

TABOGLU, ATES & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

- Digiturk, 53% of which is owned by Cukurova Group, whereas the remaining 47% is owned by Providence Equity Partners, has announced that the initial public offering of the Company has been called off. Accordingly, 25% of the total share capital of the Company which was aimed to be offered to public, could not be offered due to lack of necessary market conditions.
- Koc Consumer Finance has decided to issue financing bonds amounting to TRY 115 million and applied to the Capital Markets Board for approval. The bond proceeds shall be used for working capital purposes. The Company has realized two bond issues recently, one in July 2007 and the other in September 2007, amounting to TRY 60 million and TRY 65 million respectively.
- 82 publicly-held companies have announced their balance sheet for the third quarter of 2007. Accordingly, 59 publicly-held companies have gained profit whereas the remaining 23 publicly-held companies have not. Among 59 companies, which gained profits, Ford Otomotiv is announced to be the leader with TRY 329.5 million.
- The Chairman of Calik Group has announced that one of the subsidiaries of the Group in energy sector is planning to initiate a public offering next year. The Chairman has also added that they are not interested in selling Calikbank's shares to a financial investor. He has finally remarked that the Group is planning to have their subsidiary, BKT Bank, which is the second biggest bank in Albania, to be a financial player in the region.
- The General Manager of Memorial Group has highlighted that the Group is planning to initiate a public offering within the first half of 2008. He has also added that the Group has received offers for partnership from foreign players in the sector. Turgut Aydin Holding currently owns the Group.

BANKING SECTOR UPDATES

- The Chief Executive Officer of Anadolu Group has remarked that since the sale of Abank to Alfa Bank has been vetoed by the Banking Regulation and Supervision Authority, the negotiations between Anadolu Group and Alfa Bank have been ceased and the sale of Abank has been removed from their agenda.
- The publicly-held banks have announced their profits by the end of the third quarter of 2007. Accordingly, Akbank, Albaraka Turk and Sekerbank have declared profits of, respectively, TRY 1.6 billion, 72.8 million and 108.6 million.
- The trade name of Finans Sigorta is amended as Fiba Sigorta as of 1 November 2007. The amendment has been made by virtue of the sale of Finansbank to NBG. Finans Sigorta is active in the sector since March 2002.
- The Turkish Banking Association and the Banking Regulation and Supervision Authority have announced that the internet site namely www.turkiyebankalarkurulu.com has no relation with them and that the site has been established for the fraudulent collection of account holders' confidential information for likely illegal purposes.
- The Chief Executive Officer of TEB has stated in the conference regarding "How to Make Business in Egypt" that Turkish contact offices in Algeria, Ukraine, Egypt and Russia have made massive contributions for Turkish businessmen in such territories.
- Vakifbank has decided to sell its subsidiaries in the real estate business and engage in certain merges concerning some of its other subsidiaries.

Highlights

a. Capital Markets News

b. Banking Sector Updates

c. Energy Sector News

d. Telecommunication Highlights

e. Other News

ENERGY SECTOR NEWS

- The Turkish Parliament has discussed the draft Nuclear Energy Law. Accordingly, the deputies from the opponent parties have remarked their concerns on the draft Law and the secondary legislation related thereto. The Minister of Energy and Natural Resources has mentioned that security is their priority with respect to nuclear energy.
- It has been announced by the Energy Market Regulatory Authority that it has received applications for the establishment of 750 wind power plants for a total capacity of 78,000 MW. Accordingly, among these applicants, there exist many important local and international companies.
- As reported in the dailies, the Greek Natural Gas Pipe Line shall be taken into operation on 18 November 2007, with the attendance of Turkish and Greek Prime Ministers. The pipeline passes through Azerbaijan, Georgia, Turkey and Greece to Italy.

TELECOMMUNICATIONS HIGHLIGHTS

- As reported in the dailies, a re-assignment has been made with respect to the head of the License and Tariffs Unit in the Telecommunications Authority. It has also been announced that such re-assignments are made as a regular practice and they do not arise from any specific concern.
- Turkcell has announced that the Company has made profit amounting to TRY 1.3 billion by the end of the third quarter of 2007. Turkcell had announced TRY 852 million profit in the third quarter of 2006.

OTHER NEWS

- Cimsa Cimento, a member of Sabanci Cement Group, has executed an asset sale agreement for the purchase of 8 ready-mix cement premises and 85 vehicles of Bilecik Hazir Beton.
- A lawsuit has been initiated by one of the shareholders of Sabah Yayincilik for the cease of Sabah and ATV tender. The plaintiff has requested a preliminary injunction for the implementation of the sale process and argued that the Savings Deposit Insurance Fund does not have any right to claim from Sabah Yayincilik to grant several sureties for the debts of Etibank, whose control is taken by the Fund from Bilgin Group, due to the fact that Sabah Yayincilik is not a subsidiary of Bilgin Group but a public company.
- The Chief Executive Officer of Koc Holding has announced that the Holding has received more than 5 offers for Migros, the retail giant of Koc Group. In addition to that Koc Group has sold their 85% stake in GVS A.S. for US \$325,000.
- THY has agreed to incorporate a company with Goodrich for the provision of repair services.
- Dogan Group has announced its interest in possible alliances for the participation in the privatization of Tekel's tobacco business.
- As reported in the dailies, the performance targets for 2007 in borax importation have been met by Eti Maden by the end of October 2007.

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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

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