

TABOGLU & DEMIRHAN

Newsletter

ENERGY MARKET UPDATES

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- Nett Enerji is preparing to manufacture the first wind turbine of Turkey. One of the members of the Board of Directors has stated that the Company will initially manufacture 225 Kwh wind turbines in its Adapazari plant under the trademark of “Windturk”. He has further stated that the Company will invest US\$ 400 million in renewable energy, and the first demo wind turbine will begin to operate in April 2009.
- The General Directorate of Mining Affairs will put out to tender 4,106 mining fields covering an area of approximately 6,000 km² to be opened up for exploitation. The Directorate will commence collecting the applications for the tender on 14 October 2008. The applications will be made to the Tender Commission directly. The winning bidder will be granted an exploitation license for a period of 3 years.
- According to the dailies, the closing date to submit an offer for the first nuclear power plant planned to be established in Mersin Akkuyu, which is previously set as 24 September 2008, will not be postponed. The Turkish Atomic Energy Authority has prepared a draft guideline for the implementation of the security criteria to protect the community and the environment from the radiation during the activities of the nuclear power plant.
- Yapi ve Kredi Bankasi has signed a loan agreement with Bilgin Enerji Yatirim Holding for an amount of Euro 110 million for the construction of a 90 MW wind backed power plant. The loan, which will be used for Bergama Wind Energy Generation Power Plant, has been provided for a term of 12 years. The plant will consist of 36 turbines and the first 18 turbines will be put into service by the end of 2009. The remaining turbines will be completed within the first half of 2010 and the production is expected to be approximately 315 million Gwh.

- The Energy Market Regulatory Authority has granted production licenses and organized industrial zones distribution licenses to 8 companies within the scope of the Electricity Market Licensing Regulation. In addition, the Authority has cancelled lube oil production and storage licenses of 5 companies within the scope of Petroleum Market Licensing Regulation.
- As per the dailies, the General Directorate of Petroleum Affairs has granted 4 different licenses to Calik Energy for a term of 4 years for the exploitation of petroleum in Sanliurfa and Gaziantep.

CAPITAL MARKETS NEWS

- Socar, the partnership of the Azerbaijani Palmali Company and Azerbaijan's State Oil Company, has purchased 50% of Tekfen Insaat, the construction arm of Tekfen Holding, in return for US\$ 520 million. According to the statement of Tekfen Holding made to the Istanbul Stock Exchange, the parties have agreed that the construction projects of Socar to be realized in Turkey, Azerbaijan and other countries will be performed by Tekfen Insaat. Accordingly, Tekfen Holding will keep control of the management of Tekfen Insaat and will appoint 6 members to the Board of Directors. The share purchase agreement will be signed as soon as possible and the sale process will be completed within 3 months upon signing of the agreement.
- Kok Menkul ve Gayrimenkul has won the tender initiated for Adabank, which is put out to tender by the Savings Deposit Insurance Fund for the second time, with a bid amounting to US\$ 57.1 million. Adabank, which was owned by Uzan family, had been taken over by the Fund in 2003 in connection with the losses at Imarbank, another Uzan Group company.

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Highlights

a. Energy Market Updates

b. Capital Markets News

c. Banking Sector Highlights

d. Other News

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- Pursuant to the dailies, the Savings Deposit Insurance Fund has put up 69 immovable properties for sale. The meeting to collect open offers for such immovable properties consisting of warehouses, lands, residential premises, work places, shops and fields will be held on 14 October 2008. For the immovable properties having an estimated value between TRY 100,000 and TRY 5,000, a guarantee amount of TRY 5,000 is required whereas for those having an estimated value of TRY 5,000 and below than that, a guarantee amount of their estimated value shall be sought.
- Pursuant to the dailies, Koc Holding has adopted a resolution at its extraordinary general assembly for the liquidation of Otoyol A.S., a group company, 53.95% stake of which is held by Koc Holding. According to the statement of Koc Holding, the shareholders agreement signed with Iveco SPA on 11 May 1989 has been terminated. As per the statement of Iveco SPA, they will continue to sell and market Iveco products and provide after sale services under the name "Iveco Arac Sanayi ve Ticaret A.S."
- Pursuant to the dailies, the sales revenue of the industrial companies for the first half of 2008 has increased by 26.2% as compared to the same period of 2007. The profit of the 147 industrial companies listed in the Istanbul Stock Exchange has increased by 12% to reach TRY 4 billion and the net sales of such companies has increased by 26.4% to reach TRY 48 billion.
- Ergo International AG, one of the biggest insurance groups of Germany, has executed an agreement with Anadolu Holding for the acquisition of 25% shares of Anadolu Holding in ErgoIsvicre Sigorta and the process for obtaining the necessary approvals has started. Anadolu Holding had sold out its 75% share in Isvicre Sigorta to Ergo International AG in 2006.
- The President of the Association of the Insurance and Reinsurance Companies of Turkey has stated that the reforms realized in the insurance sector within the EU adaptation process have increased the interest of foreign investors. Accordingly, the percentage of the foreign companies and the companies with foreign shareholders in insurance sector has increased to 39.2% by the end of 2007, whereas it was 25.8% in 2006.
- As per the dailies, Is Finansal Kiralama has decided to start negotiations with Raiffeisen Leasing to establish a new company which will conduct business in financial leasing area in Turkey.
- Cimsa has taken Marmara Terminal into service. Cimsa has invested US\$ 20 million in Marmara Terminal with an aim of increasing the consumption of white cement in Turkey and raising its turnover in the ready-mixed concrete sector to over US\$ 100 million.

BANKING SECTOR HIGHLIGHTS

- The Banking Regulation and Supervision Authority has granted permission for the establishment of a factoring company under the trade name of "ING Faktoring A.S." with a share capital of TRY 10 million and a financial leasing company under the trade name of "ING Finansal Kiralama A.S." with a share capital of TRY 10 million last week. In addition, the Authority has also granted an operation permit for the agency of Asya Katilim Bankasi.

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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