

TABOGLU, ATES & DEMIRHAN

Newsletter

ENERGY SECTOR UPDATES

- According to the dailies, Turkiye Petrolleri Anonim Ortakligi has stated that they may enter into a cooperation agreement with Cuba to explore oil and natural gas; as in Kazakhstan, Azerbaijan and Libya. Turkiye Petrolleri Anonim Ortakligi has also stated that they have been concentrating on a South American model and they want to participate in tenders in countries such as Venezuela, Colombia, Mexico and Ecuador.

PRIVATIZATION HIGHLIGHTS

- According to the announcement published in the Official Gazette on 24 March 2008, Turkish Electricity Trading and Contracting Company (TETAS) has announced the schedule for a tender to construct a nuclear power plant in Akkuyu, Mersin. The bids will be submitted until 24 September 2008 and the envelopes will be opened on the same day. Within the framework of the tender, the winning bidder will secure permission to construct a 4,000-megawatt power plant and will sell electric power to TETAS. The non-refundable application fee for companies interested in the tender has been set at TRY 10,000. Bidders will then be required to submit a bid bond in the amount of TRY 35 million in order to participate in the tender.

- Pursuant to the dailies, Turkish Highways General Directorate opened a tender for construction of Gebze – Orhangazi - Izmir highway, including Izmit Gulf transition. Within the framework of the project, a suspension bridge in Izmit and by-ways will also be constructed. So far, the General Directorate opened two international tenders for construction of the suspension bridge, both of which were cancelled. The tender will take place on 7 October 2008 through sealed bid method.

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- As per the declaration made to the Istanbul Stock Exchange by Turcas Petrol on 24 March 2008, consortium consisting of Socar & Turcas Injaz has received a notification from the Privatization Administration for the transfer of Petkim shares within 45 days to close the privatization tender.
- The Competition Board approved the sale of TEKEL Cigarette to British American Tobacco. BAT had offered the highest bid amounting to US\$ 1 billion 720 million and won the tender which was held for privatization of TEKEL Cigarette in February.

BANKING SECTOR NEWS

- Pursuant to the dailies, Yapi Kredi Bankasi signed a cooperation agreement on credit cards with Kibris Iktisatbank in the Turkish Republic of Northern Cyprus. Accordingly, the "World" logo of Yapi Kredi will appear on 30,000 credit cards issued by Kibris Iktisatbank. Moreover, owners of these cards will be entitled to benefit from its opportunities in the Worldcard-member business enterprises in Turkey.
- According to the dailies, Halkbank has taken decision for the distribution of dividend gained in 2007, which shall be made in cash. Halkbank has declared that the net profit of the period as of the end of operating period of 2007 is TRY 1,131,039,400.46. The ordinary general assembly meeting of Halkbank will be held on 8 April 2008.
- Turkiye Sinai Kalkinma Bankasi has declared that it will participate as debtor together with Turkiye Kalkinma Bankasi to the loan to be granted by European Investment Bank in the amount of Euro 200 million to be granted for the projects of environment and energy efficiency, natural gas distribution, prevention of pollution and renewable energy.

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Highlights

a. Energy Sector Updates

b. Privatization Highlights

c. Banking Sector News

d. Capital Markets News

e. Telecommunications News

f. Other News

CAPITAL MARKETS NEWS

- According to the dailies, Yapi Kredi Portfoy will issue two funds with guaranteed capital, for the first time in Turkey. The public offering of the funds will be performed in April. The investors who wish to quit before the maturity date, which is defined as one year, will have the value of the fund and the capital will not be protected.
- Eczacibasi Ilac Sanayi has declared that it has signed an agreement for the purchase of 50% shares of Monrol Nukleer Urunler Ticaret ve Sanayi A.S., a company having activities of production, import and distribution of radiopharmaceuticals used in nuclear medicine. Due to the statement by Eczacibasi Ilac Sanayi, the value of Monrol shares has been determined as Euro 60 million and the final value of the company will be clarified due to the performance of the company in 2008.
- As per the dailies, the investments made by Sisecam Group in Bulgaria in 2004 has reached to US\$ 1 billion. Sisecam has decided to make new investment in Bulgaria for a total amount of US\$ 415 million until 2010.

TELECOMMUNICATIONS NEWS

- As per the dailies, Altimo, the Russian telecommunications company has decided to sell its shares in Megafon and Kievstar, companies in Russia and Ukraine respectively, in order to be able to invest in Turkcell. Altimo's strategy has been declared as investing in stronger companies in which control of development process can be maintained. Accordingly, Altimo currently holds 25% of Megafon, 43.5% of Kievstar and 13.22% of Turkcell.

OTHER NEWS

- Deloitte has prepared a report in which the year 2007 and the first two months of the year 2008 are evaluated. According to the report, foreign investment inflow in the amount of US\$ 13 billion in Turkey is expected. It is also stated in the report that the uncertainty arising in the global economic conditions has been affecting Turkey negatively.
- As per the report prepared by the International Investors Association, for 2008 and afterwards; the international direct capital inflow arising from the merger and acquisition agreements shall be around US\$ 10 billion and the expectations for the capital inflow are between US\$ 15-20 billion considering the privatization potential and the distressed condition of the international markets.
- As per the dailies, Metro Group's subsidiary, Metro Cash & Carry, is planning to open three new stores in Turkey this year. Metro Cash & Carry Turkey General Manger has stated that 2007 was a positive year for the company, noting that they had increased their turnover by 18.1% over the preceding year to Euro 841 million, with 11 stores located in eight different cities in Turkey.
- According to the dailies, the draft law anticipating changes on the law on industrial zones has been submitted to the Presidency of the Turkish Parliament. Accordingly, the financial creditors, who have granted investment and operation loans to the industrial establishments, shall have the right to purchase the facility in case of execution process and sell afterwards. Besides, obtaining "consent of compatibility" from the Industrial Zone has been required for the sales of real estate located in an industrial zone to any third person, including the sales to be made in an execution process.

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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

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