

# TABOGLU & DEMIRHAN

## Newsletter

### **CAPITAL MARKETS NEWS**

*cont'd.*

- Koc Holding has executed a loan agreement with a consortium consisting of 21 domestic and international financial institutions in the amount of US\$ 425 million to be used for the financing needs of Koc Group companies. According to the agreement, the loan consisting of two tranches amounting to US\$ 120 million and Euro 211 million 500 thousand will be utilized in the second half of January 2010.
- The inspection of the foreign exchange markets, with US\$ 3 billion daily transaction volume, will be performed by the Capital Markets Board. The Chairman of the Board has stated that the regulations with regard to the foreign exchange markets will be issued in mid January 2010. He has further stated that the new Capital Markets Law is planned to be adopted by the Parliament by the end of March 2010, at the latest, and the sole purpose of the new Law is to increase the number of public companies and shorten the public offering process.
- The Extraordinary General Assembly of Enka Insaat has resolved to sell 42 thousand 972 shares with a nominal value of TRY 1 million 74 thousand 300 in Gedore-Altas El Aletleri, a subsidiary of the Company, to Gedore Werkzeugfabrik Otto Dowidat in return for TRY 1.
- Pimas and LLC Kuban, a Russian company, have executed a share purchase agreement for the sale of Zao A/O Pimapen, a subsidiary of Pimas headquartered in Moscow, in return for Ruble 10 million. Accordingly, the trade-mark "Pimapen" shall be removed from the trade name of the company until 30 June 2010.
- The Board of Directors of Vestel Elektronik has resolved to purchase 209,996 shares corresponding to 42% of the share capital of Cabot Izmir Yazilim ve Donanim in return for TRY 1 million 259 thousand 976 from Zorlu family.
- Ali Koc has sold his 1 million 583 thousand shares in Koc Holding in return for TRY 8 million and accordingly his shareholding ratio in Koc Holding has decreased to 3.05%. Previously, Omer Koc and Ali Koc had listed their shares in Koc Holding and Arcelik with the Central Registry Agency to be sold within 99 years. Accordingly, Omer Koc sold 24 million of his shares in Koc Holding through which his shareholding ratio decreased to 1.79% and Ali Koc sold all of his shares in Arcelik and currently, he does not have a direct shareholding in the Company.
- Pinar Su has released a statement with regard to its merger with Birmas. Accordingly, as a result of this merger, 15.09 Pinar Su shares with a nominal value of TRY 0.01 per share will be granted to Birmas shareholders in return for each Birmas share. A total of 5 million 659 thousand 177 Pinar Su shares to be issued within the scope of the merger will be allocated for their exchange with Birmas shares.

### **BANKING SECTOR NEWS**

- Yapi Kredi Bankasi has announced that the Bank will start to provide expatriate banking services to its foreign customers living in Turkey. The expatriate banking services will consist of services in relation to investment and deposit, insurance, deposit box, payment in foreign currency, money transfers and payment of invoices.
- The Chairman of the Banking Regulation and Supervision Agency has stated that the loans, comprising 47% of the assets of Turkish banking sector, have increased by only 1% between October 2008 and October 2009 and the total amount of the loans as of the end of October 2009 was TRY 377 billion.

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#### *Highlights*

*a. Capital Markets News*

*b. Banking Sector News*

*c. Privatization Highlights*

*d. Energy Market Updates*

*e. Other News*

### **PRIVATIZATION HIGHLIGHTS**

- As per the announcement made by the Savings Deposit Insurance Fund, the economic and commercial integrity of Toprak Cam will be put out for sale, free from any encumbrance in accordance with the terms and conditions set forth in the tender specifications. The economic and commercial integrity of Toprak Cam consists of immovables, movables, trade names and respective agreements of Toprak Seniteri ve Turizm, Toprak Madencilik, Toprak Tuketim Mallari, Toprak Dis Ticaret and Toprak Kagit. The estimated price of the economic integrity is US\$ 15 million and the tender will be realized on 17 March 2010 through sealed envelope and auction methods. The participants are obliged to provide bid bonds with an amount of US\$ 1 million 500 thousand and submit their offers until 16 March 2010.
- Hutchison-Global-EIB, the winning bidder of the tender for the privatization of Izmir port, has requested additional period until 30 April 2010 for the closing of the transaction. As per the statement of the Chairman of the Board of Directors of EIB Limas, 90-day period previously granted after finalization of the lawsuit relating to cancellation of the tender has expired on 25 December 2009 and the consortium has requested an additional period to provide the required financing. Hutchison-Global-EIB won the tender held on 3 May 2007 for the privatization of Izmir Port for a term of 49 years with its bid amounting to US\$ 1,275,000,000.
- Despite the news on the contrary, the Privatization Administration has announced that there is no plan relating to privatization of the Treasury shares held in Turk Telekom in 2010.

### **ENERGY MARKET UPDATES**

- Turkiye Sinai Kalkinma Bankasi has provided financing in the amount of Euro 84 million to MEM Enerji Elektrik Uretim, an affiliate of Akenerji Elektrik Uretim, for three hydroelectric power plants. MEM Enerji will construct Himmetli and Gokkaya power plants in Adana and Bulam plant in Adiyaman and generate 240 million kWh electricity in total.
- Enerjisa has executed a contractual service agreement with GE Energy regarding three natural gas power plants located in Adana, Mersin and Canakkale generating electricity to meet the needs of 50 thousand subscribers. GE Energy will provide maintenance and repair services to such power plants for a term of 6 years within the scope of the agreement.

### **OTHER NEWS**

- The minimum administrative fine regulated under Article 16/1 of the Law on Protection of Competition has been increased by 2.2%. As per the Communiqué No. 2010/1 of the Competition Authority issued in the Official Gazette on 25 December 2009, such minimum administrative fine has been increased from TRY 11,200 to TRY 11,446.4. The new limit will be effective from 1 January 2010 until 31 December 2010.
- The Chairman to the Board of Directors of Pegasus Airlines has stated that they are expecting the market to recover in the second half of 2010 or in the first quarter of 2011, at the latest. Accordingly, they are planning to offer Pegasus Airlines to public in the second half of 2010.

*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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