

TABOGLU & DEMIRHAN

Newsletter

cont'd

CAPITAL MARKETS UPDATES

- The Capital Markets Board has amended its Communiqué No. I/31 on Principles regarding Mergers, being effective as of 8 May 2010. Subsequently, the Board has announced that the amendments have been made to simplify the merger procedure and clarify the legislation. The important amendments have also been announced on the Board's website. Accordingly, the Amending Communiqué No. I/41 sets forth new rules relating to the financial statements and independent audit reports taken basis for mergers. Moreover, the merger procedure has been simplified in case of a merger by acquisition of one or more companies by another company which has already owned 95% or more shares of such acquired company(ies) or under the circumstances that no share transfer is required from acquiring company to acquired one. In such a case, it is enabled to realize a merger without submitting independent audit report, expert institution report and board of directors' report. Furthermore, the Amending Communiqué requires new financial statements to be prepared and updated, if necessary, by the expert company provided that any material change, that affects the statements and equity which has been taken as basis to calculate merger ratio, has been occurred prior to the approval of merger agreement and announcement by the Board. Besides, in case of dividend distribution resolutions of acquiring or acquired companies, which are resolved after the preparation of financial statements, the effects of such distribution of dividend shall be taken into consideration to calculate the merger ratio. Finally, the mandatory obligation of publishing the announcements and merger agreements in the newspapers has been annulled and disclosure to public via the Public Disclosure Platform and internet web sites of relevant companies is enabled.
- As per the announcement made on the Public Disclosure Platform by Turkish Airlines, board of directors of the Company has resolved to contribute in Turk Hava Yollari Teknik. After the capital increase, the Company's share capital will reach TRY 693 million.
- The Capital Markets Board approved Akfen Holding's listing on the Istanbul Stock Exchange. Accordingly, the shares of the Company with a nominal value of TRY 8 million, which had been offered to public on 5-7 May 2010, were traded on the Istanbul Stock Exchange between 14 May 2010 and 16 May 2010 with a base value of TRY 12.50. 44% of such offered shares have been purchased by 3 foreign funds.
- As per the announcement made on the Public Disclosure Platform by the Istanbul Stock Exchange, Latek Lojistik has been added to ISE Istanbul Index as of 11 May 2010. The share capital of the Company has been considered as TRY 30 million for index calculation.
- Aksa Enerji Uretim has offered 13.52% of its share capital amounting to TRY 86 million to public with a range of TRY 4.9-7.2 via bookbuilding method. A green shoe option of TRY 12 million 900 thousand has planned to be granted, if deemed necessary. The public offering has been realized with 25 consortium members under the leadership of Turkiye Sinai Kalkinma Bankasi, with co-leaders Is Yatirim Menkul Degerler, Finans Yatirim Menkul Degerler and Yatirim Finans Menkul Degerler. Credit Suisse and Yatirim Finansal Degerler have been mandated for foreign sales.

cont'd

Highlights

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

NEWS re PRIVATIZATION

- As per the announcement made by the Privatization Administration, total 67 bids have been submitted for privatization of 4 distribution regions. Accordingly, 17 bids have been submitted for Bogazici Elektrik Dagitim, 14 bids for Dicle Elektrik Dagitim, 15 bids for Gediz Elektrik Dagitim and 21 bids for Trakya Elektrik Dagitim. Furthermore, Kayseri ve Civari Elektrik has become the winning bidder for the privatization of Bunyan, Camardi, Pinarbasi and Sizer hydroelectric power plants with a bid amounting to US\$ 69 million 700 thousand, Aksu Enerji for Kovada 1 and Kovada 2 hydroelectric power plants with a bid of US\$ 56 million 80 thousand, Demistas Dogu Elektrik for Esendal and Isiklar hydroelectric power plant with a bid of US\$ 6 million 550 thousand and Kisan Insaat for Arpacay-Telek hydroelectric power plant with a bid of US\$ 14 million 700 thousand. Moreover, it has been announced that the final negotiations for Arpacay-Telek and Kiti hydroelectric plants and Harakli-Hendek, Pazarkoy-Akyazi and Bozuyuk hydroelectric plants have started. Operating rights of such power plants will be transferred for a term of 49 years after the final negotiations.

ENERGY MARKET UPDATE

- Co-operation agreement regarding the establishment and operation of nuclear power plant located in Akkuyu has been signed between Turkey and Russia on 12 May 2010. The agreement will be brought to the Turkish Grand National Assembly for ratification in the upcoming days.

BANKING SECTOR NEWS

- Turkiye Is Bankasi has announced that it has decided to sale 35.53% of its shares in Anadolu Anonim Turk Sigorta to Milli Reasurans, a company under the control of the Bank. As per the announcement made on the Public Disclosure Platform, share sale will be realized on the whole sale market after granting the necessary permissions from the Undersecretariat of Treasury and the Competition Board.
- The protocol regarding the loan granted by the European Investment Bank (EIB) amounting to Euro 150 million has been signed between EIB and Halkbank. The General Manager of the Bank has stated that the Bank will easily be able to achieve its growth target for loans, this year.

OTHER NEWS

- Axa Hayat Sigorta, a life insurance Company, which had obtained the Undersecretariat of Treasury's conversion permission to pension insurance company, has announced that the conversion procedure will be realized within 2 months.
- As per the announcement made by Arcelik on the Public Disclosure Platform, the Company has obtained a new loan in the amount of TRY 1 billion in different currencies in order to reconstruct its current loans. The new loan has been granted by 5 different banks.

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.

TABOGLU & 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