

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

- As per the statement made by Eurobank Tekfen, the Bank has realized a net profit of approximately TRY 40.1 million in 2008. In addition, total assets of the Bank has risen by 27.8% to TRY 3.58 billion while the amount of loans extended has increased by 31.5% to TRY 1.23 billion. Finally, the Bank realized a capital increase of TRY 150 million, thus the paid-in capital of the Bank has reached TRY 380 million.
- Pursuant to the statement made by Finansbank, the Bank has realized a consolidated net profit of TRY 490 million in 2008. In addition, loans and portfolio of deposits have increased by 23% whilst the number of branches has reached to 458 with 47 new branches opened in 2008. Meanwhile, the total assets of the Bank has exceeded TRY 30 billion with an increase of 25%.
- It has been reported that Turkish banks have focused more on energy projects investments in recent years. Experts stated that investments in the energy sector are expected to reach US\$ 130 billion in 2020. Accordingly, the amount of the loans extended by Garanti Bank to energy projects has reached US\$ 1.5 billion and the Bank has also been authorized to find financing for projects amounting to US\$ 500 million. The officials of Is Bank stated that their support to energy projects increased in line with the demands of the sector whereas the amount of the loans they have extended to energy projects reached US\$ 790 million. It has been further reported that Yapi Kredi Bank has extended loans amounting to around US\$ 1.3 billion for the financing of energy projects within the last two years whilst Akbank has financed 31 energy projects through loans amounting to approximately US\$ 2.1 billion.

CAPITAL MARKETS UPDATES

- According to the statement sent by Dogan Yayin Holding to the Istanbul Stock Exchange, the Company has filed a lawsuit against the Directorate of Halkali Tax Administration for stay of execution of the tax office's demand for guarantee. It has been further stated that the Company had provided the registered trademarks of Kanal D and Star and the shares representing 45.4% of Dogan TV, worth a total of TRY 1,079 billion as guarantee; however the Tax Administration had rejected such guarantee on the grounds that these registered trademarks are immaterial rights and can not be evaluated as asset or immovable.
- According to the statement made by Turkcell to the Istanbul Stock Exchange, the Company will appeal the decision on rejection of the file initiated by the Company aiming the settlement of the dispute with Turk Telekom with respect to the payments of transmission tariffs. Turkcell had previously initiated a lawsuit against Turk Telekom for the extra payment demanded by Turk Telekom because of the unilateral change of calculation method in 2000 regarding transmission tariffs implemented by Turk Telekom.

TELECOMMUNICATIONS SECTOR NEWS

- Altimo sold 62.2% of its Turkish subsidiary, Alfa Telecom, which owned 13.22% stake in Turkcell, in return for US\$ 90.2 million to Visor Group and Henri Services Limited of Kazakhstan. Following such sale, the stake of Altimo in Turkcell fell to 4.99%. In accordance with the U.S. court judgment rendered in November 2008 Alfa was obliged to either reduce its stake in Turkcell below 5% or to sell its 43.5% stake in Ukrainian Kyivstar.

Highlights

a. Banking Sector News

b. Capital Markets Updates

c. Telecommunication Sector News

d. Energy Sector Highlights

e. Other News

ENERGY SECTOR HIGHLIGHTS

- Global Yatirim Holding has executed an agreement with Statkraft, a Norwegian state-run renewable energy production company, for selling 95% shares of the Holding's subsidiary Yesil Enerji which is currently holding control of seven hydroelectric power plants. As per the statement made by the Holding, the acquisition will be completed until June upon fulfillment of the conditions precedent set forth in the agreement and obtaining all regulatory approvals including the approval of the Energy Market Regulatory Authority. Within the context of the acquisition, seven hydroelectric power plants of Yesil Enerji with a combined installed capacity of 633 MW and an annual generation capacity of 2.1 TWh will be taken over by Statkraft.
- According to the announcement jointly released by the Prime Ministry Investment Support and Promotion Agency of Turkey and Pervari, a consortium composed of Turkish NTF Construction Co, Su-Yapi and MPR, Pervari will construct a dam and a hydroelectric power plant in Siirt with a total investment of US\$ 600 million. It is emphasized that the project will provide employment opportunities for 1,200 people and the total power to be generated through such two projects will be around 1,700 GWh.
- According to the statement released by Verbund, the Austrian shareholder of Enerjisa, Verbund is planning to make investments amounting to Euro 6.7 million until 2015 and aim to make Enerjisa leader in the Turkish electricity sector in terms of production, distribution, supply and commercial operations, together with Sabanci Holding.

OTHER NEWS

- The Chairman of Sabanci Holding has expressed that CarrefourSA, which is aiming a two-digit growth, will open 70 new stores with an investment of TRY 135 million this year. She has added that the Company maintains to grow both through organic and inorganic ways. Referring to seven new stores opened last week, she has underlined that this was a sign of the commitment of CarrefourSA's management to meet their targeted budget and plan of opening such 70 new stores.
- The decision of the Council of Ministers as a fourth stimulus package has been published in the Official Gazette on 16 March 2009. The package is aimed to decrease the special consumption tax for automobiles and home appliances, as well as value-added tax for real estate. Accordingly, the VAT for the purchase of flats over 150 m² has been reduced from 18% to 8% whilst special consumption tax on motor vehicles with engines of up to 1,600 cm³ has been reduced from 37% to 18%. Such tax reductions will remain in effect until 15 June 2009.
- Eczacibasi Ilac has decided to sell its 25% stake in Eczacibasi Zentiva Saglik and Eczacibasi Zentiva Kimyasal to Zentiva N.V. by exercising its right arisen out of the previous purchase agreement signed with Zentiva N.V. due to the change of control in both of the companies since nearly all shares of Zentiva N.V. have been acquired by Sanofi Aventis Europe. Eczacibasi Ilac had previously sold 75% of its shares in Eczacibasi Saglik Urunleri and Eczacibasi Ozgun Kimyasal Urunler to Zentiva N.V.

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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