

TABOGLU, ATES & DEMIRHAN

Newsletter

CAPITAL MARKETS HIGHLIGHTS

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- According to the dailies, 58.2% of Ray Sigorta shares has been sold by Dogan Group to TBIH Financial Services Group, which is a subsidiary of Kardan Group. As a result of the transfer, Dogan Holding's share ratio decreased to 20%. As per the announcement sent by Dogan Group to the Istanbul Stock Exchange, the transfer of the shares has been completed and the purchase price has been paid. The General Manager of Ray Sigorta has stated that registered share capital ceiling will be increased from TRY 50 million to TRY 100 million in a short time after obtaining required permissions and TRY 25 million capital increase will be completed in 2007.
- The Capital Markets Board has approved the initial public offering application of Sinpas Real Estate Investment and registered the shares with TRY69.857 million nominal value. The offer price range is between TRY 6.85 – 8.40. The consortium leader is HSBC Invest along with Ak Invest, Bizim Invest, Finans Invest, TSKB and Yapi Kredi Invest. The consortium is composed of EFG Istanbul, OYAK Invest, Yatirim Finans, Delta Securities, Nurol Securities, Alternatif Invest, Ata Invest, Vakif Invest, Eczacibasi Securities, Gedik Invest, Deniz Invest, Ata Online Securities and Raymond James Invest.
- Pursuant to the dailies, Is Yatirim, which has started trading on the Istanbul Stock Exchange on 18 May 2007, has announced its first quarter financials. According to the results, Is Yatirim is revealed to be the most active intermediary institution with TRY 10.7 billion transaction capacity on equity market. Market share of Is Yatirim has risen from 6.3% to 6.4% for the same quarter of 2006. On the other hand, Is Yatirim ranks first in the intermediary institutions with the highest number of transactions, TRY 4.8 billion transaction capacity and 14.8% market share on the Istanbul Stock Exchange equity and bond market.
- Yapi Kredi Bank, Asya Katilim Bank and Selcuk Gida, all of which are listed on the Istanbul Stock Exchange, have announced their first quarter consolidated financials. According to their balance sheets, Yapi Kredi Bank has TRY 243 million 88 thousand net profits, Asya Katilim Bank has TRY 37 million 572 thousand net profits and Selcuk Gida has TRY 1 million 386 thousand 610 net term loss.
- According to the dailies, Petrol Ofisi, Finansbank, Dogus-Ge, GYO and Finans Invest have applied to the Capital Markets Board to issue bonus shares to be met from companies' internal resources and dividend entitlements. Additionally, as per the weekly bulletin of the Capital Markets Board, Sekerbank will issue rights shares with a value of TRY 275 million.
- As per the "Concentration and Performance Analysis of Intermediary Institutions" published in the monthly bulletin of Association of Capital Market Intermediary Institutions of Turkey, last year, foreign intermediary institutions have the highest profit share with 19.8% in shareholders equity. State-owned institutions have 11% share and domestic institutions have 10.9% share in shareholders equity for the same period. In total, 96 institutions have been evaluated in the Analysis. According to the Analysis, 68% of total equity market transaction capacity has been carried out by 20 institutions. Among all these institutions, 57 have gained profit and 39 have incurred losses. First 20 institutions holding 73% of total assets have created 87% of total net profit. The first 20 institutions, which have the highest commission income, have shared 90% of total profit. The most profitable 20 institutions, which have created the 57% of the capacity, also have produced 97% of the profit.

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Highlights

a. Capital Markets Highlights

b. Privatization Updates

c. Banking Sector News

d. Other News

PRIVATIZATION UPDATES*cont'd.*

- As announced by the Privatization Administration, bidding deadline in Petkim Tender for block sale of 51% of Petkim shares, has been extended until 25 June 2007. Furthermore, data room period has been extended until 11 June 2007 and deadline of application for any amendment on joint ventures has been extended until 19 June 2007. Pursuant to the dailies, many other pre-qualified bidders are planning to participate in the tender with joint alliances. As per the dailies, Socar&Turcas Enerji, one of the subsidiaries of Turcas Petrol, will participate in Petkim tender with Injaz Projects Company Limited. The companies which have fulfilled pre-qualification criteria, have agreed to execute a joint venture agreement. Indeos has agreed to participate with Basell-Demiroren, Calik with Indian Oil, Ofer through Israelite Carmen Olenfis which will be submitting its offer with Limak Holding, Anadolu Group and Ulker with Polinas which they have established together, and finally Kiler and Naksan-Torunlar-Toray Joint Venture will act jointly. On the other hand, some of the other bidders such as Zorlu Holding, Sanko and Efremov decided to bid alone.
- The Banking Regulation and Supervision Agency has provided license to Merrill Lynch Investment Bank. As per the decision of the Agency, the Bank shall be entitled to intermediate on "purchase and sale of derivatives products", "purchase and sale of securities with resale and repurchase commitment", "public offering", "investment counseling", "off-exchange transactions" and "portfolio management".

OTHER NEWS

- As per the dailies, the net income of Baku-Tbilisi-Ceyhan Pipeline has reached up to TRY 620 million in a year. The Turkey Director of the Pipeline has stated that the number of the oil tankers on the final station, which has been operated by BP and BOTAS International Limited on Turkey side, have reached to 172 and the amount of the exported petroleum has reached to 137.94 million barrels. 60% of the export has been transported to mainly Italy and other European countries, and the remaining part has been transported to the United States, Brazil, France, Israel, Spain and Far-East Countries. The plant has storage capacity of 7 million barrels and a terminal with 120 thousand barrels (2 oil tankers) load up capacity.
- Pursuant to the dailies the Treasury will pay US\$ 252.8 million foreign debt on 13 June 2007. Additionally the Treasury will pay US\$ 4.8 million on 11 June, US\$ 14.2 million on 14 June and US\$ 22.6 million. The Treasury has performed total US\$ 8 billion 211.4 million foreign debt payment since the beginning of 2007.

BANKING SECTOR NEWS

- The Banking Regulation and Supervision Agency has prepared new rules on security measures to prevent fraud on banking transactions especially on the Internet. The draft communiqué has been published on the webpage of the Agency. Accordingly, banks are required to install necessary firewalls and relevant banking services shall be supported by additional controls, the security measures of the banks shall be controlled by independent controller annually. Also, banks cannot open Internet accounts without apparent consents of the customers.

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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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

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