

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

- The Chief Executive Officer of BankPozitif Kredi ve Kalkinma Bankasi has released a written statement to stress that Bank Hapoalim of Israel, the main shareholder of the Bank, is not considering to sell its shares.
- As per the temporary data of the Banking Regulation and Supervision Agency, the profit of the banking sector has decreased by 11.7% to TL 11,961,000,000 in July. The size of assets of the banking sector has been realized as TL 1,159,380,000,000 whereas the amount of loans has reached TL 627,659,000,000 as of July 2011.
- The Banking Regulation and Supervision Agency has granted its permission to As Faktoring Hizmetleri and Sardes Faktoring for operation and decided to issue operating license certificates to these companies.

PRIVATIZATION HIGHLIGHTS

- The President of the Privatization Administration has made an announcement regarding the privatization schedule. A total number of 10 sugar factories will be privatized through asset sale method and the relevant tender announcement will be released within a couple of weeks. The tender announcement for the privatization of remaining 20% shares of Kayseri ve Civari Elektrik Dagitim is planned to be released next week. Thermal power plants, amongst which are Soma A-B, Can, Seyitomer and Tuncbilek power plants, will also be privatized via asset sale method within this year. The privatization process for Dicle Elektrik Dagitim is still ongoing and the transfer is planned to be realized by the end of this year. Izmir Port will be privatized by splitting the port into 2 ports as cruise and cargo ports. The zoning plan studies are nearly completed with respect to Galataport to be privatized by transfer of operation right.

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- The Privatization Administration has stated that the privatization of 20% shares of Ankara Metropolitan Municipality in Baskent Dogalgaz Dagitim will be realized simultaneously with the privatization of the remaining 80% shares to be conducted by the Administration. As per the dailies, the tender specifications for the privatization of 80% shares of Baskent Dogalgaz Dagitim, which was released on 8 August 2011, have been purchased by 10 companies so far. Koc, Sabanci, Akfen and Aksa are among the companies purchasing the specifications.

CAPITAL MARKETS UPDATES

- As per the announcement made by Migros Ticaret to the Public Disclosure Platform, the Company has transferred all of its 99.6% shares with nominal value of TL 99,600 in Sok Marketler Ticaret. The Company has transferred the shares with nominal value of TL 50,000 to Turkish Retail Investments, TL 39,000 to Gozde Girisim Sermayesi Yatirim Ortakligi, TL 10,000 to Bizim Toptan Satis Magazalari and TL 600 to other shareholders. TL 491,200,442 has been collected as of the share transfer date and TL 99,649,657, subject to adjustment, will be paid within 30 days.

ENERGY SECTOR NEWS

- As per the statement of Genel Energy International, a company conducting business in oil exploration and production sector in Iraq, the Company will merge with Vallares, a company headquartered in England and registered with the London Stock Exchange. Upon completion of the merger, the company will be the first company to be traded on the London Stock Exchange with a Turkish shareholder.

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Highlights

a. Banking Sector News

b. Privatization Highlights

c. Capital Markets Updates

d. Energy Sector News

e. Other News

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OTHER NEWS

- According to the statement released by Agaoglu Group, the Group has won the tenders for Gokceada and Tatlipinar wind power plants with 5.55 krs/kWh contribution share, which is the highest amount submitted for wind investments in Turkey. Gokceada wind power plant with 78 MW capacity will generate 376 million kWh electricity annually whereas Tatlipinar with 125 MW capacity will generate 427 million kWh electricity annually. Both power plants will be put into use in the year 2013 and the total investment amount will be TL 680 million. It has been further stated that the Group will continue to grow in the energy sector.
- The President of Sabanci Holding Energy Group has stated that Enerjisa is considering to acquire Gediz Elektrik Dagitim and Istanbul Anadolu Yakasi Elektrik Dagitim. He has further stated that Enerjisa has also purchased tender specifications for the tender regarding the sale of Baskent Dogalgaz and the tender regarding the transfer of Mavi Akim natural gas pipeline agreement. The Group is negotiating with several local and foreign banks for financing.
- The first solar energy power plant of Turkey will be built in Mersin. Toroslar Municipality has announced that the Municipality has leased a land, which is approximately 60,000 m², for 10 years to a private company for the purpose of building the power plant. The total investment amount for the project will be US\$ 15 million.
- As per the dailies, the number of Treasury's assets registered with the title deed registry has nearly doubled within the last 8 years. Currently, the number of Treasury's assets is 3,639,519 whereas it was 1,917,209 in the year 2003. Most of the real properties of the Treasury are located in Konya, Sivas, Mersin, Balikesir and Antalya. 67.4% of Karabuk, 52.8% of Balikesir and 48.5% of Kastamonu is comprised of Treasury's assets.
- Otoyol Yatirim ve Isletme and IHI-ITOCHU Consortium have signed an agreement for the construction of Izmit Gulf Suspension Bridge within the scope of the Gebze - Orhangazi - Izmir Highway Project. Upon completion of the construction of the bridge, the transportation between Istanbul and Izmir will shorten and the travel time will be approximately 3.5 hours. The construction of the bridge is estimated to be completed within 38 months.
- Pursuant to the statement of Pegasus Airlines, the Company and Airberlin, the second largest airline company of Germany, have started to perform joint flights. In the first stage, the joint flights will be from Berlin, Dusseldorf, Cologne and Munich to Istanbul, Ankara and Izmir. In the second stage to be realized in 2012, the passengers of Pegasus Airlines will be able to fly to all destinations flown by Airberlin.
- Toprak Group has put up Toprak Center for sale. The tender will be made on 15 September 2011.

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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