

# TABOGLU & DEMIRHAN

## Newsletter

### CAPITAL MARKETS UPDATES

- The Capital Markets Board has introduced new buy-back principles to be followed by the companies listed on the Istanbul Stock Exchange in line with the new Turkish Commercial Code No. 6102 which will come into effect in July 2012. Accordingly, buy-back transactions may be performed by the board of directors authorized by the general assembly for a period of 18 months in accordance with a timetable approved by the general assembly. Total buy-back ratio cannot exceed 10% of the share capital of the company. In case such ratio is exceeded, the exceeding shares shall be sold off within 6 months following their acquisition date. The shares bought-back may be held by the company for a period of maximum 3 years. The shares, which are not sold off within 3 years, shall be cancelled through a capital decrease. For each buy-back transaction, an announcement including the nominal value of the shares to be repurchased, price, date of transaction, the ratio to the share capital and, if any, the privileges attached to the shares shall be released in the Public Disclosure Platform on the first business day following the transaction date. Selling off the repurchased shares shall only be performed on the stock exchange. Any amendment and its reasoning in the buy-back timetable shall be announced on the Public Disclosure Platform. In case of necessities, the board of directors may repurchase shares without the approval of the general assembly. In this context, the board of directors shall make a public disclosure at least 2 business days before the contemplated repurchasing transactions and inform the shareholders in the first following general assembly.
- As per the announcement released by Banvit Bandirma Vitaminli Yem Sanayii on the Public Disclosure Platform, Aabar Investments PJS has purchased 16 million 320 thousand 756 shares in Bsnvit held by Valid Faruk Ebubekir in return for approximately TL 78 million 340 thousand.

### COMPETITION NEWS

- The Competition Board has resolved that the acquisition of 100% stake of Wella by Yontem is not subject to the approval of the Board due to the fact that the thresholds determined in the Communiqué No. 2010/4 are not exceeded.
- The Competition Board has resolved to grant individual exemption to the joint venture with the trade name “*Shaya Park Bravo Magazacilik A.S.*” to be incorporated under the joint control of Retail International Company W.L.L and Kamil Ozcoban Giyim Sanayi.
- The Competition Board has granted its permission to (i) the acquisition of 100% stake of International Specialty Products Inc. by Asland Inc.; (ii) the transfer of control of MAN SA to Volkswagen AG through mandatory call for share purchase; and (iii) the acquisition of 60% stake of Zetas Zemin Teknolojisi by Soletanche Freyssinet SA. The Board has announced that such acquisitions do not create or strengthen dominant position and prevent the competition under the Competition Law.

### BANKING SECTOR HIGHLIGHTS

- As per the dailies, Kuvveyt Turk has gained TL 93 million net profit within the first half of 2011, whilst the size of assets has increased by 52% and reached to TL 11 billion 657 million.
- As per the dailies, the net profit of Albaraka Turk within the first half of 2011 is approximately TL 71 million. The size of assets has reached to TL 8 billion 685 million.
- As per the dailies, the net profit of Vakifbank has increased by 20% and reached to TL 649 million in the first half of 2011, whilst the size of assets has increased by 21% and reached to TL 86.3 billion.

#### Highlights

a. Capital Markets Updates

b. Competition News

c. Banking Sector Highlights

d. Energy Market News

e. Other News

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- The Central Bank of Turkey has received offers in the amount of US\$ 134 million in the foreign exchange sale tender held on 11 August 2011. The Bank has sold hard currency of US\$ 50 million with an average price of TL 1.7705.
- As per the dailies, Turk Ekonomi Bankasi has gained TL 113 million non-consolidated net profit within the first half of 2011, whilst the size of assets has increased by 17% and reached to TL 36 billion 641 when compared to the second quarter of 2011.
- As per the dailies, the public institutions have supported the foreign exchange sale decision of the Central Bank of Turkey. Accordingly, Turkish Labor Agency has sold foreign exchange amounting to US\$ 165 million in total within last week.

#### **ENERGY MARKET NEWS**

- Pursuant to the dailies, the Ministry of Energy and Natural Resources has determined transformer stations which the solar power plants may be connected to until 31 December 2013 and their connection capacities. Accordingly, the total power of plants to be connected to the transmission line until the end of 2013 shall not exceed 600 MW. The Energy Market Regulatory Authority will publish a communiqué on the measurements for potential investors who want to make prior measurements. The Authority will also announce a date for production license applications. In case there are more than one applications for the same area, then TEIAS will make a tender. The investor who undertakes to give maximum discount over the electricity purchase price determined in the Law Regarding the Use of Renewable Energy Resources to Generate Electricity will become entitled to obtain production license.

#### **OTHER NEWS**

- As per the mergers and acquisitions report by Ernst & Young, 130 merger and acquisition transactions have been performed in Turkey in return for US\$ 6.5 billion within the first half of 2011, and the volume of mergers and acquisitions in Turkey has increased by 117% when compared to the previous year. Most of the transactions have occurred in energy sector and Diageo – Mey Icki transaction has become the largest transaction within the same period.
- Pursuant to the dailies, Petkim Petrokimya Holding has gained TL 108 million net profit within the first half of 2011, whilst the size of fixed assets has reached to approximately TL 1 billion 312 thousand and the size of shareholder's equity has reached to approximately TL 1 billion 708 million.
- As per the dailies, the sales of OMV Petrol Ofisi has increased by 20% and reached to TL 9.12 billion within the first half of 2011. The Company, on the other hand, has declared loss amounting to approximately TL 130 million. The Company has pointed out that such loss has occurred because of tax amnesty and exchange differences.
- Pursuant to the dailies, the net profit of OYAK Cimento Group has increased by 27% and the sales of the Company have increased by 11% in the first half of 2011. Additionally, it has been declared that the Company is planning to make investments in the amount of TL 400 million for strategic, environmental, efficiency and capacity increase issues.

*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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