

# TABOGLU & DEMIRHAN

## Newsletter

### **PRIVATIZATION HIGHLIGHTS**

- Pursuant to the statement made by the Savings Deposit Insurance Fund, Foreks Bilgi Iletisim Hizmetleri, as the sole bidder, has made an offer amounting to US\$ 610 thousand for Plato Veri Dagitim Hizmetleri Commercial and Financial Integrity that had been put on sale by the Fund with an appraised value of US\$ 810 thousand. The result of the tender will be submitted to the Fund's Board for its approval.

### **BANKING SECTOR NEWS**

- Due to the statement made by Sekerbank to the Public Disclosure Platform, the Bank has obtained a syndicated loan in two tranches amounting to US\$ 35 million and Euro 41 million with a maturity of one year. Moreover, such loan is provided with the participation of 11 foreign banks including Commerzbank, Bank of Montreal, Intesa Sanpaolo, Wells Fargo and National Association whilst the base interest rate of the loan is determined as Libor + 0.9%. The loan will be used for financing of foreign investment.
- As per the statement made by Sekerbank, the Bank has started a cooperation program with German Development Bank regarding energy efficiency with supports of the Austrian Development Bank and European Council Development Bank. It has been further stated that a facility of Euro 20 million and EU donation of Euro 2.3 million have been provided in order to finance the program. The General Manager of the Bank has underlined that the amount of the utilized eco loans since 2009 has been over TL 260 million.
- As per the statement of Fortis Bank published in the Public Disclosure Platform, the Bank and Zurich Sigorta have executed a non-life insurance agency agreement. According to the agreement, Zurich Sigorta will pay an amount of TL 40 million and make a further conditional payment.

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- The Banking Regulation and Supervision Agency has approved the increase of GE Capital Corporation's stake in Garanti Bankasi to 19.85% and decrease of General Electric Arastirma ve Musavirlik's stake in the Bank to 1%.
- Garanti Bankasi has been provided with a loan facility amounting to Euro 250 million within the scope of its securitization program under the leadership of WestLB. Two tranches each with an amount of Euro 75 million and 12 year maturity will be provided by the European Investment Bank and European Bank of Reconstruction and Development. West LB will provide the remaining Euro 100 million part with a maturity of 5 years. Such loan facility has been obtained so as to finance the renewable energy projects in Turkey.

### **ENERGY MARKETS NEWS**

- The Energy Group President of Zorlu Enerji has stated that they aim to have a quadrupled growth in the next five years and reach a total capacity of 3,000 MW by increasing their investment amounts in their plants. He has remarked that the installed capacity of the Company has reached 738 MW in 2010 with their natural gas plants located in Kayseri, Luleburgaz, Yalova and Ankara, seven hydroelectric plants, one geothermal plant and one wind plant.
- As per the statement made by Aksa Enerji to the Public Disclosure Platform, the Company will increase its share capital TL 58.5 million by restricting the pre-emption rights of its shareholders and sell the shares representing the increased capital to the foreign investors with a view to increase its plants' capacity and make new plant investments. In addition to that, 8% stake of Kazanci Holding in Aksa Enerji with a nominal value of TL 46 million 200 thousand will also be sold to such investors.

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#### *Highlights*

*a. Privatization Highlights*

*b. Banking Sector News*

*c. Energy Markets News*

*d. Other News*

**OTHER NEWS***cont'd*

- As per the written statement released by Calik Holding, GAP Insaat, a group company of the Holding has undertaken a US\$ 195 million project within the framework of Baghdad's renewal process. Accordingly, the Company will repair the 19 km long highway and establish a 1.6 million m<sup>2</sup> landscape area. Through this project which is planned to be completed within 9 months, 1,500 people will be employed.
- Turkish State Railways and Hyundai Rotem have executed an agreement for the production of 80 electric locomotives and one simulator. According to the General Manager of the Railways, 65% of the project corresponding to US\$ 220 million is financed by Islamic Development Bank whilst the rest is met from the internal sources. He has stressed that first 8 locomotives will be produced in Hyundai Rotem's factories and the remaining locomotives in Turkey within a 4 year period. Through the Licence and Technology Transfer Agreement, the Railways shall have the right to use all technological information and sell such information to Turkey and member countries of the Bank for 10 years.
- Ankara Regional Administrative Court has decided for stay of execution regarding the administrative fine amounting to TL 53.5 million which was imposed by the Information and Communication Technologies Authority on Turkcell. The Authority had imposed the fine by alleging that Turkcell had not duly fulfilled its obligations under the GSM Maximum Tariff Schedule. Turkcell had already paid a TL 40.1 million fine and may have the right for the reimbursement of such paid fine after this decision.
- The Ministry of Public Works and Transportation of Turkish Republic of Northern Cyprus, Turkish Airlines and ten private companies have signed a protocol for the establishment of a new airline company in Turkish Republic of Northern Cyprus (TRNC). Under the protocol, 60% stake, 30% stake and 10% stake of the new company will be owned by private sector, government of TRNC and Turkish Airlines, respectively. The board of directors of the new company will consist of 7 members, 4 of which will represent Turkish Airlines for the first 5 year period.
- The ground handling services of AnadoluJet, a subsidiary of Turkish Airlines, have been started to be provided by Turkish Ground Services as of 20 December 2010 which provides also services to Transvia, Germanwings, Mahan Airlines and Moldovian Airlines.
- According to the dailies, the agreement related to Zafer Airport to be established via build-operate-transfer method by IC Insaat Sanayi has been signed. The General Manager of the State Airports Administration has stated that IC Insaat will operate the airport for 29 years and build terminal building, runways, connection and taxi ways, tower, certain additional buildings and security systems within 36 months.
- Pursuant to the dailies, 53.13% stake of Nortel Networks International Finance and Holding B.V. in Nortel Networks Netas Telekomunikasyon has been acquired by OEP RHEA Turkey Tech B.V.

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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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