

# TABOGLU & DEMIRHAN

## Newsletter

### **BANKING SECTOR NEWS**

*cont'd.*

- The Banking Regulation and Supervision Authority has announced that the net profit of the banks in Turkey, which was TRY 2,316,000,000 in the first two months of 2008, has reached TRY 3,204,000,000 with an increase of 38% in the same period of 2009. The Chairman of the Authority has stated that the reason of such increase in the net profit is the decrease in interest rates.
- According to the statement of Yapi Kredi Bankasi to the Istanbul Stock Exchange, the Board of Directors of the Bank has granted an authorization to the general management to execute a loan agreement to obtain a syndicated loan from international banks with an amount of minimum US\$ 350 million and maximum US\$ 500 million.
- The General Manager of Is Bankasi has stated that despite the financial crisis, the Bank will continue making investments and will open approximately 60 new branches by the end of 2009. In addition, the Bank has applied to the Capital Markets Board to obtain the Board's approval for the issuance of share certificates with a value of TRY 323,053,000 to be distributed as bonus shares to the shareholders.
- As per the statement of Turkish Airlines, the net profit of the Company in 2008 has risen by 327% and reached TRY 1,134,000,000 whilst the sales revenue has increased by 26% and reached TRY 6,123,000,000. The Company has derived 78% of its scheduled service income from international flights and 22% from domestic flights. The number of airplanes owned by the Company has been increased to 127 whereas it was 102 at the beginning of the year. In addition, the operating profit of the Company has risen by 25% to TRY 633 million.
- As per the statement made by Koc Holding to the Istanbul Stock Exchange, the Holding has purchased the shares of Arcelik from Teknosan Buro Makine ve Levazimi with a nominal value of TRY 9,358,233 in return for TRY 16,376,909.48. Accordingly, the direct shareholding percentage of the Holding in Arcelik has reached 41.48%.
- Is Yatirim has announced its consolidated net profit for the year 2008 as TRY 44.7 million with an increase of 16.5% compared to the previous year. The Board of Directors of the Company is planning to submit a proposal to the General Assembly for the distribution of 30% of the distributable profit to the shareholders as cash dividend. Upon approval of the General Assembly, approximately TRY 12.9 million will be distributed to the shareholders as dividend.

### **CAPITAL MARKETS HIGHLIGHTS**

- According to the statement made by Cimentas to the Istanbul Stock Exchange, the Company has sold its shares in Alfacem S.R.L., which corresponds to 99.9% of the share capital of Alfacem with a nominal value of Euro 1 million, to Cementir Delta in return for Euro 85 million. Accordingly, the loan obtained from Merrill Lynch to participate in Alfacem has been repaid and closed.
- In the year 2008, the net profit of Migros has dropped by 52.7% to TRY 261,479,000 compared to the year 2007. On the other hand, the total sales revenue of Migros has risen by 5.8% and reached TRY 5,073,000,000. In 2008, the daily average turnover of the Company has reached TRY 13.9 million and the gross profit has risen by 9.3% and reached TRY 1,306,000,000.

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#### *Highlights*

*a. Banking Sector News*

*b. Capital Markets Highlights*

*c. Privatization Updates*

*d. Energy Sector Highlights*

*e. Telecommunications Sector News*

*f. Other News*

### **PRIVATIZATION UPDATES**

- According to the statement made by Dogan Holding to the Istanbul Stock Exchange, the Holding has decided not to submit an offer for the tender regarding privatization of the National Lottery. The Holding had previously signed a memorandum of understanding on 16 February 2009 with Lottomatica to establish a partnership and obtained pre-qualification in relation to such tender.
- As per the announcement made by the Privatization Administration, although Sicpa Assan and Asas Ambalaj had submitted bids to the tender for the privatization of the assets regarding the packaging business of Istanbul Packaging Factory owned by TEKEL, both companies have withdrawn their bids from the tender at the final bargaining stage.

### **ENERGY SECTOR HIGHLIGHTS**

- According to the statement made by Zorlu Dogal Elektrik Uretimi, the Company and Metro Cash&Carry have executed an agreement regarding the sale of natural electricity generated from renewable energy resources. Accordingly, the Company will provide 48 million KWh electricity energy to thirteen stores of Metro Cash&Carry in the year 2009.
- The General Directorate of Mining Affairs will hold a tender for 5,568 mining fields, the licenses of which were cancelled previously. The total area of these mining fields, which are located in 67 cities, is 2.3 million hectare. The tenders will be held between 15 June 2009 and 30 August 2009 and the term of the exploration licenses to be granted will be 3 years.

### **TELECOMMUNICATIONS SECTOR NEWS**

- Avea has reached an agreement with Ericsson, Huawei and ZTE to obtain services regarding the infrastructure of 3G services. In accordance with the agreement, the infrastructure in Marmara and Aegean regions will be established by Ericsson, in Central Anatolia and Mediterranean regions by Huawei and in Eastern Anatolia and Southeast Anatolia regions by ZTE.
- Turk Telekom has initiated a lawsuit against Turkcell on 8 April 2009. The Company claims that Turkcell has acted in violation of the relevant legislation and has also breached the agreement executed between Turk Telekom and Turkcell on the grounds that Turkcell charges higher rates to Turk Telekom's subscribers. Additionally, it has been further stated that Turk Telekom will distribute a total amount of TRY 1.49 billion as cash dividend to its shareholders.

### **OTHER NEWS**

- The 6<sup>th</sup> Chamber of the Council of State has cancelled the amendment to the zoning plan of the land, which was previously owned by the General Directorate of Highways and is located in Ortakoy, Istanbul. A tender was held for the privatization of the immovable through sale method and Zorlu Gayrimenkul had submitted the highest bid with US\$ 800 million.
- The Savings Deposit Insurance Fund has announced that EGS Finansal Kiralama has been put out for sale through sealed bid and public auction methods. The tender will be held on 29 April 2009.

*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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