

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

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- The Privatization Administration has initiated tenders with a view to privatize several real properties located in Istanbul, Malatya, Mardin and Balikesir, which are currently registered in the name of the Ministry of Finance. The tenders will be realized through bargaining method. The participants of the tenders will deposit temporary guarantees in the amount of between TL 5,000 and TL 500,000 thousand.
- Pursuant to the dailies, the Privatization Administration has announced the tender for the privatization of Akdeniz Elektrik Dagitim, Istanbul Anadolu Yakasi Elektrik Dagitim, and Toroslar Elektrik Dagitim through block sale method. The final bargaining negotiations for the aforesaid companies have been completed. In the final bargaining negotiation of Akdeniz Elektrik Dagitim, the highest bid amounting to US\$ 1 billion 165 million was submitted by Park Holding. For the privatization of Toroslar Elektrik Dagitim, the highest bid amounting to US\$ 2 billion 75 million was submitted by Yildizlar SSS Holding whilst for the privatization of Istanbul Anadolu Yakasi Elektrik Dagitim, the highest bid amounting to US\$ 1 billion 813 million was submitted by MMEKA Makine who had previously won the tender of Avrupa Yakasi (Baskent).
- The shares of Despec Bilgisayar Pazarlama have started to be traded at the Istanbul Stock Exchange. As per the announcement made by the Stock Exchange, the Company's share capital is TL 11 million 500 thousand and the free float rate of the Company is 39.34%.
- As per the weekly bulletin of the Capital Markets Board, Goldman Sachs has applied to the Board to issue bonds without determining an issue amount. Alternatif Bank has also applied to the Board to issue bonds in the amount of TL 150 million.

BANKING SECTOR NEWS

- A loan in the amount of US\$ 325 million has been provided to Akcez Enerji Yatirimlari by European Bank of Reconstruction and Development, International Finance Corporation and Unicredit Bank AG in order to support the privatization of electricity distribution in Turkey. It has been reported that the provided loan will be used for the investment programs of Sedas and the finalization of the Sedas privatization.
- As per the statement made by Is Bankasi to the Public Disclosure Platform, a loan agreement in the amount of Euro 50 million with a 12-year maturity has been executed between Is Bankasi and Societe de Promotion et Participation pour la Coopération Economique for the purpose of financing the renewable energy and energy efficiency projects of the private sector establishments.
- Pursuant to the dailies, Anel Enerji, a group company of Anel, has obtained a loan in the amount of US\$ 1 million within the scope of the loan usage agreement executed with Vakifbank in order to increase the capacity of photovoltaic (solar energy). It has been further stated that the Company is the first Turkish company that has taken a loan in such area.

CAPITAL MARKETS UPDATES

- As per the statement made by Aslan Cimento and Unye Cimento to the Public Disclosure Platform, 20% and 7.5% stake of Ordu Yardimlasma Kurumu in Oyak Beton have been purchased by Aslan Cimento and Unye Cimento, respectively. The sale price of 20% stake of Oyak Beton was determined as TL 40 million 240 thousand 800 whereas the sale price of 7.5% stake of Oyak Beton has been determined as TL 15 million 995 thousand 718.

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Highlights

a. Privatization Highlights

b. Capital Markets Updates

c. Banking Sector News

d. Energy Markets News

e. Competition News

f. Other News

ENERGY MARKETS NEWS

- The Southeast European Energy Productivity Fund, a partnership of European Investment Bank, KfW Bankengruppe and International Finance Corporation, has provided a long term loan in the amount of Euro 20 million to Yapi Kredi Leasing that will be utilized in the projects regarding energy productivity. As per the statement of Yapi Kredi Leasing, the loan has been granted with 7-year maturity and 3-year non-payment period.
- As per the written statement of the consortium consisting of Gama and General Electric, after the commencement of the operation of Shatura Electric Plant in Russia, a second electric plant, Whitegate Electric Plant has been put into service in Ireland by the consortium.
- As per the dailies, a political party has filed a lawsuit for the suspension of execution of the block sale of IGDAS. It has been further stated that IGDAS is a large establishment with approximately 5 million subscribers and the sale of IGDAS would result in the creation of a monopoly.

COMPETITION NEWS

- Within the scope of the Competition Law and the Communiqué numbered 1997/1, the Competition Board has granted clearance for the acquisition of the total shares of L.L.C. by Basic Chemical Solutions and transfer of 100% shares of Silverstone Corporation Berhad in Silverstone Berhad by Toyo Tire & Rubber Co.

OTHER NEWS

- As per the statement made by Dogus Group, the Group has taken over the management of Port Marina Gocek in line with the agreement executed between the parties last year. The amount paid for the transaction is US\$ 40 million. It has been further stated that the Port's existing facilities will be renewed and improved.
- Pursuant to the dailies, Cummins, an American company, will make an investment in the amount of US\$ 70 million in the Aegean Free Zone. It has been further stated that the construction of the plant and the operation of the Company, which will produce filters and generator, will commence in 2011 and 2012, respectively.
- Pursuant to the dailies, SunExpress, a corporation of Turkish Airlines and Lufthansa establishes a new company in the name of "SunExpress Almanya" in Frankfurt, Germany. The new Company will launch its operations in 2011.
- As per the dailies, Groupe Cheque Dejeuner, one of the biggest catering and payment card companies of the world, has purchased Multinet Kurumsal Hizmetler.
- The General Directorate of State Railways of Turkey has initiated a tender for the purpose of realization of Ankara High Speed Railroad Terminal Project through build operate transfer model. According to the announcement, the construction period of the project which is going to be realized in the provincial border, has been determined as 2 years in pursuit of the delivery of the construction area. The tender will be realized on 20 January 2011 through the sealed bid method.

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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