

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- As per the dailies, Yapi Kredi Bankasi has provided loan in the amount of US\$ 410 million within the scope of its securitization program. It has been further stated by the Bank that the maturity date of the loan is determined as 5 years. The Bank has provided a total loan of US\$ 2.7 billion since 2003 through 17 series.
- The Banking Regulation and Supervision Agency has executed a memorandum of understanding with BaFin, the German Supervision Authority. The memorandum of understanding has been executed for the cooperation and information sharing between the agencies.
- According to the dailies, Is Bankasi has opened 3 new branches in Istanbul. The new branches have commenced their activities within the first half of August. With these branches, total number of Is Bankasi branches in Istanbul has reached to 327.

CAPITAL MARKETS UPDATES

- As per the announcement made by the Chairman of the Capital Markets Board, the companies engaged in the forex transactions shall be obliged to obtain an authorization certificate to continue such activities. It has been further stated that such obligation is mandated on the companies due to the high risks of the sector and due to the fact that the Communiqué on Forex Activities, which aims to control such activities by the Board, has come into effect as of 31 August 2011.
- The Chairman of Torunlar Gayrimenkul Yatirim Ortakligi has announced that the Company is planning to make investments around TL 1 billion until 2014. It has been further stated that the market value of the Company has reached to TL 1.4 billion.

- The shares of Vanet Gida have started to be traded at the Istanbul Stock Exchange Developing Enterprises Market with a nominal value of TL 8 million 950 thousand. The maximum lot amount is determined as TL 5,000.
- Pursuant to the dailies, public offerings will reach to the highest number in the year 2011. As per the data obtained from the Capital Markets Board, in the first half of 2011, 21 companies have offered their shares to public. 21 other companies' shares will be offered to public by the end of this year.

PRIVATIZATION HIGHLIGHTS

- It has been reported that bridges and highways will be privatized as a one package through the transfer of operation rights method for a term of 25 years and deadline for bidding is determined as 15 December 2011. The bid bond and tender specifications will be US\$ 200 million and US\$ 50 thousand, respectively. It has been remarked that the current employees and vehicles are not within the framework of the tender. Following the tender, winning bidder and the related governmental entity will execute a concession agreement which is subject to the opinion of the Council of State.

ENERGY SECTOR NEWS

- Electricity will be started to be traded at the Derivatives Exchange. Such reform aims to manage the risks occurring from the changes in the electricity market. The Chairman of the Exchange has announced that cash negotiated contracts system will be put into service. He has stressed that such system will increase the investments in the electricity sector.

Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Privatization Highlights

d. Energy Sector News

e. Competition News

f. Other News

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- Pursuant to the dailies, Trabzon Enerji Uretim ve Ticaret that has been incorporated in 2004 and constructing 2 hydroelectric plants in Trabzon, has obtained a US\$ 40 million loan from Garanti Bankasi in order to finance such construction and complete it in 2012. Furthermore, plants will generate electricity energy of 100 thousand KW per year and have a total cost amounting to US\$ 65 million.

COMPETITION NEWS

- Upon obtaining the permission of the German Competition Board, and the conditional permission of the Turkish Competition Board as well as the approval of the Tobacco and Alcohol Market Regulatory Authority, acquisition of Mey Icki by Diageo, the leading alcoholic beverages producer in the world, has been completed. As per the conditioned permission of the Competition Board, Hare Liquor and Maestro trademarks owned by Mey Icki should be sold by the end of the financial year, at the latest.
- The Competition Board has granted clearance for the acquisition of shares of Deniz Emeklilik by USA based MetLife and 100% shares of Dr. F. Frik Ilac Sanayi ve Ticaret by Yeni Recordati Ilac ve Hammaddeleri Sanayi ve Ticaret on the grounds that it will not create or strengthen dominant position or prevents competition as per the Law on the Mergers and Acquisitions and the Communique Numbered 2010/4.

OTHER NEWS

- With the Decree published on 17 August 2011, the independent state organizations will be attached to the related ministries. Such organizations which have been previously subject to the control of the Court of Accounts are; the Radio and Television Supreme Council, the Banking Regulation and Supervision Authority, the Energy Market Regulatory Authority, the Public Procurement Authority, the Competition Board, the Sugar Authority, the Saving Deposits Insurance Fund and Alcohol Market Regulatory Authority.
- Pursuant to the dailies, Abdi Ibrahim, one of the leading companies in the pharmaceutical industry of Turkey, has prepared a road map to become global. As per the road map, the Company aims to grow between 2 and 4 times. It has been further reported that the Company has started to seek for a pharmaceutical company in Europe to acquire.
- As per the statement made by the founding partner of Silk&Cashmere, the Company has recently opened a new branch in Kapalicarsi. Moreover, the Company will open new branches in Iran and China in fall 2011. It has been underlined that through these new branches, the Company aims to grow and be known as a global brand.
- Pursuant to the statement made by Sisecam, the net profit of the Company for the first 6 months of 2011 has become TL 376 million. The Company has increased its sales by 17% when compared to the previous year.

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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