

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

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- The Communiqué on the Principles regarding the Usage of the Guarantees Deposited by Intermediary Institutions, which has been issued by the Capital Markets Board, was published in the Official Gazette on 14 April 2009. The Communiqué regulates the principles related to deposit and release of guarantees to be provided by intermediary institutions as requested by the Board. As per the Communiqué, intermediary institutions may be obliged to provide guarantees in the form of cash, public debt instruments, letters of guarantee obtained from a bank incorporated in Turkey and/or investment funds participation certificates, which are not founded by the relevant intermediary institution. Moreover, if an intermediary institution decides to increase its share capital, the increased amount may be blocked before the Istanbul Stock Exchange Clearing and Custody Bank until the capital increase procedures are finalized and the intermediary institutions cannot submit letters of guarantee for such blocked amounts. Additionally, guarantees provided by the intermediary institutions cannot be pledged or seized or assigned to third parties or used for any purpose other than its objectives. Furthermore, any deficient guarantee amounts shall be deposited by intermediary institutions within 1 month following the enforcement of the Communiqué.
- As per the dailies, Yildiz Holding, one of Ulker Group companies, and Gumlink, the largest gum producer in Europe, have incorporated a new company under the trade name “Continental Confectionery Company” with 50-50% shareholding participation and a share capital amounting to US\$ 100 million.
- As per the dailies, Turkish Airlines will increase its share capital from TRY 175 million to TRY 875 million through bonus shares issue. According to the statement made by Turkish Airlines, TRY 550 million of the increase will be met through inflation adjustments and the remainder will be provided from distributable profit allocated as bonus shares. The Company will also distribute TRY 99.2 million to the shareholders as cash dividend.
- As per the dailies, Garanti Bankasi and Migros have announced that they have executed a cooperation agreement. According to the statement made to the Istanbul Stock Exchange, the execution of such agreement will develop a common program providing specific benefits to consumers.
- Celebi Hava Servisleri has become the winning bidder in the Brownfield cargo terminal tender in India held by Delhi International Airport Private Ltd. According to statement made by Celebi to the Istanbul Stock Exchange, Delhi International has informed Celebi that the tender held for development, modernization, financing and operation of Brownfield cargo terminal was concluded in favor of Celebi.
- Sabanci Holding will participate in the capital increase of Enerjisa amounting to TRY 1 billion 305 million with Euro 99.9 million. According to the statement made by Sabanci Holding, in the event the pre-emption rights are not exercised by other shareholders, Sabanci Holding intends to exercise such pre-emption rights. Meanwhile, it has been further announced that Sabanci Holding will distribute a total dividend amount of TRY 235 million to its shareholders; TRY 135 million of such amount shall be distributed in cash and TRY 100 million shall be distributed as bonus shares.

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Highlights

- a. Capital Markets News
- b. Privatization Updates
- c. Other News

PRIVATIZATION UPDATES*cont'd.*

- As per the dailies, the last bids for the privatization tender relating to the National Lottery have been submitted on 15 April 2009. Alarko Holding, Dogus Holding, OPAP S.A.-DAF joint venture, Tepe Insaat, and Sans Oyunlari Yatirim Holding are among the investors that have applied for preliminary qualifications. The privatization process for the National Lottery is expected to be concluded this month.
- Pursuant to the dailies, Anadolu Group will establish a hydro-electric power plant in Georgia together with Energon International, a company incorporated in the United Kingdom, through investing US\$ 150 million. According to the statement made by Anadolu Group, the construction of the power plant will commence in 2009 in accordance with the agreement executed with the Georgia Government. Additionally, it has been stated that Anadolu Group will hold 51% stake in the power plant with 420 million KW generation capacity per year.

OTHER NEWS

- As per the dailies, the Banking Regulation and Supervision Agency has granted its permission to Aktif Yatirim Bankasi, a subsidiary of Calik Group, to be engaged in certain banking activities including intermediary activities for issuance and public offering of capital markets instruments, investment advisory activities, portfolio management and agency activities for capital markets institutions.
- Pursuant to the dailies, Genel Sigorta has decided to amend its trade name to indicate its majority shareholder's tradename, Mapfre. Genel Sigorta has stated that the Company shall henceforth proceed with its activities under the trade name "Mapfre Genel Sigorta" as of 7 April 2009. Mapfre purchased 80% majority stakes of Genel Sigorta from Cukurova Holding in September 2007.
- According to the statement made by Van-Et to the Istanbul Stock Exchange, the Competition Authority has approved the application of Van-Et for the acquisition of 99.38% stakes in Metro Turizm.
- The Competition Authority has concluded its evaluation regarding individual exemption request for the cooperation agreement dated 20 August 2008 between Akbank and CarrefourSA. Accordingly, it has been decided that the said agreement is within the scope of group exemptions; however, certain provisions of the agreement restricting competition may not be subject to individual exemption under the Law on Protection of Competition. Furthermore the Authority has rejected another application against CarrefourSA regarding predatory pricing in the sale of mobile phones.
- As per the dailies, the Circular Amending Circular No. 1-M issued by the Central Bank under the Decree No. 32 on the Protection of the Value of Turkish Currency has been published in the Official Gazette on 14 April 2009. Accordingly, the currencies other than the currencies sold and purchased by the Central Bank will not be sold and purchased over free market rate anymore.

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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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