, it has been decided that 49.62% shares of Aygaz in Entek Elektrik, an affiliate of Aygaz, will be sold to AES Mont Blanc Holdings B.V. in return for US\$ 13 million 455 thousand, subject to the prior approvals of the Competition Board and the Energy Market Regulatory Authority.

### **BANKING SECTOR NEWS**

- As per the dailies, the CEO of Irak Ticaret Bank has disclosed that the Bank is planning to open branches in Istanbul next year. The Bank aims to expand to overseas by opening the other branches in Beirut and London.
- Eurobank Tekfen has reached to a net profit in the amount of TL 23.4 million in the first 9 months of 2010. It has been further stated that the total assets of the Bank has reached to approximately TL 5 billion.
- For the purpose of financing the foreign trade, Garanti Bankasi has renewed the syndication loan taken by the Bank in the amount of US\$ 700 million, which has been obtained in 2009, with an amount of US\$ 1 billion. The maturity of the loan is one year and it consists of two tranches amounted to US\$ 316.4 million and US\$ 513.5 million.
- As per the statement of Is Bank published in the Public Disclosure Platform, the Bank has authorized the General Management for the issuance of bank bill or bonds denominated in Turkish Lira up to TL 5 billion. The instruments will be offered in Turkey upon the approvals of the Capital Markets Board and the Banking Regulatory Supervisory Board.

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#### *Highlights*

*a. Privatization Highlights*

*b. Capital Markets Updates*

*c. Banking Sector News*

*d. Energy Markets News*

*e. Other News*

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**OTHER NEWS**

- As per the dailies, Finansbank has provided a syndicated loan in the amount of US\$ 800 million with contribution of 29 banks from 15 countries. The loan consisting of two tranches in the amount of US\$ 333 million and Euro 352 million provided with a maturity of one year will be used in order to finance foreign trade. The total cost of the loan is as Libor + 1.30.
- As per the dailies, Unicredit will open 900 branches in the Central and Eastern Europe to strengthen its existence in those areas. 300 of these branches will be located in Turkey.

**ENERGY MARKETS NEWS**

- As per the statement made by Zorlu Enerji to the Public Disclosure Platform, the Company has completed the financing of Dorad Natural Gas Plant to be established in Israel. It has been further stated that approximately US\$ 1 billion has been extended by various financial institutions led by Bank Hapoalim and Clal Finance for the establishment of the Plant with a capacity of 800 MW. Zorlu Enerji holds 25% stake in the project which will be completed in 2013.
- IC Ictas, a subsidiary of IC Yatirim Holding, has signed a loan agreement in the amount of US\$ 253 million with the consortium, consisting of Yapi Kredi and Vakifbank for Bagistas dam and hydroelectric power plant. As per the statement made by the Chairman of IC Holding, the dam is intended to be completed in 30 months.
- Pursuant to the dailies, the agreement executed between Kartonsan and Botas concerning the purchase of natural gas amounting to approximately 55 million m<sup>3</sup> has been renewed.
- It has been reported by the Ministry of Transportation that a third airport will be constructed in Istanbul. As per the statement of the Minister, the airport will be put out to tender through build, operate and transfer model and will have a capacity of at least 60 million passengers. It has been further indicated that the construction cost will amount to US\$ 5 billion.
- As per the statement of Ege Maden Ihracatçilari Birligi, the Chinese Committee will purchase marble and travertine from Denizli for two million square meters EKO City which will be established in China. The members of the Chinese Committee had a meeting with the competent body in Denizli regarding the marble and travertine import.
- Trading of shares of Do&Co Restaurants has started on the Istanbul Stock Exchange with a base price of TL 43.20. It has been further indicated that the maximum lot amount determined for the Company's shares is 2,500.
- According to the statement released by Dogan Yayin Holding to the Public Disclosure Platform, implementation of the administrative tax fine imposed on one of its affiliates, Dogan TV, has been suspended by the High Administrative Court (Danistay). Previously, Dogan TV had filed a lawsuit for the cancellation of this tax fine. The relevant tax court has partially accepted Dogan TV's request and ruled for a fine amounting to approximately TL 1 billion in against of Dogan TV.
- ITU Ari Teknokent and Turksat Uydu have executed an agreement for the purpose of manufacturing domestic communication test satellites.

*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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