

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- Pursuant to the dailies, Kayseri Seker Fabrikasi has obtained a loan amounting to TL 450 million from a consortium consisting of Garanti Bankasi, Is Bankasi, Seker Bank and Halk Bankasi. Such loan will be used to overcome financial difficulties and aid farmers.
- According to the statement made by the Chairman of the Istanbul Stock Exchange, it is expected that 19 companies will go public during the year 2011. The Chairman has also stressed that the financial sector is the largest sector of the ISE with 52-53% margin.
- The Banking Regulation and Supervision Agency has amended the Regulation on the Notification of the Management, Declaration of Property and Maintenance of the Statutory Books of Banks. Accordingly, the board of directors of the banks will determine the participants to the board meetings in absence of the general manager of the bank.
- As per the dailies, Turkish banks are recovering from the economical crises in the syndication markets. The debt costs have decreased to Libor/Euribor +1.1 whilst such costs were recorded as Euribor + 2.5 in 2008. In parallel, the syndication value has reached to US\$ 14.3 billion with 96% exchange rate. In 2009, this rate was recorded as US\$ 7.3 billion with 65% exchange rate.
- Pursuant to the dailies, Sabanci Group is planning to invest in domestic and foreign cement factories in order to increase its production capacity from 15 million tons to 25 million tons. The Head of the Holding's Cement Group has stressed that investment may reach to TL 1.2 billion and will be finalized within 2011. The primary targets are located in North Africa, Middle East, Caucasia and the Balkans.
- As per the disclosure made by Karsan to the Public Disclosure Platform, the negotiations between Karsan and Hyundai Motor Company concerning the production of HD series vehicles are still ongoing. The companies have previously executed a letter of intent concerning the exclusive production and distribution in Turkey.
- According to the Weekly Bulletin of the Capital Markets Board, the Board has granted an intermediary license to Evgin Menkul Degerler and included CLC Kurumsal Gayrimenkul Degerleme ve Danismanlik in its qualified appraisers list for real estates.

ENERGY MARKETS UPDATES

- According to the statement made by the General Manager of Socar Turcas Refinery, Ege Refinery will be the first refinery to be constructed since 35 years and will have a capacity of 10 million tons. The construction of the Refinery will be completed in 2014 and during the construction process; approximately 7 to 8 thousand people will be employed. Upon start of operation, the Refinery will create new job for 650 people.
- Pursuant to the dailies, RWE, a Germany based energy company, has laid the foundation of Denizli Natural Gas Conversion Plant. The investment amount of the plant is recorded as Euro 500 million and RWE will further invest in renewable energy, coal and natural gas with an investment amount of Euro 2.5 million.

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Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Energy Markets Updates

d. Other News

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- As per the dailies, Petkim Kimya has initiated experimental production of XLPE, main raw material for the cable isolation. XLPE has 20 thousand ton import volume annually. Petkim Kimya is planning to initiate serial production of XLPE in 2012 with 30 thousand tons capacity. It is expected that such production will decrease the inventory costs and aid the Turkish economy by virtue of the import savings.

OTHER NEWS

- Pursuant to the statement made by the Manager of Toyota Turkey, the production will be ceased between 21 April 2011 and 2 May 2011 due to the decision of Toyota Europe. By virtue of the natural disasters in Japan, Toyota has previously ceased production in the United Kingdom, France and Poland.
- By virtue of certain amendments on the Turkish Commercial Code to be effective as of 12 April 2011, joint stock companies and their subsidiaries having State, special provincial administrations, municipalities, other state entities, unions, associations, foundations, and/or cooperatives as shareholders shall not create any privileges stipulated under the Code save for privileges to be granted to state entities and associations and foundations having public interest. All companies with this shareholding structure are required to amend their articles of association to lift the privileges, if any, granted to shareholders within 6 months.
- As per the dailies, Lenovo has increased its market share to 8% in the personal computer segment and 10.1% in the laptop segment. It is further noted that the Company has grown 62.5% in the personal computer segment when compared to the previous year.

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- According to the statement made by Turkish Airlines to the Public Disclosure Platform, in the first quarter, the passenger number has increased by 8.7% and reached to 6.7 million when compared to the same period of 2010.
- Pursuant to the dailies, Standard & Poor, an international rating agency, has confirmed the long term foreign currency credit rate of the Republic of Turkey as "BB" and the positive outlook of the country has not changed. This decision was based on the growth ratio of 8.9 in 2010. The Agency had increased the long term foreign currency credit rate of the Republic of Turkey from "BB-" to "BB" in 19 February 2010.
- According to the statistical data released by the Undersecretariat of Treasury, in the first two months of 2011, the international direct investment volume has increased by 4% and reached to US\$ 1 billion 12 million when compared to the same period in 2010.
- The chairman of Destek Patent has stressed that the Republic of Turkey is recorded as the second country in Europe with respect to trademark applications. After the new Turkish Commercial Code becomes effective, registration of trade-names and products and trademarks, around 1.5 million new applications will be filed. According to the records of the Turkish Patent Institute, there are approximately 600 thousand registered trademarks and it is anticipated that in 5-year period such amount will be increased by approximately 500 thousand.
- According to the statement made by Dogan Yayin Holding to the Public Disclosure Platform, tender process concerning the sale of their media assets is continuing without any interruption. Such disclosure is made upon news in the dailies last week stating that the process is suspended.

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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