

TABOGLU, ATES & DEMIRHAN

Newsletter

NEWS RE BANKING SECTOR

- Pursuant to the dailies, Isbank has been listed in the 53rd rank by the Bankers magazine, among the 300 European banks. The listing has been prepared considering the consolidated financial reports of 2006 and equity share capital of the banks.
- According to the dailies, TEB Sigorta has put into service a new loan namely export loan insurance with the cooperation of Atradius, one of the world loan insurance conglomerates. New loan is aiming to guarantee the commercial credit of the companies which can not be collected due to bankruptcy, default or political crises during exportation.

ENERGY SECTOR NEWS

- As per the dailies, Minister of Energy and Natural Sources has stated that they have accomplished the opening of several dams and they are expecting private sector to focus on wind energy in the future. The Minister has also added that they are planning to provide purchase guarantee of 10 years for the energy generated by wind energy plants. Meanwhile, the Energy Market Regulatory Authority has announced the license application date of wind and solar energy plants as 1 October 2007. The applications will cease on the same day. The Ministry has also announced that they will apply automatic pricing system in 2008 which means that the prices of electricity will be defined in accordance with the increase and decrease of the costs in the market.
- As per the Amending Regulation published in the Official Gazette concerning the Activities of Industrial Zones on Electricity Market, application period for obtaining distribution license for the industrial zones has been extended to 31 December 2007.

- The Energy Market Regulatory Authority has approved the product license application of BND Elektrik Uretim Limited Sirketi, the subsidiary of Metemteks Tekstil, to establish a regulator and a hydroelectric power plant both in Ordu and Osmaniye. As per the statement, BND Elektrik will increase its capital to minimum TRY 4.48 million and will execute a water utilization agreement with the State Water Works to obtain a license. The application of BND Elektrik for Gelincik regulator and hydroelectric power plant was approved by the Authority last September.

- As per the dailies, upon the request of the Calik Group, the Energy Market Regulatory Authority has granted an additional period of 3 months starting as of 13 September 2007 to Calik Group for the completion of technical works in relation to the environmental impact assessment report. Furthermore, following the application filed by Cevahir Petrol Yapi Insaat for construction of petroleum refinery, the total amount of investment applications for Adana, Yumurtalik region has reached to US \$21 billion.

- According to the dailies, Enerjisa, which is constituted as a partnership of Sabanci and Verbund, has decided to work with A-TEC PPS-Mitsubishi Heavy Industries consortium as the EPC provider for the natural gas plant which will be established in Bandirma. The plant is planned to be completed in 2010.

- Pursuant to the dailies, Turcas Elektrik Uretim A.S. and Innovative Energy Group have executed a framework agreement, the scope of which is development of construction and operation activities of wind energy tribunes in Turkey.

Highlights

a. News re Banking Sector

b. Energy Sector News

c. Capital Markets Updates

d. Other News

CAPITAL MARKETS UPDATES

- According to the dailies, Sekerbank has sold its 20.45% shares in Pancar Motor Sanayii to Eskisehir Pancar Ekicileri Kooperatifi for the purchase price of TRY 750,000.
- Pursuant to the dailies, Aygaz has purchased 29.6% shares of Entek Energy Company, the subsidiary of Sonmez Group. As per the statement sent to the Istanbul Stock Exchange, upon the board resolution of Aygaz adopted on 8 October 2007, shares have been purchased for a total amount of TRY 53.3 million.
- Pursuant to the dailies, the Competition Board has requested detailed information from the parties in relation to the sale of Vatan daily to Dogan Group. The Board, which has not found the submitted information sufficient in relation to the merger and acquisition report, will inspect the sale from the point of view of creating a dominant position in the market.
- TAV Havalimanlari Holding has announced that they have decided to purchase the shares in the ratio of 40% of Havalimanlari Yer Hizmetleri A.S. (Havas) owned by Park Yatirim Holding for the amount of US \$115 million. Following the purchase, TAV will increase its shareholding in Havas from 60% to 100%. TAV had purchased the 60% of Havas's shares from Park Yatirim Holding 2 years ago for an amount of US \$110 million.
- Pursuant to the dailies, the Savings Deposit Insurance Fund has completed the distribution procedure among creditors of the revenue obtained from the sale of Uzan cement plants. The relevant bodies will be entitled to object to the distribution schedule published in the Official Gazette within 15 days. Total revenue obtained by the Fund in the year 2005 had been calculated as US \$1 billion 37 million.
- The CEO of Turk Telekom, Turkey's major landline and internet service provider, has announced that they have been offered a new premium payment by the Turkish Telecommunication Workers Union and therefore they are not expecting Union to go on strike on 16 October 2007 under these circumstances.
- The Savings Deposit Insurance Fund has announced that they have postponed the sale of ATV and Sabah. As per the dailies, pre compliance application date has been adjourned from 15 October to 9 November, data room closing date from 31 October to 30 November, submission of closed envelopes from 6 November to 4 December, tender date from 7 November to 5 December and bargaining date from 9 November to 7 December.
- Ihlas Madencilik, the subsidiary of Ihlas Ev Aletleri and Eti Elektrometalurji have entered into an agreement regarding enrichment of the chromium ore at Fethiye-Karagedik region. As per the statement sent to the Istanbul Stock Exchange, processing plant is planned to be constructed in the said region within 6 months following the signing date of the final agreement.

OTHER NEWS

- As per the statement sent by Mardin Cimento to the Istanbul Stock Exchange, Mardin Cimento has started the process to obtain environmental impact assessment report for the construction of cement grinding facility which will be transformed to integrated plant in the future.

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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