

TABOGLU & DEMIRHAN

Newsletter

NEWS RE PRIVATIZATION

- As per the announcement of the Privatization Administration published in the Official Gazette on 18 February 2009, the bidding deadline for the tender regarding the privatization of 51% public shares in Cyprus Turkish Industry Limited Liability Company has been extended until 24 July 2009. The former deadline was 27 February 2009.
- As per the dailies, five pre-qualification applications have been submitted in relation to the privatization of the National Lottery by way of licensing. The applicants as of 16 February 2009 are Dogan Group Holding-Lottomatica S.p.A Joint Venture, Intralot, Integrated Lottery Systems and Servives, OPAP-DAF Research and Development Joint Venture, Osterreichische Lotterien Gesellschaft G.m.b.H and Sans Oyunlari Yatirim Holding.
- Pursuant to the announcement made by Bilkent Holding, its group company, Tepe Insaat, and Turkcell Bilisim Servisleri, a subsidiary of Turkcell, have executed a memorandum of understanding on 14 February 2009 with a view to act in cooperation within the framework of the privatization of the National Lottery and have submitted the pre-qualification application to the Privatization Administration.

BANKING SECTOR UPDATES

- The Banks Association of Turkey has announced that the Law No. 5834 regarding Deletion of Records of the Checks without Provision, Protested Bills and Debts for Loan and Credit Cards does not include a provision which obligates the banks to erase the negative records of their clients, records of whom have been erased by the Central Bank in line with the provisions of such Law.

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- The negotiations regarding the sale of Tekstilbank shares have been suspended until the market conditions become convenient. GSD Holding, the main shareholder of Tekstilbank, has announced to the Istanbul Stock Exchange on 18 February 2009 that the sale process is suspended until better market conditions arise, as a result of the assessment made with J.P. Morgan PLC, the financial advisor for the sale of Tekstilbank shares to potential buyers. Subsequent to the announcement, the market value of GSD Holding shares traded on the Istanbul Stock Exchange has dropped by 6.45% and value of the Tekstilbank shares has decreased by 4.76%.

CAPITAL MARKETS NEWS

- Celebi Hava Servisi has decided to restart the negotiations regarding the purchase of Spanish Acciona S.A. Group companies, which provide ground handling services in Spain and Germany. Pursuant to the announcement made by Celebi to the Istanbul Stock Exchange, the necessary permits are anticipated to be obtained within expected periods; therefore, the parties have decided to start the negotiations again in line with the confidentiality and exclusivity agreements which were executed earlier.
- TAV Havalimanlari is planning to offer its shares with a total nominal value of TRY 123,483 in relation to the capital increase to be realized. In accordance with the announcement made by TAV to the Istanbul Stock Exchange, the shareholders have exercised their pre-emption rights between 30 January 2009 and 13 February 2009. The shares remaining after use of pre-emption rights with a total nominal value of TRY 123,483 will be offered for sale on 19 February 2009 for a period of two days.

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Highlights

a. News re Privatization

b. Banking Sector Updates

c. Capital Markets News

d. Energy Sector Highlights

e. Other News

ENERGY SECTOR HIGHLIGHTS

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- The Minister of Energy and Natural Resources has announced that a tender will be held on 16 March 2009 to purchase electricity from the private sector on the basis of a four-year contract. The Minister has further stated that the facilities, which have not yet started their operations, may participate in the tender to be held for the years 2009-2012. The amount of electricity energy to be purchased is not set and the unit price will be determined in accordance with the open market conditions.
- Anel Telekomunikasyon Elektronik Sistemleri has initiated the process for establishment of a photovoltaic electricity generation facility based on solar energy and an agreement has been executed with ENVY Enerji ve Cevre Yatirimlari for consultancy and engineering services.
- TPAO has detected new oil fields in Trakya and Southeastern Anatolia regions. In Southeastern Anatolia, the new oil fields are located near Adiyaman and Diyarbakir. Moreover, the Company had started seeking natural gas in territorial waters of Gokceada, and detected natural gas in 3200 meters depth near Gokceada. Subsequently, the exploration works have been initiated in Gokceada as well.
- Brazilian Petrobras, one of the world's leading petroleum exploration companies, will commence two drilling operations in Western Black Sea Region this year. In 2006, Petrobras had executed an operating agreement with TPAO and initiated research in Black Sea. Furthermore, in accordance with the agreement executed with American Exxon Mobil, explorations for natural gas and oil fields will be commenced in Black Sea.
- The Turkish Atomic Energy Authority has determined the procedures and guidelines in relation the notification and reporting of unusual events in the research reactors and the registries and reports to be kept during the operation thereof and the safety principles to reach the nuclear safety goals. Accordingly, three regulations, namely the Regulation on the Notification and Reporting of the Unusual Events in the Research Reactors, the Regulation on the Special Principles for the Safety of the Research Reactors and the Regulation on the Registration and Reporting in the Research Reactors, have been published in the Official Gazette on 17 February 2009.
- The Competition Board has requested to revoke the obligation to use a fixed line for ADSL connection. Such decision of the Competition Board has been announced in its official website on 18 February 2009. Accordingly, the Board has examined whether using a fixed line for ADSL connection is obligatory by Turk Telekom in accordance with the Law No. 4054 on Protection of Competition. Following such examination, the Board has decided that an investigation against Turk Telekom is not necessary.
- The law regarding certain measures to avoid implications global financial crisis has been promulgated by the Turkish Parliament on 18 February 2009 and shall enter into force upon publication in the Official Gazette. Among others, the law provides for increase in the term and amount of unemployment payments, decrease in various taxes and changes in the Law on Value Added Tax and the Law on Duties.

OTHER NEWS

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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