

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

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- The Communiqué on Principles Regarding Registration with the Capital Market Boards and Sale of Debt Instruments has been amended. According to the new principles, issuance of debt instruments will require a resolution of general assembly taken in line with the quorums required by the Turkish Commercial Code. As per the Amending Communiqué, the right to issue debt instruments may be delegated to the board of directors through the articles of association in line with Article 13 of the Capital Market Law. The Amending Communiqué further requires for companies to obtain certificate of registration in order to issue and sell debt instruments.
- National Bank of Greece (NBG) has announced a plan for the share capital increase amounting to Euro 2.8 billion. According to the plan, NBG's shares in Finansbank and shares to be acquired through capital increase of Finansbank will be offered to public. Correspondingly, NBG's shares in Finansbank will diminish from 99% to 75%.
- According to the analysis made by Bizim Menkul Degerler, since 1986, 193 companies realized capital increase in the total amount of US\$ 10.2 billion. Dividend distribution of total US\$ 41.5 billion took place since 1986 by 193 companies. Whereas, the total dividend amount distributed by the companies is US\$ 38 billion.
- Pursuant to the dailies, the total market value of companies which are traded on the Istanbul Stock Exchange has increased to TL 420 billion 308 million from TL 350 billion 761 million as of the end of the last year. The most valuable company has become Akbank with TL 32 billion 400 million market price.

- As per the dailies, Baalbaki Group, providing quality polyurethane raw materials and specialty chemicals based in Lebanon, has purchased Depur Kimya. According to the statement made by the General Manager of the Group, by virtue of this transfer, a Turkish affiliate has been established under the name of BCI Baalbaki Kimya Sanayi ve Ticaret. The new company is expected to go into operation in 2011.

BANKING SECTOR NEWS

- According to the statement made by Yapı Kredi, a cooperation agreement has been executed by and between the Undersecretariat of Treasury and Yapı Kredi in order to finance companies which will invest in the areas of research-development and environment.
- As per the statement made by Türkiye İş Bankası to the Public Disclosure Platform, the Bank will issue bonds denominated in US\$ to be sold to natural and legal person residents abroad.

ENERGY MARKETS NEWS

- As per the dailies, Faik Celik Holding and Spanish Gestamp Wind Steel, a subsidiary of Gestamp, have jointly invested Euro 30 million in GESBEY Wind Tower Factory which is planned to be established in Bandırma, Balıkesir. The factory will be active by the end of the year 2010.
- The Minister of Energy and Natural Resources has stated that, agreements regarding to Kerkuk-Yumurtalık Crude Oil Pipeline will be renewed. Furthermore, the Ministry has drafted agreements concerning the pipeline which includes finance and transfer matters.

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Highlights

- a. Capital Markets Updates
- b. Banking Sector News
- c. Energy Markets News
- d. Telecommunication News
- e. Privatization News
- f. Other News

OTHER NEWS*cont'd*

- Pursuant to the dailies, European Bank of Reconstruction and Development (EBRD), European Investment Bank (EIB) and International Finance Corporation (IFC) have executed a loan agreement with Nabucco Consortium in order to finance the construction of the Nabucco natural gas pipeline project. According to the loan agreement EBRD, IFC and EIB will provide loans up to Euro 1.2 billion, Euro 800 million and Euro 2 billion respectively.
- Pursuant to the dailies, the General Manager of Akcansa, the associated company of Sabanci Holding and Heidelberg Cement, has stated that they are planning to invest US\$ 200 million in the renewable energy, within 5 year period. Akcansa has invested US\$ 24 million in waste-heat recovery plant at their factory located in Canakkale.
- According to the statement made by Kayseri Seker Fabrikasi, Turkiye Is Bankasi, Halk Bankasi and Garanti Bankasi have signed a loan agreement with Kayseri Seker Fabrikasi in the amount of TL 400 million. The loan which is granted will be utilized for the Company's prospective investments.
- The Istanbul Stock Exchange has become the 9th stock exchange which provides benefits for its investors, with an increase of 13.53% within the first eight months of the year 2010.
- According to the report published by the Undersecretariat of Treasury, the number of foreign companies which are active in Turkey, increased more than double over the last five years.

TELECOMMUNICATION NEWS

- The regulation pertaining to Quality of Service in Electronic Communications Sector, issued by the Information and Communication Technologies Authority has been published in the Official Gazette on 12 September 2010. Pursuant to the Regulation, operators providing service in electronic communication sector will have to fill out information forms on a monthly basis and submit them to the Authority once in every three months.
- As per the dailies, foreign investors have realized purchase transactions amounting to US\$ 41.5 billion in the Istanbul Stock Exchange whilst sale transactions have been recorded as US\$ 40.4 billion during the first 8 months of the year. Shares of Sabancı Holding, Is Bankasi, Yapi ve Kredi and Koc Holding were among the most demanded shares.
- Adabank will be put out to tender by the Savings Deposit Insurance Fund on 19 October 2010 and the estimated price for Adabank is declared as US\$ 90 million. According to the statement made by the Fund, the tender will be realized through closed envelop method and bidders can submit their offers until 18 October 2010.

PRIVATIZATION NEWS

- As per the written statement made by the Privatization Administration, the Administration has transferred TL 175 million and US\$ 264.5 million to the account of the Undersecretariat of Treasury.

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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