

# TABOGLU & DEMIRHAN

## Newsletter

### **CAPITAL MARKETS UPDATES**

- Standard&Poor's has determined Dogus Holding's long and short term credit note as BB and B, respectively. According to the announcement made by the Holding, the increase in the long term credit note has derived from the low financial indebtedness of the Holding comparing to its competitors.
- It has been announced by the Derivatives Exchange that in order for exporters to conduct effective risk management, transaction guarantees will be decreased starting from 23 February 2011. The amounts of such guarantees have been announced by the Exchange and depending on the type of the transaction vary between TL 130 and TL 17,000.
- As per the dailies, the t-bonds issued by the Treasury in the years 2000 and 2001 after the economical crisis have been paid off. Accordingly, the government internal debt securities have no more debt stock as of the end of the year 2010.
- Pursuant to the statement made by the Chairman of Limak Holding, which operates in the area of construction, tourism, energy, cement, food and aviation, Limak Yatirim's shares will be offered to public later this year. The application to the Capital Markets Board will be made within the first week of March 2011. He has further stated that the offering proceeds will be channeled to medium and long term targets of the Company.
- As per the dailies, an amendment has been made on the Regulation on the Principles of Establishment and Operation of Financial Leasing, Factoring and Finance Companies which has been published in the Official Gazette dated 24 February 2011. Accordingly, the paid up share capital of the factoring and finance companies shall not be less than TL 7.5 million. The threshold was TL 5 million before the amendment.

### **COMPETITION NEWS**

- The Competition Board has granted permission for the following transactions on the grounds that they will not create or strengthen the dominant position as per the Communiqué concerning the Mergers and Acquisitions Calling for the Authorizations of the Competition Board:
  - acquisition of 51% of Evonik STEAG GmbH's shares by KSBG Kommunale Beteiligungsgesellschaft;
  - acquisition of the entire shares of Matisse Group by Arkema;
  - takeover of 9 workplaces of Greens Alisveris Hizmetleri by Migros; and
  - partial acquisition of Natura Gida Sanayi's shares by Ice Cream Investment.

### **BANKING SECTOR HIGHLIGHTS**

- As per the dailies, the Denizbank's consolidated net profit has increased to TL 616 million by the end of 2010. It has been further stated by the Bank that the consolidated capital adequacy ratio of the Bank is 15.70%.
- Pursuant to the announcement made by Is Bankasi in the Public Disclosure Platform, the process regarding the sale of the shares in Arap Turk Bankasi is continuing as planned and there is no suspension as stated in some of the dailies.
- Pursuant to the dailies, Yapi Kredi will book-build until 3 March 2011 for the 17th guaranteed sub-fund to gain return from the increase in the index covering the shares of the developing BRICT countries, namely, Brazil, Russia, India, China and Turkey. The investment term will end on 25 April 2012.

#### *Highlights*

*a. Capital Markets Updates*

*b. Competition News*

*c. Banking Sector Highlights*

*d. Other News*

**OTHER NEWS***cont'd*

- As per the dailies, Diageo, an English liquor company, has signed an agreement to acquire Mey Icki in return for US\$ 2.5 billion. It has been further stated that the acquisition is expected to be closed within the second half of the year and the amount of the purchase price will be financed through equity and third party financings.
- Best Buy, an American company, has decided to end its activities in Turkey. The Company has announced that this decision has been made in line with the Company's short and long term global expectations and shall not be attributed to the success or failure of the employees or the Company in Turkey.
- As per the announcement made by Limak Holding, the Holding has signed an agreement with Ciment Francais, a subsidiary of Italcementi, for the acquisition of Set Group Holding and its subsidiaries (except Afyon Cimento) free of debt in return for Euro 290 million. The transaction is subject to the approval of the Competition Board and expected to be closed in the second quarter.
- Pursuant to the announcement of Aselsan Elektronik in the Public Disclosure Platform, the Company has signed an agreement to establish a joint venture in Kazakhstan. It has been further stated that the Company, Kazakhstan Engineering and the Under-secretariat for Turkish Defense Industry will hold 49%, 50% and 1% shares in the joint venture, respectively.
- As per the statement made by Turkcell Teknoloji, the Company has filed 74 patent applications. As of 2010, the number for the national patent applications and the number for the international patent applications are 56 and 18, respectively.
- Eti Alüminyum has stated that the Company will increase its production capacity from 60 thousand tons to approximately 95 thousand tons. The increase of the production capacity will be through modernization of the facilities requiring US\$ 250 million investment.
- Petrol Ofisi has announced the Company's year-end loss as TL 41.3 million. It has been further stated that the Company has increased its total sales by 14.5% and reached to TL 16.14 billion and its 2010 operational profit is TL 249 million.
- As per the announcement made by Tekfen Holding to the Public Disclosure Platform, Tekfen Insaat, an affiliate of Tekfen Holding, will construct a natural gas pipeline and act as a sub-contractor for the construction of the supporting facilities in the process area of Guney Yoloten Gaz Sahasi Project in Turkmenistan. The total value of the project is US\$ 261.4 million. A memorandum of understanding has been signed and definitive agreement is expected to be signed next week.
- The Istanbul Metropolitan Municipality has initiated the construction process of Uskudar-Umraniye-Cekmekoy metro line. 11 foreign and local bidders have participated in the tender. The project is expected to be completed within 40 months.
- Acibadem will open a hospital serving in cardiology and radiotherapy areas in Serbia, Belgrad. The Representative of the Health Group responsible for Balkan Countries of the Company has stated that they will invest in approximately Euro 40 million for the project.

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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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