

# TABOGLU & DEMIRHAN

## Newsletter

### PRIVATIZATION HIGHLIGHTS

- The Savings Deposit Insurance Fund has once again put the commercial and economic integrity of Cine5 TV to tender. The estimated value of the commercial and economic integrity of Cine5 TV has been determined as US\$ 40 million. El Cezire Turk Yayincilik is the sole bidder of the tender with a bid amounting to US\$ 21 million. It has been recorded that El Cezire's initial bid is lower than the estimated value of Cine5 TV and thus El Cezire has increased its bid to US\$ 40.5 million. The tender will be submitted to the approval of the Board of the Fund.

### BANKING SECTOR NEWS

- As per the written statement made by Yapi Kredi Bankasi, the Bank has signed a loan agreement with the European Bank for Reconstruction and Development with an amount of Euro 30 million for a term of 5 years. According to the statement made by the Bank, the Bank will utilize the loan for financing micro, small and medium sized enterprises and especially for the enterprises active in farming sector.
- Pursuant to the dailies, Banco Bilbao Vizcaya Argentaria (BBVA) has increased its profit by 9.4% when compared to the previous year. According to the statement made by the Chairman of BBVA, the transactions for the acquisitions of shares representing 24.9% of the share capital of Garanti Bankasi will be concluded at the end of March 2011. The Chairman has also stressed that they are not planning any future acquisition of Garanti Bankasi shares and they, first, would like to familiarize with the Turkish market.
- As per the dailies, approximately TL 73 million deposit amounts have been transferred to the State in the last three years. Such transfers are realized according to Article 62 of the Banking Law according to which the monies in deposit accounts shall be transferred to the State in case no account activity has taken place for 10 consecutive years.

### CAPITAL MARKETS UPDATES

- As per the dailies, the Capital Markets Board has approved the capital increase of Ozak Gayrimenkul from TL 106,731,750 to TL 141,483,500 within the registered capital ceiling of the Company, which is TL 300,000,000.
- According to the information released by the Istanbul Stock Exchange to the Public Disclosure Platform, Bizim Toptan's public offering has been completed and the Company's shares have started trading on the National Market. The Company and the existing shareholders have undertaken not to sell or issue any further shares for 180 days following the public offering.
- As per the dailies, it is expected that the American based Private Investment Fund, KRR, will submit a bid to Dogan Group's assets, TVs and newspaper, with a partner from Turkey.
- According to the data regarding the "Multinational Turkish Cooperations" prepared by Kadir Has University, Foreign Economic Relations Board, New York Columbia University Vale Center and KPMG, direct foreign investment amounts of the Turkish multinational companies have reached approximately US\$ 31 billion whereas the sale volumes have reached approximately US\$ 15 billion.
- Pursuant to the Weekly Bulletin of the Capital Markets Board, Akademi Gayrimenkul Degerleme and Sumer Gayrimenkul Degerleme have been listed as the real estate appraisers.
- As per the dailies, the Capital Markets Board has approved the capital increase of Arma Portfoy Yonetimi from TL 1,595,100 to TL 3,095,100 and conversion of Favori Dinlenme's share capital system to the registered capital system with a ceiling of TL 300,000,000. The Board has also approved the Pegasus' amendments to its share capital system as a first step to its initial public offering.

#### Highlights

a. Privatization Highlights

b. Banking Sector News

c. Capital Markets Updates

d. Energy Markets News

e. Other News

**ENERGY MARKETS NEWS**

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- As per the data released by the European Wind Energy Association, as a result of 66% increase, Turkey's production capacity has reached 857 MW.
- Pursuant to the dailies, Zorlu Enerji has obtained a loan amounting to US\$ 36.8 million from Asya Katilim Bankasi. The loan proceeds will be used to develop a wind power plant in Pakistan and the maturity of the loan will be 12 years. By virtue of this utilization, production capacity in the respective region of Pakistan will increase from 6 MW to 56.4 MW.
- Siemens IT has executed a subcontractor agreement with Savunma Teknolojileri Muhendislik regarding the tender of Nato Air Control Information System. It has been stated by the director of Siemens that the 1<sup>st</sup> phase of the project will cost approximately Euro 20 million and will be concluded within 30 months.
- As per the announcement made by Velutsan, the Company will establish a steel construction facility with the partnership of TSK-Troster Systeme, a Germany based company. Once the facility is active, it will create job opportunities for 600 people.

**OTHER NEWS**

- Law on the Implementation of the Turkish Code of Obligations has been published in the Official Gazette on 4 February 2011. According to the Implementation Law, except for default, termination and liquidation provisions, the provisions of the New Turkish Code of Obligations (New Code) shall not be applicable for the actions and transactions which are realized before the effective date of the New Code, which is 1 July 2012. On the other hand, provisions regarding public order and morality shall be applied to all actions and transactions without taking their execution dates into consideration. Additionally, statute of limitations which has started before the effective date of the New Code, will be subject to the periods stipulated under the previous Code of Obligations provided that the remaining term shall not be longer than the periods stipulated under the New Code. In case the remaining term is longer than the one which is stipulated under the New Code, than the periods set forth under the New Code shall prevail.
- As per the dailies, the Council of State has rejected the objections of both Dogan Yayin Holding and the Tax Administration regarding the tax lawsuits concerning the administrative fines imposed on Dogan Yayin Holding. Previously, Dogan Yayin Holding had faced several tax fines and initiated lawsuits for the annulment thereof. The Courts of First Instance have partially accepted Dogan Yayin Holding's claims. By virtue of this, both Dogan Yayin Holding and Tax Administration have objected to the decisions, which are in disfavor of the respective party. Both parties have the right to ask for the revision of the decisions of the Council of State.
- According to the statement made by Tekfen Insaat to the Public Disclosure Platform, the Company is the winning bidder of the tender regarding a highway project, named "Ceremonial National Day Road", realized by the Special Projects Office of Katar. It has been further stressed that the value of the project is approximately US\$ 75 million to be concluded within 10-month period.
- Binladin Group, a Saudi Arabian company, and Yapi Merkezi have won the tender regarding the construction of railroad terminals in Mecca and Medina.

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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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