

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

- As per the announcement made by Finansbank to the Public Disclosure Platform, the Bank has executed two separate loan agreements with European Investment Bank each with an amount of Euro 75 million. It is planned that such loans will be used for the small and medium sized enterprises and commercial customers and in the energy sufficiency and production projects, respectively.
- Pursuant to the dailies, Is Bankasi, Garanti Bankasi, Akbank and Yapi Kredi's values have decreased by US\$ 32.3 million in total within the last five months. It has been further stated that the profits and equity capital of such banks have decreased by 20% and 0.7%, respectively.
- As per the dailies, the Banking Regulation and Supervision Agency has approved Citibank's request for providing intermediary institution agency services. Additionally, the Agency has granted its permission to the Bank to provide legal, technological and supportive consultancy services to its affiliates namely Citilease Finansal Kiralama and Citi Menkul Degerler.

CAPITAL MARKETS UPDATES

- Garanti Bankasi will transfer 20% of its shares in Eureko to Eureko B.V. It has been further stated that the Bank will sell its shares to Eureko B.V. as per the put option provision of the shareholders agreement executed by these companies in 2007.
- Ericom Telekomunikasyon ve Enerji Teknolojileri has been subject to public offering between 3 and 6 June 2011. Through public offering, the capital of the Company will increase by TL 1.5 million and reach to TL 5.5 million. Eti Yatirim will act as the mediator during the process.

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- As per the dailies, Kamer Holding has started its infrastructure works for the public offering. It is expected that the public offering will be held by the end of the year 2012. It has been further stated that the Holding has taken the decision for the listing on the Istanbul Stock Exchange and started its meetings with Deniz Yatirim regarding the process.
- Dagi Giyim Sanayi ve Ticaret's shares, which were offered to public with a nominal value of approximately TL 10 million, has started to be traded at the second national market of the Istanbul Stock Exchange.
- Bonds issued by Is Bankasi with a nominal value of TL 700 million and with a due date of 177 days have been offered to public between 1 and 3 June 2011. The book building has been realized through customer representatives.

ENERGY SECTOR NEWS

- Pursuant to the announcement made by Demirdokum, the Company has started to make investments in the solar energy system to gain efficiency in the heating sector. The Chairman of the Company has stated that the size of the heating sector in Turkey has reached to Euro 1 million. Therefore, the Company has decided to make investments in the natural energy sources.
- As per the "Sector Report of Oil Market Pertaining to the First Three Months" issued by the Energy Market Regulation Authority, Turkey has imported 6 million tons of oil within the first 3 months of 2011. The Report also states that Petrol Ofisi is the leading company among the distribution companies.

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Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Energy Sector News

d. Competition News

e. Other News

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- As per the Official Gazette, the Energy Market Regulation Authority has amended the Regulation on the Oil Market Licenses. Accordingly, the collection for the refueling of the air and sea vehicles to be mediated by the third parties shall only be made on the condition that the physical delivery is made by the license holders of bunker fuel delivery within the scope of the export and transit regime of the bunker fuel.

COMPETITION NEWS

- The Turkish Competition Board has granted its permission to the acquisition of 100 % shares of Yeni Saglik Hizmetleri's share capital by Acibadem Hastanesi on the grounds that such acquisition does not create or strengthen dominant position and thus does not prevent the competition in line with the Law on the Competition and the Communique on Mergers and Acquisitions. According to the dailies, the Board has granted its permission for the joint venture established through the acquisition of 75 % shares of Yargici Konfeksiyon Ihracat ve Ticaret by GB Retail Investment Holding since such acquisition does not create any competition concerns. Also, the Board has approved the take over of the control over Bulgari by LVMH Moet Hennessy – Louis Vuitton; and the acquisition by Western Digital Corporation of whole issued share capital of HGS Viviti Technologies held by Hitachi.

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- As per the dailies, the investigation initiated by the Competition Board against Turkcell is at the stage of verbal defense. The investigation had been initiated in 2009 upon several complaints claiming that Turkcell has been determining the retail price to be applied by its distributors and imposing several restrictions on its distributors. Also it had been alleged that Turkcell had abused its dominant position in Turkish GSM market. According to the investigators, there is no need to impose any fine with respect to the allegations regarding the distributor chain. However, the investigators are in the opinion that Turkcell had abused its dominant position.

OTHER NEWS

- Turkish Airlines has renewed its agreement with Portuguese Airlines regarding the freesale codeshare. As per the agreement, the flights to Faro and Funchal, where Turkish Airlines does not currently operate flights to, will be realized with TK code.
- As per the dailies, Katmerciler and Gimaex International, a French company active in production of fire fighting equipments, have started negotiations for establishing a joint venture company shares of which will be held equally by the parties. Accordingly, it is planned that the joint venture company will be active in production of high quality equipment to be exported especially to the Middle East and Africa countries.

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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