

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION NEWS

- As per the dailies, the Housing Development Administration has decided that the bid in the amount of TRY 416 million 500 thousand offered for the tender regarding the land of Ali Sami Yen Stadium is insufficient and therefore the tender has been cancelled. It has been noted that the Administration is seeking to bring in more funds for the construction of Seyrantepe complex. The President of the Administration has stressed out that a new tender adopting the revenue sharing method will be initiated at short notice and it is anticipated that the offers will be higher due to the advantages arising out of the revenue sharing method such as efficiency to obtain a construction license.
- Due to the dailies, Celebi Holding had become the second best bidder in the tender initiated in May 2007 for the transfer of operating rights of Izmir Alsancak Port for 49 years. On 22 January 2010, the Privatization Administration has called for Celebi Holding to deposit the tender amount due to the fact that Global-Hutchison Consortium, the winning bidder, had not realized the payment. Even though Celebi Holding has demanded for an additional period to make the payment, by the end of such additional period the Holding has notified the Administration that the Holding has withdrawn from the tender and will not be exercising its rights.

NEWS RE COMPETITION

- As per the statement of the Competition Board, an investigation has been commenced regarding the pharmaceutical industry. The Board counts on the results of this investigation with a view to determining the structural problems and their solutions which shall be in line with the foreign markets and also new policies will be adopted to provide for the sector to operate more efficiently.

CAPITAL MARKETS UPDATES

- As per the statement made by Anel Telekomunikasyon Elektronik Sistemleri in the Public Disclosure Platform, one of its shareholders, Anel Elektronik Proje Taahhut, has applied to the Capital Markets Board for public offering. Accordingly, the share capital of Anel Elektronik Proje Taahhut will be increased from TRY 30 million 600 thousand to TRY 46 million 600 thousand and the increased amount will be offered to public. The statement further provides that the pre-emptive rights of the current shareholders will be restricted and in the event the demands exceed the publicly offered shares, the shares currently owned by the shareholders with a nominal value of TRY 2 million 400 thousand are also planned to be included in the publicly offered shares.
- According to the statement made by Ihlas Ev Aletleri in the Public Disclosure Platform, the court has decided in favor of the Company with regard to Lehman Brothers lawsuit. The Company has formerly initiated the lawsuit in order to take back 8 million lots of Ihlas Holding shares which had been given to Lehman Brothers as guarantee in relation to an option agreement. Such decision of the court may be appealed by Lehman Brothers.

- As per the weekly bulletin of the Capital Markets Board, Turkish Airlines has applied to the Board for the issuance of share certificates in the amount of TRY 125 million and Is Girisim Yatirim Ortakligi has applied for the issuance of bonus shares in the amount of TRY 25 million 200 thousand. Also, the establishment of Garanti Bank Mini Bank A Type Mixed Fund has been registered by the Board.

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Highlights

- a. Privatization News
- b. News Re Competition
- c. Capital Markets Updates
- d. Banking Sector News
- e. Energy Market Updates

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- Pursuant to the statement made by Dogan Yayin Holding in the Public Disclosure Platform, the current shareholders have exercised their pre-emptive rights arising out of share capital increase from TRY 802 million to TRY 1 billion during the period between 12-26 April 2010. However, the pre-emptive rights pertaining to the shares with an approximate nominal value of TRY 417 thousand 832 have not been exercised and therefore, the said amount of outstanding shares will be offered to public in the Istanbul Stock Exchange Primary Market during 30 April-3 May 2010.

BANKING SECTOR NEWS

- According to the statement made by Garanti Bank to the Istanbul Stock Exchange, the Bank has granted authorization to 22 other banks to act as equivalent arrangers with a view to obtaining syndicated loans in total amount of Euro 700 million.

ENERGY MARKET UPDATES

- The Turkish representative of Edison SpA, an Italian company active in the energy sector, has stated that the Company is taking a close interest in the privatizations regarding electricity production in Turkey as well as the hydroelectric power plants and thermal power plants. The Turkish representative has further drawn attention to the fact that the extent of the electricity production privatizations in Turkey is a first in all over Europe and the Company anticipates that within the ten year period of time, there will be a need of approximately 20 thousand MW of electricity.

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- As per the dailies, the President of Sabanci Holding Energy Group has stated that Enerjisa is organizing for a second privatization. The President further stressed out that Enerjisa is supporting the construction of a nuclear power plant which the Company considers as necessary to exist in Turkey's mixed energy sector.
- Pursuant to the dailies, Turkiye Sinai Kalkinma Bankasi has provided credit support in the amount of Euro 44 million for 2 new wind power plants to be established by Garet Enerji Uretim, owned by Gama Enerji. Sares Wind Power Plant which is anticipated to start operating in Ezine, Canakkale by the end of 2010, will produce 85 million 100 thousand kW/h of electricity where as Karadag Wind Power Plant which will start operating in Aliaga, Izmir in the first quarter of 2011, will produce 29 million 400 thousand kW/h of electricity.
- The Draft Law on Arrangement of Debts and Receivables Pertaining to Several Public Institutions and Enterprises has been submitted to the Turkish Parliament. The Draft Law shall be applicable to Boru Hatlari ile Petrol Tasima, Elektrik Uretim and its affiliates, Turkiye Elektrik İletim, Turkiye Elektrik Ticaret ve Taahhut, Turkiye Elektrik Dagitim and its wholly owned subsidiaries which are distribution companies for the restructuring of their debts and receivables.

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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