

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION UPDATES

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- According to the tender announcement by the Privatization Administration in the Official Gazette on 19 March 2010, the Administration has called tender for the sale of 100% shares of Bogazici Electric, Gediz Electric and Trakya Electric companies. These companies will be privatized through block sale method and the tender will be performed through bargaining method upon receipt of bids in sealed envelopes.
- It is expected that the tender for the privatization of 52 hydroelectric power plants owned by Elektrik Uretim will be initiated in April 2010. Furthermore, it is anticipated that the negotiations with the bidders will be carried out soon. These hydroelectric power plants have previously received 613 bids.
- Otokar, a group company of Koc Group, has concluded the year 2009 with TRY 33.7 million net profit. It is further noted that the Company will distribute cash dividend equal to TRY 20.4 million starting from 24 March 2010.
- The Capital Markets Board has amended the Communiqué on the Principles Regarding the Registration and Sale of the Debt Instruments. The Amending Communiqué provides an opportunity that enables all applications for debt instruments to be registered with the Board for one year period. Additionally, the Amending Communiqué includes a qualified investor definition and provides an opportunity to initiate public offering for shares owned by those investors. The procedures, which slow down the registration and sale processes, such as the approval of the financial tables by independent auditors and signatures of the intermediary institutions to be included on the prospectus and circular, have been lifted by the Amending Communiqué.

CAPITAL MARKETS NEWS

- Aksa Enerji Uretim has applied to the Istanbul Stock Exchange to go public. According to the announcement by the ISE, TRY 200 million of the share capital of the Company will be offered to public and it is stressed that in case of green shoe option the offered amount will reach TRY 230 million.
- Ran Lojistik, a company active in logistics sector, has concluded the year 2009 with TRY 8.2 million profit. Formerly, Ran Lojistik has gone public in October 2009. As per the statement of the Chief Financial Officer of the Company, Ran Lojistik is planning to increase its share capital to TRY 20 million from TRY 12.7 million.
- Pursuant to the announcement made by the Istanbul Stock Exchange, the Capital Markets Board has included Ersu Meyve ve Gida in margin trading and short selling list. The announcement provides that the size of assets of the Company is TRY 22.6 million, the losses during the previous years are TRY 15.9 million and the equity capital is TRY 19.7 million.
- According to the statement of the Chairman of Isiklar Yatirim Holding, the Holding will go public by the end of this year. It is anticipated that the sales of the Holding through the year 2010 will increase by 204% and reach TRY 143 million and the profit of the Holding will increase by 903% and reach TRY 10 million. The Chairman of the Holding has mentioned that Isiklar Yatirim Holding has aimed to achieve TRY 60 million income by public offering. Additionally, it is stressed that the subsidiary of the Company, Alpaslan II Enerji, will construct a dam in Mus province, namely Alpaslan II. Such dam will be the biggest hydroelectric plant in Turkey and the total investment amount in the project is approximately US\$ 500 million.

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Highlights

- a. Privatization Updates*
- b. Capital Markets News*
- c. Energy Market Highlights*
- d. Other News*

ENERGY MARKET HIGHLIGHTS

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- According to the statement by the Chief Executive Officer of Socar-Turkas Enerji, the Company has abandoned the investment project for construction of a refinery in Ceyhan. However, the Company will commence a project for construction of a refinery in Aliaga with a value of US\$ 5 billion. It has been further mentioned that the environmental impact assessment report for the project has been obtained and it is expected to hold a license on the third quarter of the year, at the latest.
- The Chairman of the Energy Market Regulatory Authority has stated that the Authority has started to review and supervise the energy market closely. Furthermore, the Chairman has highlighted that the Authority will follow strict scrutiny in the sector and will build technical infrastructure by forming a project with TUBITAK.
- As per the dailies, the Authority has amended the Regulation on Licenses of the Liquid Petroleum Gas Market. According to these amendments, notices to be sent to the Authority will be made via electronic signature in accordance with the Law on Electronic Signature. The amendments will enter into force on 1 April 2010.
- Sabiha Gokcen International Airport, located in Istanbul, will host a logistics center with a survey area of 4,000 m². As per the statement of TNT Ekspres' General Manager, the Company will transfer its major operations to Sabiha Gokcen International Airport from Ataturk International Airport with a cost totaling to Euro 8 million. The General Manager has further mentioned that the new logistics center will create an employment opportunity for 107 people until the end of this year.
- The Savings Deposit Insurance Fund is planning to sell the commercial and economical integrity of Olay Medya and Le Chic FM in return for the debts of Kadikoy FM Ozel Radyo. According to the statement by the Fund, the tender will be held on 17 April 2010 at the premises of the Fund. The estimated tender price is determined as US\$ 20 million.
- The Fund is planning to sell the commercial and economical integrity of Toprak Karo Eskisehir in return for the debts of Toprak Seniteri, Toprak Elektrik, Toprak Madencilik, Toprak Seramik ve Insaat and Toprak Dis Ticaret. According to the statement by the Fund, the tender will be held on 21 June 2010 at the premises of the Fund. The estimated tender price is determined as US\$ 137 million.
- Pursuant to the dailies, Memorial Health Group has assumed the management of the Istanbul Ozel Hizmet Hospital for a ten year period.

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OTHER NEWS

- Pursuant to the dailies, Memorial Health Group has assumed the management of the Istanbul Ozel Hizmet Hospital for a ten year period.

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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