

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

- The third tender called for the construction of Seyrantepe Stadium has been realized with the attendance of two bidders namely Siyahkalem Muhendislik and Ascioğlu Insaat. The only bid has been offered by Siyahkalem Muhendislik as TRY 64 million 788 thousand over the income from sales. According to the bid, additional 2% administration fee will be paid by Siyahkalem Muhendislik in case the total income from sales exceeds TRY 543 million 600 thousand. The offer of Siyahkalem Muhendislik will be evaluated by the Housing Development Administration.
- 51% of Kibris Turk Tutun has been put out to tender and Seba Dis Ticaret and British American Tobacco have attended in the negotiations. Initial sale amount has been determined as US\$ 6.5 million by the Tender Commission; however, two companies have withdrawn their first offers. It has been announced that the Commission will render a final decision regarding the tender.

BANKING SECTOR NEWS

- Akbank has gained TRY 1 billion 309 million net profit within the first half of 2009 with an increase of 32% compared with the same period of the previous year. As per the statement made by the General Manager of the Bank, total amount of receivables arising from the loans for which the execution proceedings have been initiated, is TRY 1.6 billion and such amount is beyond the sector average. Moreover, capital adequacy ratio of the Bank is 19% and such ratio is one of the highest ratios among the global banks. He has also stressed that the Bank is going to open an office in Dubai and the construction of Akbank Banking Center is planned to be completed at the end of 2010.

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- As per the dailies, the studies for the unification of ATMs of different banks will be completed by the end of 2009. In the future, it is expected that the ATMs will be operated by independent third parties, and therefore the banks' expenses regarding ATM operations will significantly reduce. At the first step, "Common Point" and "Gold Point" ATMs will be opened for common use. Currently, "Common Point" has 19 members whereas "Gold Point" has 5 members. It has been further stated that customers of each bank will be able to use the same ATMs for their banking transactions and the unification of ATMs will create benefits to customers.
- Garanti Bankası has renewed Shop&Miles credit cards and two different credit cards namely Mastercard and American Express have already been sent to approximately 500 thousand customers. Accordingly, various advantages of new credit cards have been merged under Shop&Miles program.
- Pursuant to the dailies, in the first half of 2009, transactions realized by credit cards has increased 12% compared with the same period of the last year. As per the data released by the Interbank Card Center, credit card transactions in Turkey have reached TRY 98 billion.

CAPITAL MARKETS UPDATE

- As per the announcement made to the Public Disclosure Platform by Dogan Gazetecilik, the Company has decided to initiate the merger process with one of its affiliates, Bagimsiz Gazeteciler Yayincilik. Dogan Gazetecilik is currently holding 99.99% shares of Bagimsiz Gazeteciler Yayincilik and the General Assembly of Dogan Yayincilik will vote for the merger decision and the share purchase agreement upon the approval of the relevant authorities.

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Highlights

- a. Privatization Highlights*
- b. Banking Sector News*
- c. Capital Markets Update*
- d. Telecommunications Market Updates*
- e. Other News*

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OTHER NEWS

- As per the announcement made to the Public Disclosure Platform by Petrol Ofisi, the Council of State has cancelled the decision of the Energy Market Regulatory Authority regarding the administrative fine which had been initially determined as TRY 599 million and then decreased to TRY 59.9 million. The reason of the fine imposed against Petrol Ofisi and Erk Petrol, one of the Company's subsidiaries, is selling the petroleum products to unlicensed oil stations during the year 2006.
- As per the dailies, Philips has taken over Saeco International Group S.P.A., Italian espresso machine-company, in return for Euro 200 million. Accordingly, as an initial step the Company will pay the debts of Saeco for an amount of Euro 30 million.
- Henkel, which had previously purchased industrial glue dispenser business of National Starch, has now purchased National Starch's Turkish company, namely National Organik Kimyasal and completed their entrance into the Turkish market. The Head of the Execution Committee of Henkel has stressed that merger of technical know-how of two companies will positively affect the customers with a wide range of new services and products.
- American International Group, one of the largest insurance groups of companies of the USA, has decided to continue its operations under the new trade name, logo and management independent from other group companies. The new trade name which is announced as "Chartis Insurance" shall also be used in Turkey instead of "AIG Insurance" which is active in the sector since 1970s.

**TELECOMMUNICATIONS
MARKET UPDATES**

- As per the announcement made by the General Manager of Turkcell, the Company has received 1 million pre-registration applications in total from their subscribers as of 28 July 2009 for 3G services which was initiated on 30 July 2009. Accordingly, Turkcell will provide 3G services in 81 provinces of Turkey and service area has been already reached to 60% of Turkey. Type A license of the Company will provide advantages both in 3G and LTE technology infrastructures. Turkcell has signed roaming agreements with 177 operators in 100 countries aiming to be one of the leading operators of the world through broadband internet connection with a speed of 28.8 megabit per second. 3G services will introduce uninterrupted television broadcast, remote controlled video camera, live connection to teleconferences, distance learning over cell phones. High speed internet connection will also be available for military operations, transportation or space communication with 3G.

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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