

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

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- Deadline of the Bosphorus Tunnel Tender has been changed from 30 May 2008 to 30 June 2008 upon the request of potential bidders. OHL, Vinci, Mitsubishi, Strabag, Siemens, Astaldi, Taysi, Enka, Dogus, Nuro, Yapi Merkezi, Gama, Kolin, Limak, Alarko, Tekfen, Ictas, Guris, Yuksel Insaat and Kiska are among the potential bidders. The project, which will be realized via Built-Operate-Transfer model, guarantees 25 million vehicles to pass annually.
- As per the dailies, Celebi Joint Venture has become the winning bidder of the Bandirma Port tender with a bid amounting to US\$ 175.5 million whilst Ceynak has become the winning bidder of the tender for the transfer of operational rights of Samsun Port for a period of 36 years, with a bid amounting to US\$ 125 million 200 thousand.
- According to the dailies, the Housing Development Administration has not approved the bid of Kiler Holding for the land of old liqueur factory which was in the amount of TRY 295.7 million on the ground that only one bidder has participated in the tender. Meanwhile, Kiler Holding has announced that they will participate in the forthcoming tender which will be held for the same property on 30 May 2008.
- Pursuant to the dailies, Camlikaya Enerji is planning to complete Karacam hydro power plant in November this year, the license of which was granted in 2006. Meanwhile, the Company will start the construction of Atakoy hydro power plant, the license of which was granted recently. Construction costs of Camlikaya and Atakoy power plants are estimated as US\$ 12 million and US\$ 10 million, respectively. It has been announced by the Company that the installed capacity of the plants will be 13.300 Kwh and 72 million Kwh, respectively. The power to be generated will be sold to the government.
- International Energy Agency has announced that the demand for petroleum will be lower than expected this year due to the slow growth in the USA and other industrial countries. As per the report announced by the Agency, the annual global consumption, that has been estimated to increase by 1.5% last month, will rise by 1.2% and increase to 1.03 million barrels. It has also been stated that the petroleum demand of the developing countries will increase by 3.7% and be 1.4 million barrels per day this year whilst the petroleum demand of USA will decrease by 2.1% to 20.4 million barrels. Meanwhile, the crude oil price of USA has decreased to US\$ 123.24.

ENERGY SECTOR UPDATES

- EnerjiSa, Sabanci-Verbund partnership, has chosen the consortium led by Andritz Va Tech Hydro to procure electro-mechanic equipment services of 3 hydro power plants with an installed capacity of 452 Mw in Kahramanmaraş. As per the disclosure made by EnerjiSa, an agreement in the amount of Euro 70 million is the first step of power plants to be established on Ceyhan River. Enerjisa, which has 1000 Mw hydro power plant project in its portfolio, is planning to complete these power plants in the year 2010.

BANKING SECTOR NEWS

- Vakifbank has decided to sell its shares in its two subsidiaries, namely Gunes Sigorta and Vakif Emeklilik. As per the announcement made by Vakifbank, JP Morgan Chase has been selected as the financial adviser. The value of the Bank's shares, the capital of which is TRY 150 million and free float is 20.76%, has increased in the Istanbul Stock Exchange following the announcement. The market value of the Bank is approximately US\$ 280 million.

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Highlights

a. Privatization Highlights

b. Energy Sector Updates

c. Banking Sector News

d. Capital Markets News

e. Other News

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- As per the dailies, net profit of Halkbank has increased by 26.6% and reached to TRY 301 million when compared to the last year figures. As per the announcement made by Halkbank, the asset size of the Bank has increased by 10.6% and reached to TRY 44.5 billion while the share of the credits in the asset size has increased by 47%. The growth in the first 3 months is announced as 14.1%. Meanwhile, Yapi Kredi Bank has announced a net profit of TRY 447 million, Fortis Bank of TRY 69 million and Sekerbank of TRY 61.7 million.
- As per the announcement made by Akbank to the Istanbul Stock Exchange, Akbank and Citibank have decided to strengthen their partnership and for this purpose two Banks have executed a cooperation agreement to present a new credit card to the market, namely Citi Axxess. Citigroup, which has recently announced its intention of selling its assets in the amount of US\$ 400 billion worldwide, had purchased 20% shares of Akbank 2 years ago.

CAPITAL MARKEST NEWS

- Pursuant to the dailies, Celebi has submitted a bid for the ground handling services of two airports located in India and Jordan for a service period of 10 and 7 years, respectively.
- As per the dailies, Koza Altin has postponed its public offering. However Koza Davetiye and Ipek Matbaacilik, the subsidiaries of the same group, have decided to apply to the Capital Markets Board to increase their share capital ceilings to TRY 135 and 120 million, respectively.
- Pursuant to the dailies, Koc Group has decided to sell its shares in Yapi Kredi Koray in whole and leave the real estate sector. The Group has appointed Rothschild as its financial adviser.

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- As per the dailies, 15% of Turk Telecom's shares with a nominal value of TRY 525 million have started trading on the Istanbul Stock Exchange last week. The total offering proceeds received by the Privatization Administration has been calculated as TRY 1.9 billion. The Privatization Administration has decided not to grant any green-shoe shares in order maintain its management rights granted under the Articles of Association of the Company. Furthermore, Turk Telekom has announced that SeaChange, an American based Company, has become the winning bidder of the IPTV infrastructure tender, which is known as a platform linking TV, computer, DVD/VoD and telephone. The infrastructure is planned to be established with 1 million client capacity which may be enlarged upon demands.

OTHER NEWS

- Pursuant to the dailies, following the amnesty in 2003 and 2006, the Government has a new amnesty plan for the social security premium debts of the companies. Currently, the Social Security Institution has a total receivable of TRY 42 billion.
- As per the dailies, Enka Insaat has executed a pre-construction agreement, for an amount of Euro 329 million to construct a natural gas plant in Russia. The plant is planned to be completed by the third quarter of 2011.
- Eczacibasi has announced that they have entered into vitamin market to support healthy, natural and energetic life of human being. The Group has 11 different products to be sold in pharmacies only.

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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