

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION UPDATES

- The highest bid amounting to US\$ 1 billion 225 million for the tender of Baskent Elektrik Dagitim, which was realized through block sale method, has been submitted by EnerjiSA, a Sabanci Verbund Joint Venture. The other bidders are declared as Hema Endustri, Akcez Joint Venture Group, Dogan Group-Saray Hali-Kantur Joint Venture Group and Park Holding. The Vice President of the Privatization Administration has stressed that after the approvals of the Competition Board and the Energy Market Regulatory Authority, the decision of the Tender Commission needs be approved by the Privatization High Council. Subsequent to the High Council's approval, EnerjiSA will be invited to sign the related agreement and close the deal.
- Pursuant to the dailies, Akcez Joint Venture Group among four other bidders has submitted the highest bid amounting to US\$ 600 million for the tender of Sakarya Elektrik Dagitim, which was realized through block sale method. Accordingly, Sakarya, Bolu, Duzce and Kocaeli provinces are within Sakarya electricity distribution region. Akcez Joint Venture Group comprises of Akenerji, an Akkok Group company and CEZ, a Czech company.
- The Head of the Privatization Administration has stated that privatization process for highways will start in July.
- The highest bid amounting to TRY 307 million 500 thousand has been submitted by Ascioğlu Insaat-Ofton Insaat-Meydanbey Insaat-Omak Insaat Joint Venture Group in the first round of the third tender called by the Housing Development Administration for real estate known-as Tekel liquor factory, in Istanbul. The second round of the tender will be realized subsequent to completion of related correspondence with all the bidders through auction method. The first two tenders for the property have not been approved by the Administration due to lack of competition since the only bidder was Kiler Group.

BANKING SECTOR HIGHLIGHTS

- Is Bankasi has transferred all of its shares in Asmas Agir Sanayi Makinalari to two of its subsidiaries, namely, Sisecam and Soda Sanayii in return for US\$ 9.7 million. Consequently, 15% of the shares have been transferred to Sisecam in return for US\$ 1.5 million and the remaining 82.53% shares to Soda Sanayi in return for US\$ 8.2 million.
- The Banking Regulation and Supervision Authority has granted consultancy service permission to TEB. As per the Authority's permission, the Bank is allowed to provide consultancy services to the legal entities which are in the same risk group with the Bank on supply management, maintenance, security, printing and human resources.

TELECOMMUNICATIONS NEWS

- Vodafone and Avea have announced that they will attend the tender for third generation mobile phone (3G), which is planned to be called in November. Accordingly, both Companies have declared that number portability, which will be implemented by all GSM operators as of 13 November 2008, is the most important precondition to attend the 3G tender.

CAPITAL MARKETS NEWS

- Yapi Kredi Financial Leasing has decided to postpone the issuance of bonds amounting to TRY 150 million due to the quick rise in interest rates in the TRY market. Yapi Kredi Leasing had signed an agreement with Garanti Yatirim for the issuance of the bonds amounting to TRY 150 million in March 2008.
- Trakya Cam will establish a frosted glass factory in Tarsus with 61,000 million tones capacity and related investment amount is anticipated as Euro 49.5 million.

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Highlights

a. Privatization Updates

b. Banking Sector Highlights

c. Telecommunications News

d. Capital Markets News

e. Other News

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- According to the statement given to the Istanbul Stock Exchange by Aksigorta, Sabanci Holding has purchased the whole stock of Cimsa Cimento in the portfolio of Aksigorta with a nominal value of TRY 3.1 million in return for total TRY 13.9 million with the unit price of TRY 4.45. It has been stated that the sale price has been paid in cash.
- Sabanci Holding has decided to participate in the capital increase of EnerjiSA which is the joint venture of Sabanci and Verbund with equal share portion. According to the disclosure, the current share capital will be increased to TRY 727.7 million through the issuance of premium share certificates amounting to Euro 90 million and TRY 162 million in cash. Due to the agreement, Verbund has already put Euro 180.5 million, which is the amount of the premium share certificates, into EnerjiSA.
- Tekfen Holding A.S. has made an announcement to the Istanbul Stock Exchange stating that one of its Group Companies, Toros Tarim Sanayi ve Ticaret will merge with another Group Company, Toros Gayrimenkul Yatirimi, through take over method. Toros Tarim, which shall maintain its existence, will also increase its capital from TRY 320 million to TRY 430 million.
- As per the dailies, Eczacibasi Yapi has purchased 47.16% of German company Burdbag's stakes in return for Euro 33.4 million. As per the statement made to the Istanbul Stock Exchange, Eczacibasi aims to acquire more shares until it owns the majority of the Company's shares; therefore, they made a call to be expired on 28 July 2008 in Frankfurt and Düsseldorf Stock Exchanges. In addition, Eczacibasi Group has announced that the deal relating to the acquisition of 50% shares in Monrol has been closed on 1 July 2008.
- The Law regarding sale of immovable property to foreigners, which was previously cancelled by the Constitutional Court, has been approved by the Grand National Assembly of Turkey on 3 July 2008. In accordance with the Law, foreigners will have the right to acquire immovable properties up to 10% of the total areas within the limits of the zoning plan.
- Groupama has purchased 100% of Guven Sigorta and Guven Hayat Companies' stakes from Tarim Kredi Kooperatifleri Merkezi Birligi in return for TRY 350 million. The take over process of the Companies is subject to the approval of the competent authorities, i.e. the Treasury and the Competition Board. Groupama, whose turnover in 2007 has been declared as US\$ 14.9 billion, has 11 million clients and more than 30 thousand employees worldwide.
- The Competition Board has approved the transfer by Yasar Holding of 50% shares in Yasar Basf Otomotiv to BASF Coatings.
- The electricity price tariffs will be determined in accordance with automatic pricing method which shall be affected by foreign exchange rate, inflation and petrol price changes. The State Economic Enterprises (SEE) such as EUAS, TETAS, TKI and BOTAS has launched "Cost Based Pricing Method" as of 1 July 2008. The reason to adopt the method has been declared as constituting economically healthy and strong SEEs and electricity distribution companies more than 50% stakes of which are owned by the State.

OTHER NEWS

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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