

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

cont'd.

- Garanti Bankasi, Turkey's second largest private bank, made a net profit of TRY 1.5 billion in the first 9 months of 2008. The General Manager of the Bank has announced that the Bank earned TRY 1.252 billion net profit, excluding non-recurring revenues, in the same period of last year. The Bank's net profit has increased by 21% over the same period of last year.
- Is Bankasi realized a net profit of TRY 1.31 billion in the first 9 months of 2008 with an increase of 9.7% in comparison to the same period of last year. Total credits of Is Bankasi have reached 45.749 billion with 35% increase and achieved a growth faster than other banks in the sector. In the third quarter of 2008, the Bank has increased its market share in deposits and still holds its position as the leader private bank with the biggest deposit.
- As per the statement made by Fortis Bank to the Istanbul Stock Exchange, BNP Paribas will become the indirect controlling shareholder of the Bank upon completion of the sale of Fortis Bank Belgium to BNP Paribas and receipt of all required approvals under the Turkish legislation. Currently, BNP Paribas owns 50% of TEB Mali Yatirimlar, the investment company holding 84% stake in TEB. Fortis Bank has further explained in its statement that the strategies for TEB and Fortis Bank will be evaluated by the major shareholder; in the meantime, both banks will continue to carry out their operations separately, without any merger.

- The Energy Market Regulation Authority has issued amending regulations on 12 regulations regarding the electricity market distribution, electricity market balancing and settlement, electricity market licensing, customer services, eligible consumer, electricity market grid, distribution network, tariffs and electricity market activities in the industrial zones. The respective regulations were published in the Official Gazette dated 12 November 2008. The amendments are made to reflect the recent amendments in the Electricity Market Law in the secondary legislation.

CAPITAL MARKETS UPDATES

- As per the statement made by the Deputy General Manager of Is Yatirim, Is Yatirim has issued the first hedge fund in Turkey. Is Yatirim Arbitrage Hedge Fund with an initial value of TRY 30 million will declare its price weekly on Wednesdays and the minimum transaction value will be TRY 100,000. The Deputy General Manager has further stated that the hedge fund transaction will be carried out by qualified investors. Managing companies, mortgage financing institutions, pension and relief funds, foundations and other similar organizations are considered as qualified investors.

TELECOMMUNICATIONS SECTOR NEWS

- Within the first three days of number portability in the Turkish telecommunications market, 37 thousand subscribers have switched their operators. The procedure to realize number portability from one GSM operator to another was planned to take up to six days in line with the requests of GSM operators. After the first applications, this period was decreased to 3 days and the changes took place without any difficulty. Subscribers willing to switch GSM operators should apply to the subscription center and they will be notified via SMS of the actual time of switch.

ENERGY SECTOR NEWS

- As per the statement made by Petkim to the Istanbul Stock Exchange, Petkim has allocated 1 million 375 thousand m² of land to Socar&Turcas to install an oil refining plant. It is noted in the statement that Petkim's decision is based on security of raw materials, production and capacity increase, competition and savings advantages.

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Highlights

a. Banking Sector News

b. Energy Sector News

c. Capital Markets Updates

d. Telecommunication Sector News

e. Competition Highlights

f. Other News

COMPETITION HIGHLIGHTS*cont'd.*

- The Competition Board has initiated an investigation on Izocam for abuse of dominant position through its unfair pricing structure. According to the statement released on the Competition Board's web site, the Board has decided on 23 October to investigate whether or not Izocam has violated Article 6 of Law No. 4054 on Protection of Competition. The statement noted that Izocam is suspected of creating an unfair environment of competition for its rival companies in the relevant market.
- Dogan Gazetecilik has applied to the Council of State for cancellation of the Competition Board's decision regarding conditional approval for the purchase of Kemer Yayincilik and Bagimsiz Gazeteciler Yayincilik. As per the statement made by Dogan Gazetecilik to the Istanbul Stock Exchange, the Board had granted its conditional approval for purchase of shares in both companies on 13 March 2008 and the Board's decision was served on 26 September 2008 to Dogan Gazetecilik.

OTHER NEWS

- As per the dailies, the Housing Development Administration of Turkey has decided to hold a new tender for the construction of a recreational nature park in Halkali-Atakent, Istanbul, and cancelled the previous tender. The Administration has stated that they were not satisfied with the bid submitted by the group consisting of Astay Gayrimenkul and Ozyazici. The group offered to pay to the Administration 1% of the income in addition to direct income support of TRY 84.8 million. The Administration has refused such offer and decided to renew the tender. The Chairman of the Administration has added that the Administration will collect bids for the new tender on 27 November 2008.
- As per the dailies, Turkey's gross national income would reach US\$ 968.2 billion in 2013 according to the figures announced by the International Monetary Fund. Estimations made by the Fund for the period between 2008 and 2013 have indicated that Turkey would keep holding the title of the 17th largest economy of the world in 2013 as well. Turkey's gross domestic revenue is estimated to become US\$ 798.8 billion in 2008 and to decrease to US\$ 789 billion next year.
- Ford Otosan, leading automotive company in Turkey, has suspended its operations between 13 November and 26 November 2006 due to decrease in demand in the market.

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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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