

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

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- As per the dailies, the privatization of Istanbul Deniz Otobusleri (IDO), a subsidiary of the Istanbul Metropolitan Municipality, through block sale method was concluded on 8 April 2011. There were five bidders, namely, Deniz Turizm–Stena Yatirim consortium, Tepe-Akfen-Souter-Sera consortium, Torunlar, Global and Yildirim Holding participated in the tender. Tepe-Akfen-Souter-Sera consortium was the winning bidder with an offer of US\$ 861 million. The tender commission will submit the results of the tender to the Competition Board. After the Board's approval, the tender will be finalized through a decision of the Municipality Council.
- As per the dailies, the tender regarding the privatization of 20% stake of Baskent Dogalgaz has been announced by the Ankara Metropolitan Municipality in the Official Gazette. The bidding deadline is 21 April 2011 and the bid bond amount is US\$ 15 million. MMEKA, a joint venture between two Turkish groups, was the successful bidder for the 80% stake in the Company with an offer of US\$ 1.2 billion.

ENERGY SECTOR NEWS

- Pursuant to the announcement made by Akfen Hidroelektrik Santral Yatirimlari in the Public Disclosure Platform, the Ministry of Energy and Natural Resources has granted its provisional acceptance to Otluca 1 HES Project which has started generating power at midnight on 7 April 2011. Provisional acceptances for Otluca 2 and Otluca 3 are expected to be finalized during the coming month. It has been further stated that the total production capacity of the plant (i.e. Otluca 1, 2 and 3) GWh/per year.
- As per the dailies, Enerjisa, a joint venture between Sabanci and Verbund, has executed a loan agreement with the IFC, Unicredit and WestLB in the amount of Euro 700 million to finance its investments in Bandirma, Dogancay, Yamanli and Mersin.

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- As per the announcement made by ENKA, using F-technology gas turbine, which is recently upgraded by General Electric, the Company has set a new standard for global power plant availability over the 12-month period ended in November 2010. Between the years 2002 and 2010, Adapazari and Gebze plants delivered continuous power to the Turkish grid at high levels of availability and produced 9% of Turkey's total generation.

CAPITAL MARKETS UPDATES

- Due to the dailies, Kiler Holding's real estate subsidiary, Kiler REIT, will be offered to public between 13 and 15 April 2011. Pursuant to the announcement made by Kiler Holding, the initial public offering of Kiler REIT will be realized through primary and secondary sale. Accordingly, the share capital of the Company will be increased from TL 70 million to TL 87.5 million. The offer size is expected to be 34.5% of Kiler REIT, if green-shoe option is exercised with an offering proceeds of a range between TL 154 million and TL 184 million.
- As per the announcement made by Penguen Gida, the Company has applied to the Capital Markets Board to increase its free float ratio enabling its financial shareholders, namely, ADM Finans and DEG Deutsche Investitions, to divest their shares in the Company.
- According to the announcement made by Dogan Yayin Holding to the Public Disclosure Platform, its Board of Directors has decided to increase its share capital by 100% from TL 1 billion to TL 2 billion which will be paid in cash. The capital increase will be realized through rights issue and the existing shareholders will be entitled to exercise their pre-emption rights at nominal value. Offering proceeds will mostly be injected into the subsidiaries as capital contribution.

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Highlights

a. Privatization Highlights

b. Energy News

c. Capital Markets Updates

d. Competition News

e. Other News

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- Pursuant to the dailies, Torunlar REIT has announced its consolidated financials pertaining to 2010 along with its expectations for 2011. As per the said announcement, the net profit of the Company for the year 2010 reached to TL 214.2 million and the sales revenues thereof was determined as TL 233 million.
- Pursuant to the announcement made by Bimeks, a domestic computer technologies company, the Company has offered its new shares to public between 7 and 8 April 2011 to become the first technology retailer on the Istanbul Stock Exchange. The offer size is expected to correspond to 30% of Bimeks and offering proceeds is expected to be between TL 65 million and TL 70 million. The net sale revenue of the Company is TL 303 million while its net assets value is TL 191 million.
- Due to the announcement made by Global Yatirim Holding, the Holding has suspended the initial public offering process of Global Liman. The Holding has reached an agreement with CVCI to invest in Global Liman up to US\$ 200 million.

COMPETITION NEWS

- As per the dailies, the Competition Board has ruled that Hurriyet and some other subsidiaries of Dogan Media Group have acted contrary to competition principles in the advertisement market. Accordingly, fines in amounts of TL 3.8 million, TL 2.3 million and TL 443,509 will be levied against Hurriyet, Dogan Gazetecilik and Bagimsiz Gazetecilik Yayincilik, respectively.

OTHER NEWS

- Due to the dailies, Acibadem Hospital has started negotiations for acquiring JFK Hospital and Goztepe Safak Hastanesi. In case such transaction is realized, Acibadem will start providing its services for patients who are registered with the Social Security Institution. In 2002, Acibadem and Ten Group came to terms for Acibadem to undertake operation of JFK Hospital for five-year period. However, the parties ended up engaging in a lawsuit initiated by Acibadem due to the fact that the premises of JFK Hospital had not been delivered to Acibadem.
- As per the announcement made by the Turkish State Railways, the tender for the utmost "railway safety and surveillance system" for the high speed train operating between Ankara and Eskisehir has been concluded. 12 companies had participated in the tender and Savaronik Elektronik has been the winner with its bid in an amount of TL 12.4 million. Savaronik Elektronik will begin erecting the new system on 16 April 2011 and the system will be completed by May 2012.
- As per the announcement made by Tirsan Lojistik, as part of their globalization project, the trade name of the Company has been amended as TLS and also the Company has started to make investments in Hong Kong, New York, Los Angeles, Shanghai and Abu Dhabi.
- Pursuant to the dailies, Otokar, which is one of the biggest private sector defense companies in Turkey, has signed an export agreement regarding the 4x4 armored personnel vehicles, spare parts and relevant training in the amount of US\$ 9.3 million.

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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