

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- Pursuant to the statements made by Turk Ekonomi Bankasi (TEB) and Fortis Bank to the Public Disclosure Platform, in their extraordinary general meetings, merger of Fortis Bank into TEB through dissolution of Fortis Bank and transfer of its assets and liabilities to TEB has been approved.
- As per the announcement made by the Central Bank of Turkey, the Bank has increased liquidity reserve levels of banks for Turkish Lira liabilities, and no change has been made for foreign exchange denominated liabilities. Accordingly, the reserve ratio for demand deposit has been increased from 8% to 12%.
- Due to the announcement made by Garanti Bankasi, following the increase of the short-term Turkish Lira reserve requirements by the Central Bank of Turkey, the Bank has increased its interest ratios applicable to housing loans, car loans and general purpose loans. For 60-month housing loans, the interest rate has been increased from 0.95% to 0.99%.
- As per the dailies, Limak Kosova International Airport JSC, which won the tender to design, build, finance and operate the Pristina International Adem Jashari Airport, has signed a loan agreement with Vakifbank in the amount of Euro 85 million to be utilized for the financing of the project.
- Pursuant to the dailies, aiming to reinforce the competitive power of export sector, Eximbank has lowered the interest rates on short-term Turkish Lira loans, largely due to decreasing resource costs.
- As per the statement made by Bizim Menkul Degerler to the Public Disclosure Platform, all offered shares of Lokman Hekim Engurusag have been sold with an offer price of TL 4.13, which is 10.13% above the base price, TL 3.75. The total amount paid for the shares has been recorded as TL 2 million 782 thousand 500.
- As per the announcement made by Dogan Holding to the Public Disclosure Platform, the Undersecretariat of Treasury has approved the transfer of 1,370,698,561 shares of Ray Sigorta, which belong to Dogan Holding and correspond to 10% of the share capital of Ray Sigorta. Accordingly, 1,370,698,559 of these shares will be transferred to the Vienna Insurance Group AG and the remaining 2 shares to TBIH Financial Services Group N.V.
- Pursuant to the dailies, Bizim Toptan, a subsidiary of Yildiz Holding, has applied to the Capital Markets Board in order to offer its shares corresponding to 35% of its share capital to public.
- As per the announcement released by the Istanbul Stock Exchange regarding the “newly opened market”, shares of Kiler Alisveris Hizmetleri have been started trading in the ISE National Market. The maximum lot limit, the share capital, the free float rate and the base price are recorded as 10,000, TL 134 million 620 thousand, 15% and TL 6.10, respectively.
- According to the data released by the Pension Monitoring Center, total net asset value of the pension system has reached to approximately TL 12 billion and total participant number has reached to approximately 2 million.
- Pursuant to the statement made by Turkcell to the Public Disclosure Platform, credit rating agency, Standard&Poors, has updated the credit rating outlook of Turkcell from “stable” to “positive.”

CAPITAL MARKETS UPDATES

- As per the statement made by the Chairman of Y&Y Real Estate Investment Trust, Y&Y REIT is the surviving entity of the merger realized between Y&Y REIT and Yesil Insaat. The free float rate of Y&Y REIT has increased from 6.8% to 7.78% and share capital has been increased from approximately TL 24 million to TL 235 million upon such merger.

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Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Energy Markets News

d. Privatization Highlights

e. Other News

ENERGY MARKETS NEWS

- As per the statement made by the Chairman of Sabanci Holding Energy Group, the Group will make investments in the amount of Euro 5.5 billion until 2015 and the investment amount will be Euro 930 million for the year 2011.
- According to the statement released by Petkim, the Company has obtained a license from the Energy Market Regulatory Authority to build a wind power plant in order to meet the increasing demand for energy.
- Pursuant the dailies, Tekfen Insaat has undertaken US\$ 650 million phosphate piping and manure facility construction project in Morocco, which controls 30% of the world phosphate market, and improvement project regarding Samir Refinery, the only petroleum refinery in Morocco.
- As per the dailies, the Energy Market Regulatory Authority has decreased free consumer consumption rate from 100,000 kw/h to 30,000 kw/h.

PRIVATIZATION HIGHLIGHTS

- According to the announcement made by the Housing Development Administration of Turkey, the Administration has approved the bid, which is approximately TL 405 million, of Mesa Mesken and Kantur-Akdas consortium for the Tema Park tender to be constructed in Halkali, Istanbul and the parties have signed the agreement. Mesa Mesken and Kantur-Akdas Consortium will pay 40% of the amount in advance and the remaining within 5-year period.
- As per the dailies, DirectFN has submitted a bid amounting to US\$ 850,000 for Plato Veri Dagitim Hizmetleri, which was put on sale by the Savings Deposit Insurance Fund for the debts of Aksoy Group. The bid will be subject to the approval of the Fund Committee.

OTHER NEWS

- According to the statement of Avrasya Gayrimenkul published in the Public Disclosure Platform, the Company will purchase Samsun, Havza and Carsamba bus terminals in return for TL 50 million 400 thousand from Avrasya Terminal Isletmeleri. Upon the completion of the purchase, these terminals will be leased back to Avrasya Terminal Isletmeleri.
- As per the statement made by Novartis, in 2009, prices of brand name drugs had been decreased by approximately 15% to 20%, while the generic drug prices by 5% to 10% whereas such decrease was 9.5% in 2010. It is anticipated that the local companies will feel the impact mostly.
- Due to the announcement made by Hava-Is Sendikasi, Turk Hava Yollari Teknik and Turkiye Sivil Havacilik Sendikasi have agreed on 2nd Term Collective Labor Agreement. According to the Agreement, which will be effective for 2.5 years, cumulative rise has been stipulated for the net wages and shift premiums of the employees by 10.2% for the first year and 11.3% for the second year.
- As per the dailies, Turkey and Saudi Arabia have signed the Joint Economic Commission Protocol. Under the JEC Protocol, the Privatization Administration of Turkey, the Southeastern Anatolia Project Administration and the Investment Support & Promotion Agency will introduce investment opportunities to Saudi Arabian businessmen in Turkey and organize a program to draw more Saudi capital in Turkey.
- Karsan Otomotiv has signed a Memorandum of Understanding with Hyundai Motor Company. As stated by Karsan Otomotiv, the Company will be the exclusive producer in Europe and exclusive distributor in Turkey for the new Hyundai cars with 3 to 6 tonnes.

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.

TABOGLU & DEMIRHAN**Attorneys at Law**

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.trwww.taboglu.av.tr

PHONE: (212) 339 8800

FAX: (212) 339 8899