

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

- Lafarge S.A. is planning to sell its subsidiaries in Turkey, namely Lafarge Aslan Cimento, Baticim Bati Anadolu Cimento and Batisoke Soke Cimento. JP Morgan, the consulting company of Lafarge S.A., has initiated negotiations with investors in order to realize strategic options. Pursuant to the statement made by Lafarge Aslan Cimento to the Istanbul Stock Exchange on 10 February 2009, the draft share purchase agreement has been presented to the potential investors.
- Van Et, a Metro Group company, has acquired its eighth subsidiary, Metro Turizm, which is the largest company in the bus transportation sector. In January, Van Et had applied to the Capital Markets Board in order to amend its trade name as Metro Ticari and Mali Yatirimlar within the scope of restructuring of the Company for a broader field of activity.

NEWS RE PRIVATIZATION

- AkCez Consortium has acquired Sakarya Elektrik Dagitim in return for US\$ 600 million on 11 February 2009. Accordingly, 50% of the tender amount was paid in cash and in advance and the remaining amount will be paid within a two-year period. Sakarya Elektrik Dagitim had been privatized through block sale method. The Chairman of the Privatization Administration has stated that the ownership ratio of private sector in electricity distribution sector increased to 20% upon transfer of SEDAS to AkCez.
- The Decision of the Privatization High Council approving the changes on zoning plans of the immovable property owned by the General Directorate of State Supply Office in Uskudar, Istanbul has been published in the Official Gazette on 11 February 2009. The respective changes are made in relation to the changes in Kadikoy-Kartal Rail System route.

BANKING SECTOR UPDATES

- Pursuant to the dailies, the shareholders of Fortis have rejected the proposal regarding acquisition of Fortis' assets in the Netherlands by the Government of the Netherlands and purchase of Fortis Bank by the Government of Belgium in the recent general assembly in Brussels. Formerly, it was announced that the above mentioned transactions as well as the sale of 75% of the shares of Fortis' banking activities in Belgium, Turkey, Poland and France to BNP Paribas would have been submitted to the shareholders of Fortis for their approval. Fortis Turkey has announced that 99.93% of Fortis Bank Belgium, the majority shareholder of Fortis Bank Turkey, will continue to be held by the Government of Belgium.
- As per the dailies, the consolidated net profit of Turk Ekonomi Bankasi in 2008 reached TRY 187 million with an increase of 27%. According to the consolidated financial tables dated 31 December 2008, the total consolidated assets reached TRY 17.14 billion with an increase of 23%.
- Pursuant to the consolidated financial tables of Garanti Bankasi as of the end of the year 2008, the Bank has realized a consolidated net profit of TRY 1 billion 891 million 178 thousand.
- According to the statement made by Akbank, the Bank has realized a net profit amounting to TRY 1.8 billion in 2008. In this respect, the consolidated assets have exceeded TRY 93 billion with an increase of 29%.
- The Banking Regulation and Supervision Agency has announced the year-end data for 2008. Accordingly, total assets of banking sector in Turkey reached TRY 732.7 billion.

Highlights

a. Capital Markets News

b. News re Privatization

c. Banking Sector Updates

d. Energy Sector Highlights

e. Other News

ENERGY SECTOR HIGHLIGHTS

- According to the announcement made by TETAS, the joint venture composed of JSC Atomstroyexport, JSC Inter Raoues and Park Teknik, which is the sole bidder in the nuclear energy tender with its bid amounting to US cents 21.16 per kWh, has revised its bid as US cents 15.35 per kWh. The revised bid will be evaluated by TETAS in terms of relevant legislation and public interest.
- TETAS will initiate tenders for electricity purchase from the private sector. As per the statement made by the General Manager of the Company, two respective tenders will be realized regarding electricity purchase from thermal power plants, as well as hydroelectric and renewable energy power plants. The deadline for submission of the bids for both tenders is 16 March 2009.
- Pursuant to the announcement made by the Ministry of Energy and Natural Resources, the studies on the draft law amending the Law on the Use of Renewable Energy Resources for Generation of Electricity Energy are ongoing. The draft law is currently with the Industry, Trade, Natural Resources, Information and Technology Commission of the Turkish Parliament. According to the draft law, the Government shall support power plants using renewable energy resources for generation through purchase guarantees. The draft law also provides for the purchase prices for electricity energy generated through use of several types of renewable energy, including biomass, wind, geothermal and solar energy. However, the legal entities holding respective license would be allowed to sell energy with higher prices in the competitive markets.

OTHER NEWS

- The Regulation regarding the Pecuniary Fines for Agreements, Concerted Actions and Decisions Limiting Competition and Abuse of Dominant Position has been published in the Official Gazette on 15 February 2008 by the Competition Authority. The Regulation determines the procedure for imposing fines in line with Article 16 of the Law on Protection of Competition. Furthermore, the Competition Authority has also published the Regulation on Active Cooperation for the Purpose of Revealing Cartels in the Official Gazette on 15 February 2008. According to such Regulation, in case the undertakings, managers and employees of undertakings cooperate with the Competition Board for the purpose of revealing cartels, fines will be reduced or not be imposed on these cooperators under the Law on the Protection of Competition.
- Eczacibasi-Monrol Nukleer Urunler and Belgian Ion Beam Applications have executed a cooperation agreement regarding the manufacture and development of radiopharmaceuticals, which are used in the nuclear medicine. According to the written declaration made by Eczacibasi Holding, Eczacibasi-Monrol shall undertake to sell and distribute IBA's SPECT and PET products in the Balkans, Middle East and East Europe markets within the scope of the agreement.
- HSBC has been appointed as the consultant for the purchase of local retail chains by Kiler Holding Retail Group. The Chief Executive Officer of Kiler Holding has announced that Kiler Holding is planning to go public and such investment would serve to this plan.

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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