

TABOGLU & DEMIRHAN

Newsletter

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CAPITAL MARKETS UPDATES

- The Principles regarding the voluntary de-listing of the publicly listed companies on the Istanbul Stock Exchange (ISE) have been determined by the Capital Market Board on 30 July 2010. As per the resolution of the Capital Markets Board, such principles shall be applicable to the companies other than investment funds. Application for voluntary de-listing shall be made to the ISE. However, in case of voluntary tender offer aiming at voluntary de-listing from the ISE stock quote, application for de-listing shall be also made to the Capital Markets Board simultaneously with the tender offer application. Pre-condition for voluntary de-listing is to own directly or together with others acting in concert 95% of the share capital or voting rights of a publicly listed company. The general assembly must approve the decision of listed company's board of directors regarding the voluntary de-listing, in compliance with the qualified meeting and decision quora as per Article 388/2 of the Turkish Commercial Code. The listed company is obliged to make public disclosure upon the board's decision and the general assembly's approval, and apply to the ISE for voluntary de-listing and the Capital Markets Board for tender offer within five business days from the general assembly's approval at the latest. The principles further provide explanations regarding the tender offer price and public disclosure rules applicable for the tender offers with the aim of voluntary de-listing from the ISE.
- Pursuant to the announcement released by Enka Insaat to the Public Disclosure Platform, the Board of Directors of the Company has resolved by majority to purchase 20% stake of Soli Gemi Insa in return for US\$ 4 million. The Company has further announced that the remaining 80% stake will be purchased by Cimtas Celik, one of the affiliates of the Company.

- As per the announcement made to the Public Disclosure Platform by the Istanbul Stock Exchange (ISE), the bonds to be issued by Boyner Buyuk Magazacilik amounting to TRY 40 million has been registered with the ISE. Accordingly, the bills will be traded among qualified investors on 19 August 2010.
- Pursuant to the announcement released by Turkish Industrial Development Bank, the Bank will issue bank bonds amounting to TRY 200 million in total with 6-month and 1-year maturity.
- As per the dailies, warrants have been introduced on the Istanbul Stock Exchange (ISE). Accordingly, the first warrant on the ISE has been issued by Deutsche Bank. The Chairman of the ISE has further stated that the number of warrants to be traded on the ISE will reach to 13 after a week.
- The Chairman of the Capital Markets Board has stated that the proceeding for restructuring the Istanbul Stock Exchange as a joint stock company will begin in October.

PRIVATIZATION NEWS

- Pursuant to the dailies, the Privatization Administration has realized the tenders for the privatizations of Dicle Elektrik Dagitim, Trakya Elektrik Dagitim and Bogazici Elektrik Dagitim. Accordingly, Karavil-Ceylan Joint Venture Group, Aksa Elektrik and Is-Kaya MMEKA Joint Venture Group have become the winning bidders, respectively. As per the dailies, Karavil-Ceylan Joint Venture Group will pay US\$ 228 million, Aksa Elektrik will pay US\$ 622 million and Is-Kaya MMEKA Joint Venture Group will pay US\$ 2 billion 990 million, as tender price.

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Highlights

a. Capital Markets Updates

b. Privatization News

c. Energy Markets News

d. Other News

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- As per the written announcement released by the Privatization Administration, the final negotiations for the privatization of Baskent Dogalgaz through the sale of its 80% shares will be held on 16 August 2010.

ENERGY MARKETS NEWS

- Pursuant to the announcement made by Ak Enerji, the Company has activated Bulam Hydroelectric Power Plant with the capacity of 7 MW in Adiyaman. It has been also announced that Ak Enerji will incorporate a new company with a share capital of TRY 3 million 313 thousand 46. The name of the new company will be "Akenerji Dogalgaz". It has been further stated that Akenerji Dogalgaz will engage in energy trade, specifically wholesale of natural gas.
- As per the dailies, Ayen Enerji has executed a loan agreement with Is Bankasi amounting to Euro 48 million in order to invest in the constructions of Elmali-Tasoba Regulators and Buyukduz Hydroelectric Power Plant in Gumushane.
- Pursuant to the dailies, the Chamber of Electrical Engineers will initiate a lawsuit against the privatizations of electricity distribution companies on the grounds that such privatizations are against the public interest and create private sector monopoly.

OTHER NEWS

- As per the dailies, the Banking Regulation and Supervision Agency has resolved to grant operation license to Fortis Bank for factoring activities with the condition to improve internal control and risk management systems of the Bank and to take necessary measures.

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- The Savings Deposit Insurance Fund will put Toprak Izolasyon out to tender on 20 September 2010 again with an estimated price of US\$ 25.9 million.
- The Savings Deposit Insurance Fund has announced that tender for the sale of Toprak Kagit Economic Integrity will be held on 14 September 2010 with an estimated price of US\$ 23 million. Accordingly, the bids may be submitted until 13 September 2010.
- The Competition Authority has announced that the Competition Board's decision regarding 5-year limitation for utilization agreements and annotated lease agreements related to the dealership agreements signed between distribution companies in fuel market and their dealers will start to be implemented as of 18 September 2010. It has been further stated that the agreements signed before 18 September 2005 for more than 5 years will be out of the scope of the exemption granted by the Communiqué on Group Exemption regarding Vertical Agreements, and such agreements must be terminated or amended until 18 September 2010 in accordance with the new regulation.
- Genccell Iletisim Hizmetleri, the Turkish distributor of General Mobile, and Telpa have incorporated a new company named as Genccell Teknoloji Urunleri in order to provide sale, marketing and technical service support to General Mobile.
- Anel Telekomunikasyon and TTNET will execute an agreement to supply modems. The contract price is announced as approximately US\$ 9 million.

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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