

TABOGLU, ATES & DEMIRHAN

Newsletter

ENERGY SECTOR NEWS

- As per the dailies, Sabanci Holding and the Austrian energy conglomerate, Österreichische Elektrizitätswirtschafts - Aktiengesellschaft (Verbund) have signed a framework agreement, a share purchase agreement and a joint venture agreement contemplating a partnership of two companies in the ratio of 49.99%-49.99% in Enerjisa on 27 March 2007. The partnership shall comprise the areas of energy generation, distribution, power whole sale and trading businesses in energy market, except for nuclear energy.
- According to the dailies, TPAO has stated that the Company will start the process of farming out in relation to their exploration licenses in Antalya, Mersin and Iskenderun Bay regions. In line with the foregoing, TPAO will let out its exploration license to a third party to jointly conduct exploration works.
- The Regulation Amending the Electricity Market Import Export Regulation has been published in the Official Gazette on 29 March 2007. Paragraphs stated below are added to several provisions of the Electricity Market Import Export Regulation; (i) any memorandum of understanding, protocol or letter of intent signed at the country of counter party with respect to import/export activities of electricity shall be approved by the Turkish Consulate located at such country or in accordance with the Hague Convention; (ii) should an entity holding usage rights of an existing interconnection line wish to continue such operations, such entity shall apply to the Energy Market Regulatory Board 4 months prior to the completion of usage period; (iii) in case of non-completion of the application for the allocation of the international interconnection lines established for electricity import and export activities of the respective entity may be extended upon the Energy Market Regulatory Board's decision until the completion of allocation process.

CAPITAL MARKETS HIGHLIGHTS

- Pursuant to dailies, the Capital Markets Board has approved amendments to the articles of association of Halkbank. In line with the opinion of the Banking Regulatory and Supervision Agency, the Capital Markets Board has granted the approval on the condition that the general assembly meeting concerning the amendments of Article 6 and Provisional Article 2 shall be convened following the completion of the legal procedures.
- As per the dailies, Eczacibasi Group has purchased 51% shares of Villeroy&Boch's Ceramic, a well known ceramic brand in Germany. Upon the purchase, facility number of Eczacibasi will increase to 8 whilst its market share will be 10% in Germany and 5% in Central Europe.
- Pursuant to the dailies, Orascom Construction Industries has obtained approval from the Capital Markets Board to start the voluntary tender offer of Group A and B shares of Baticim. The tender offer price for Group B shares with a nominal value of TRY 1 is TRY 11.50 and for Group A shares with a nominal value of TRY 1 is TRY 1,880. Meanwhile, it has been reported in the dailies that Group A shareholders will not respond to the tender offer.
- As per the dailies, London based investment capital fund, Novator One, has become a shareholder of Netone Telecom, the alternative telecommunications operator in Turkey, via injecting investment capital in the amount of US\$ 20 million in Netone.
- OMW Aktiengesellschaft's share amount in Petrol Ofisi has increased to 35.14% following recent purchases. As per the statement sent to the Istanbul Stock Exchange, 335,754 shares with an average price of TRY 5.70 per share and total value of TRY 1.9 million has been purchased by OMV recently. *cont'd.*

Highlights

a. Energy Sector News

b. Capital Markets Highlights

c. News Re Banking Sector

d. Other News

cont'd.

- According to the dailies, Oger Telecom which is the main shareholder of Turk Telekom, has announced that they are planning to complete the purchase of at least two companies and commence the public offering process in 2008 which was cancelled previously. The CEO of Oger Telecom has stated that the company has US\$ 4-5 billion to realize the purchases and Kazakhtelecom might be one of those purchases as well.

NEWS RE BANKING SECTOR

- Is Bankasi has announced that, public offering works of Is Yatirim Menkul Degerler, a subsidiary of Is Bankasi, is continuing. As per the statement sent by the Bank, works concerning the public offering of 30% shares of Is Yatirim Menkul Degerler is being carried out in accordance with the Capital Markets Board's decision dated 30 November 2006 and within the framework of relevant capital markets legislation. Meanwhile, Is Bankasi has announced that they will transfer 50% shares of Is Portfoy to Is Yatirim following the public offering.
- According to dailies, Scotiabank, the largest financial institution of Canada which carries out its operations worldwide, has decided to open a representative office in Istanbul. It is also expected that Scotia Mocata, a subsidiary of the Bank active in precious metals market, and Scotia Waterous, another subsidiary of the Bank operating in energy sector, will start operations in the region.

OTHER NEWS

- As per the dailies, Aneltech, one of the group companies of Anel Group has started to establish base stations for Vodafone, maintenance and repair of which will be carried out by Motorola.

cont'd.

cont'd.

- Pursuant to the dailies, upon the application of Tellcom, the Competition Board has decided that lease of Ankara-Istanbul and Istanbul-Bulgarian fiber optical cable lines for 10 years to Turk Telekom, which has been realized via tender method, required the Competition Board's permission and has stated that Turk Telekom continues its monopoly statues for all of the markets concerning the infrastructure.
- Pursuant to the dailies, the decision to include the highways and bridges in the privatization agenda has been sent to the Privatization High Council. The decision envisages the privatization of Bogazici and Fatih Sultan Mehmet bridges together with Edirne-Ankara, Pozanti-Tarsus, Tarsus-Gaziantep, Toprakkale-Iskenderun, Izmir-Cesme and Izmir-Aydin highways through transfer of operational rights method.
- As per the dailies, Oger Telecom has paid the last three privatization installments in the amount of US\$ 4.31 billion in cash for the purchase of Turk Telekom's 55% shares, 4 years ahead of the payment schedule. After this payment, total payment amount made by Oger Telecom to the Treasury has reached to US\$ 7 billion 55 million.
- According to dailies, the CEO of Turkcell has stated that they expect the third generation mobile phone license tender to take place this year indicating that they expect to buy one of the licenses. Meanwhile, Turkcell has announced that they have made an offer for the tender concerning the sale of 65% shares of Bulgarian Telecommunications Company.

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.

TABOGLU, ATES & DEMIRHAN

Attorneys at Law

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.tr

www.taboglu.av.tr

PHONE: (212) 339 8800

FAX: (212) 339 8899