

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

- As per the announcement made by the Privatization Administration, the Administration plans to call tender for bridges and highways in the first quarter of 2010, unless otherwise decided by the Privatization High Council. It has been stated that the tenders of electricity distribution privatizations of Coruh, Osmangazi and Yesilirmak regions have been completed and decisions of the Competition Board and the Energy Market Regulatory Authority are awaited for execution of the respective agreements. It has been remarked that Izmir port tender is still waiting for confirmation from the Council of State and Samsun and Bandirma ports will be transferred to the investor during the first quarter of 2010. Finally, Galataport tender will be completed within 2010 for which consultancy tender has been called recently.
- The Privatization Administration has announced that the last bidding date for Camlibel, Firat, Uludag and Vangolu electricity distribution companies' tender is 12 February 2010.
- The Ministry of Transportation has announced that public offering of Turk Telekom is considered to be launched in 2010 if the market conditions are available. The Minister, reminding that 15% of Turk Telekom's stakes were offered to public last year and TRY 2 billion was streamed to the Treasury as a result, has stressed that the Privatization Administration is currently working on diversified options of a further public offering.
- Saki Kalender Joint Venture Group has offered the highest bid in the amount of TRY 30 million for the privatization of certain pieces of immovable properties in Ankara owned by Tutun, Tutun Mamulleri, Tuz ve Alkol Isletmeleri. Meanwhile, Izmir Joint Venture Group has become the highest bidder with its bid in the amount of TRY 36 million for the privatization of the same entity's immovable properties in Izmir.

CAPITAL MARKETS NEWS

- The Capital Markets Board has established the Capital Markets Board Consultancy Council in order to improve co-operation among the capital markets institutions. The Council held its first meeting on 4 January 2010. As per the announcement made by the Board, the Council will provide support for maintaining confidence and stability in the markets, creating projects, solving problems more rapidly and following up developments in markets. The Council will consist of chairmen or managers of organized stock exchanges in the capital markets, managers of custody institutions, and the Chairman of the Association of Capital Markets Intermediary Institutions. The Council will convene at least once in every two months and mainly serve for realization of the Istanbul Financial Center Project. The next meeting of the Council is contemplated to be held on 20 January 2010.
- The Chairman of the Capital Markets Board has remarked that the Boards of publicly traded companies failing to comply with their obligation of launching mandatory tender offer will no longer be allowed to hold office. According to the new arrangements, it is announced that the breaching members will be removed from the office and be replaced by the representatives of shareholders who were not called by the previous board for mandatory tender offer.
- The Savings Deposit Insurance Fund has announced that goods, rights, assets and agreements of Emzet Akaryakit Dagitim Otomotiv and Zeytinoglu Ticaret which were previously seized by the Fund are put on sale under the name "the Commercial and Economic Integrity of Emzet Akaryakit". The estimated value is US\$ 11 million.

Highlights

- a. Privatization Highlights
- b. Capital Markets News
- c. Banking Sector News
- d. Energy Market Updates
- e. Other News

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- Oyak Cimento, upon purchase of 97.3% of Aslan Cimento from Lafarge in return for Euro 130.3 million has applied to the Capital Markets Board in an effort to call for a mandatory tender offer.
- Mensa Mensucat will form a partnership with Switzerland based financial company, Generali, via issuing shares with no voting rights. Pursuant to the respective announcement, the public offering, where the paid-in capital of the Company shall be increased from TRY 92 million to TRY 162 million will be realized between 4-19 January, 2010.

BANKING SECTOR NEWS

- The Banking Regulation and Supervision Agency has announced that the Agency has granted permission to Millennium Bank to render private pension intermediary services.
- As per the announcement made by Aksigorta to the Public Disclosure Platform, the Extraordinary General Assembly of the Company has approved the transfer of its shares in Akbank and Avivasa Emeklilik to Haci Omer Sabanci Holding via spin-off.
- Akbank has sold its non-performing loan portfolio in the amount of TRY 326 million to Girisim Varlik Yonetimi for TRY 38.5 million.
- Eczacibasi Group announced that they are planning to apply to the Banking Regulation and Supervision Agency to establish an investment bank. Following the announcement, the value of Eczacibasi Ilac shares traded on the stock exchange increased by 12.8%.

ENERGY MARKET UPDATES

- As per the dailies, the Energy Market Regulatory Authority has ended the monopoly of BOTAS, the petroleum pipeline corporation, over the supply of natural gas distribution by allowing free competition in the sector. Accordingly, Esgaz, natural gas distributor of Eskisehir region; Izmir Dogalgaz, natural gas distributor of Izmir region; and Toros Dogalgaz, natural gas distributor of Burdur and Isparta regions have squeezed down their prices.
- The environmental impact assessment report has been cancelled by Canakkale Region Administration Court for the coal-fired thermal power plant which is planned to be built in Biga, Canakkale. It has been alleged by the plaintiffs that the power plant will effect environment and agricultural activities adversely, data related to ash collection area is not sufficient and clean coal technologies are not developed yet.
- According to the dailies, Socar & Turcas has accelerated its investment in Petkim Aliaga complex upon the approval of long-awaited environmental impact assessment report. The investment, which will provide employment opportunities for around 2,000 people, is named as the biggest investment of the last 40 years.

OTHER NEWS

- The Prime Minister of Libya has announced that they are planning to make investments of US\$ 100 billion within 3 years and further US\$ 150 billion within 5 years and for these projects priority shall be given to Turkish investors.

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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