

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- As per the announcement released by Garanti Bankasi to the Public Disclosure Platform, the Board of Directors of the Bank has resolved to purchase 100% stake of D Netherlands Holdings BV holding 49.9% stake of Dogus GE BV (which holds (i) 99.9% stake of GE Garanti Bank SA, a Romanian company, (ii) 100% stake of Motoractive IFN SA, (iii) 100% stake of Ralfi IFN SA and (iv) 100% stake of Domenia Credit IFN SA) in return for Euro 53.5 million. It has been further announced that following this acquisition, the Bank will increase the share capital of D Netherlands Holdings BV by Euro 118.4 million. This increased amount will be used for capital increase of GE Garanti Bank SA, an indirect subsidiary of D Netherlands Holdings BV, in order for the acquisition of 100% stake of GarantiBank International NV, a 100% subsidiary of Garanti Bankasi, in return for Euro 68 million. As a result of these transactions Garanti Bankasi will merge its banking activities in Romania under GE Garanti Bank SA.
- Pursuant to the dailies, Is Bankasi has executed two syndicated loan agreements amounting to US\$ 193.5 million and Euro 565.2 million, respectively, with one year maturity and one year extension option. It is stated that the loans will be used for foreign trade financing.
- Akbank has announced that the Board of Directors of the Bank has resolved to empower the General Management to issue bond amounting up to US\$ 1 billion with 5 year maturity for sale to non-resident real persons and legal entities.
- As per the announcement released by the Turkish Industrial Development Bank in the Public Disclosure Platform, the Board of Directors of the Bank has decided to contract a one year syndicated loan composed of two tranches. Commerzbank AG and other co-governor banks are authorized as coordinators.

- Pursuant to the dailies, Turkiye Petrolleri Rafineleri has obtained finance from the Turkish Industrial Development Bank in the amount of US\$ 14 million for production of jet fuel with less energy and input.

CAPITAL MARKETS NEWS

- As per the dailies, Olmuksa, one of the subsidiaries of Sabanci Holding, has executed a share purchase agreement with DS Smith S.a.r.l, on 28 May 2010 for the acquisition of 100% stake of DS Smith Copikas Kagit ve Oluklu Mukavva Kutu Sanayi in return for Euro 5.5 million. Olmuksa has announced that the final purchase price will be adjusted upon the changes in the value of net working capital plus net fixed assets of DS Smith Copikas on the closing date. It has been further announced that DS Smith Copikas holds 99.99% stake of DS Smith Trakya Oluklu Mukavva Kutu Sanayi Ticaret. The closing of the transaction will be realized upon obtaining the necessary permissions.
- Pursuant to the dailies, the free float rate of Net Holding has decreased from 56.76% to 49% and the free float rate of Net Turizm has decreased from 63% to 44% through intragroup purchases. These developments in Net Group shares are interpreted as a step of restructuring operation among the group companies.

ENERGY MARKETS NEWS

- Akenerji has announced that Akenerji Elektrik Enerjisi Ithalat Ihracat, one of its affiliates, has purchased whole electricity to be generated in wind power plants which are owned by Polat Enerji and having 100 MW generation capacity in total, until 31 December 2010.

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Highlights

- a. Banking Sector News*
- b. Capital Markets News*
- c. Energy Markets News*
- d. Privatization Highlights*
- e. Other News*

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OTHER NEWS

- The Vice General Manager of Karabuk Demir ve Celik Fabrikalari has announced that the Company will invest Euro 41 million in a gas-fired power plant with a generation capacity of 50 MW, and through this investment, the Company will generate its electricity needs.
- As per the dailies, 60 companies, including Borusan Mannesmann Boru, have submitted their pre-offers in order to lay natural gas pipes within the scope of the Nabucco Project. It has been stated that the tender will be held in July.

PRIVATIZATION HIGHLIGHTS

- In the final negotiations for the privatization of Dere and Ivriz hydroelectric power plants belonging to Elektrik Uretim Seba Joint Venture Group became the winning bidder with US\$ 5.7 million. Pursuant to the dailies, the overall revenue derived so far from ex post hydroelectric power plant tenders has reached to US\$ 432.9 million.
- The Privatization Administration will put out tenders for the sale of 9 lands, including the land in Maltepe belonging to the Treasury, the land in Uskudar belonging to the State Supply Office and the land in Basaksehir belonging to the State Railways. It has been stated that these lands may be used for trade center, housing or tourism facility. The deadline for submitting bids is 25 June 2010, and the bid bonds vary between TRY 5 million and TRY 10 million.
- Pursuant to the dailies, Ascioğlu Insaat and Teknik Yapi has participated in the tender held by the Housing Development Administration for the sale of the land of Ali Sami Yen Stadium by way of revenue sharing method, and Ascioğlu Insaat has become the highest bidder with TRY 461 million 500 thousand. Accordingly, Ascioğlu Insaat anticipates sales revenue in the amount of TRY 1 billion 25 million 555 thousand and in case the sales revenue exceeds TRY 1 billion 25 million 555 thousand, Ascioğlu Insaat will pay 45% of such revenue to the Administration. It has been stated that the Administration will evaluate the bids, and the Administration is expected to conclude its evaluation in the first week of June.
- As per the announcement released by Nortel Networks Netas Telekomunikasyon to the Public Disclosure Platform, the Company has executed a framework contract with Turk Telekomunikasyon for power distribution and procurement of front panels by the Company. Accordingly, the total contract value is TRY 5 million 148 thousand excluding VAT.
- As per the dailies, Pegasus Kargo has initiated cooperation with S Sistem Lojistik for transit transportation and management of warehouses throughout Turkey. Accordingly, Pegasus Kargo has the opportunity to use Ataturk Airport for overseas cargo.
- As per the dailies, Turkcell has renounced the acquisition of Zain, a Kuwaiti Gsm Operator.

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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