

# TABOGLU & DEMIRHAN

## Newsletter

### PRIVATIZATION HIGHLIGHTS

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- Turcas Petrol, Azeri Socar and Suudi Injaz are planning to realize the transfer of Petkim, which had been purchased for US\$ 2.04 billion, as of the end of April upon notification of their payment plan to the Privatization Administration. The transfer shall be realized by utilization of shareholders equity of the consortium members and of a loan of US\$ 1 billion.

- As per the dailies, 335 million barrels of petroleum has run from Baku-Tbilis-Ceyhan (BTC) pipeline in 21 months. Turkey has gained US\$ 1.5 billion from such petroleum flow. The General Manager of BTC Turkey has declared that BTC is working to increase the pipeline's capacity to 1.2 million barrel and it has been announced that they will try to inject a special chemical into petroleum thus improving the flowing capacity of petroleum.

### ENERGY SECTOR UPDATES

- Gama Enerji has become the winning bidder of the tender for Disi Water Procurement Project in Jordan, which was held through build-operate-transfer model. The Project aims to supply water to Amman. Gama Enerji will have operating rights for 25 years and at the end of this period, the Project will be transferred to Jordan Ministry of Water Works.
- As per the dailies Enka Enerji has obtained production permit to establish a coal backed power plant in Aliaga, Izmir. According to the statement made by Enka Insaat ve Sanayi A.S. to the Istanbul Stock Exchange, the Company will establish a power plant with 800 megawatts capacity and the production permit has been granted by the Energy Market Regulatory Authority.
- Petrol Ofisi is planning to establish 8 retail stations in 2008 and a total of 30 retail stations in the next 3 years in Georgia through its Georgian subsidiary, PO Gurcistan, with the purpose of undertaking fuel distribution operations therein. According to the statement made by Petrol Ofisi, the Company is also planning to establish a refinery in Ceyhan. The Chief Executive Officer of Petrol Ofisi stated that the respective environmental impact assessment report has been completed and sent to the Energy Market Regulatory Authority in October and the license application for the refinery is pending.

### BANKING SECTOR NEWS

- As per the Communiqué published by the Banking Regulation and Supervision Agency in the Official Gazette on 5 April 2008, representative offices of foreign banks in Turkey shall be required to facilitate certain criteria for banks' services, to strengthen relations with credit and financial establishments, to make a market research and reporting of this information to their headquarters. Representative offices of foreign banks shall not be permitted to make any expenses except mandatory expenses and gifts and shall give information to their headquarters semi-annually including meetings with real persons and legal entities established in Turkey.
- Albaraka Turk, a participation bank, has signed an interagency agreement with Saudi Export Program, which is administered by Saudi Fund for Development. According to the statement of Albaraka Turk, credits of Saudi Export Program will be used for business purposes through the medium of Albaraka Turk for Saudi Products.
- As per the dailies, transfer of 60% shares of Türkiye Finans Katılım, a participation bank owned by Boydak and Ulker Group, to National Commercial Bank of Saudi Arabia has been completed. Accordingly, Ulker and Boydak Group will continue to hold 20% shares in Türkiye Finans Katılım.

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#### Highlights

a. Privatization Highlights

b. Energy Sector Updates

c. Banking Sector News

d. Other News

**OTHER NEWS***cont'd.*

- Camelot Group Plc, UK's national lottery company, is negotiating with Isbank on a possible tender for the Turkish gaming rights. Greece's Opap SA and Intralot SA and Italy's Lottomatica SPA are also considering bidding for the rights to operate Turkey's national lottery. Opap SA is planning to bid together with Koc Holding and Lottomatica is planning to participate in the tender with Morgan Stanley.
- Kutas, which has stores for production and warehousing in China, Albania and Belgium, has purchased 51% of Negev Spice of Israel. Kutas officers stated that Kutas is selling its products to 168 firms in 45 countries and export in 2007 of Kutas Group is US\$ 100 million.
- Ciment Francais of Italcementi Group has agreed to sell its cement factory in Afyon to Sibirsky Cement of Russia in return for Euro 600 million, subject to approval of the Competition Board. According to the statement made by Sibirsky Cement, one of the largest cement producers of Ural Region in Russia, they will pay Euro 400 million in cash.
- Eczacibasi Ilac is planning to acquire companies to expand its business activities in biotechnology sector. Accordingly, the Company has entered into a share purchase agreement for Monrol Nukleer Urunler's 50% shares. Eczacibasi will pay up to Euro 30 million for a %50 stake of such nuclear medicine company. The share purchase is expected to be finalized upon the approval of the Competition Board.
- Pursuant to the dailies, Vin & Spirit of Sweden, which owned Absolute Vodka, has been sold for Euro 5.6 billion to Permad Ricard, of France.
- As per the dailies, Turkey is the leading trading partner of Georgia. Georgia's foreign trade capacity is increased by 35.1% when compared to previous years and reached to US\$ 1.8 billion. Accordingly, in the first two months of year 2008, total amount of export to Turkey was US\$ 26.3 million and total amount of import from Turkey is US\$ 109.6 million. Total amount of foreign trade between the countries is \$135.9 million.
- According to the statement made by Anadolu Efes, profit of the brewery company in year 2007 increased by 39% whereas the net income increased from TRY 269 million to TRY 374 million.
- Pursuant to the dailies, ABN Amro Holding NV agreed to participate in the consortium led by Global Yatirim Holding for Ankara's natural gas distribution network. ABN Amro Infrastructure Capital Management Ltd. will hold 22% in the consortium and according to the statement made by the Istanbul Stock Exchange, Global and Partner Energaz bid \$1.61 billion to run the Ankara gas network.
- Pursuant to the dailies, Yildirim Group, the owner of Eti Chrome, has purchased Vargon Alloys AB, Chrome Company of Sweden for the amount of US\$ 100 million.
- As per the dailies, the sale of TEB Sigorta to Zurich Financial Service Group has been finalized. According to the statement made by TEB Sigorta, 100% shares of the Company have been transferred from TEB Mali Yatirimlar to Zurich Financial Services and all required legal proceedings have been finalized by the parties.

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*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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