

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

- As per the dailies, the Council of State has suspended the execution of the Privatization High Council's decision regarding the privatization of two bridges on the Bosphorus and nine highways. The Council of State's decision is based on the fact that the relevant legal regulations should be amended in order to enable the privatization process of such highways and bridges and the service facilities placed on the highways. According to the decision, the scope and limits of the privatization of bridges and highways as well as liabilities and authorizations of investors and governmental institutions in the post privatization period should be determined. The President of the Turkish Privatization Administration stated that the Draft Law regulating the above-mentioned subjects is pending before the Turkish Parliament.
- According to the statement of the Minister of Energy and Natural Resources, 33 geothermal areas and 32 geothermal wells will be put out to tender to be held after the expiration of 45 days period beginning from the announcement day of the tender. The Minister has further stated that, under the Law on Renewable Energy, a purchase guarantee for a period of 10 years and a purchase price guarantee (Euro/Cent 5) will be granted to electricity generation companies, which are generating energy by using geothermal energy resources.

BANKING SECTOR NEWS

- As per the statement made to the Istanbul Stock Exchange, National Bank of Greece, the major shareholder of Finansbank, has accepted the offer made by Fiba Holding relating to the sale of shares in accordance with the put option set forth in the Share Purchase Agreement executed on 18 August 2006 between National Bank of Greece and Fiba Holding.

ENERGY MARKET NEWS

- The joint venture of Dogan Enerji, Anadolu Endustri Holding and Unit Investment have executed an agreement with Bruce Power, a Canadian nuclear generating company, and Unit Investment N.V., an investment company from the Netherlands, to participate in the nuclear power plant tender of Mersin Akkuyu. Since the announcement of the tender, 9 companies have purchased the tender specifications. According to the statement made by the Ministry of Energy and Natural Resources, the capacity of the power plant must be between 3000 - 5000 megawatts and the winning bidder will execute an energy sales agreement with Turkiye Elektrik Ticaret ve Taahhut A.S. for a period of maximum 15 years. The deadline for the bids is 24 September 2008.
- The Regulation amending the Regulation on Export and Import in Electricity Market has been published in the Official Gazette dated 15 August 2008. Accordingly, the definitions of the terms "transmission facility", "provider" and "condition of international interconnection" have been amended. In addition, a temporary article, which enables the import of electricity to an isolated area that may be established in Turkey, has been incorporated in the Regulation on Export and Import in Electricity Market.
- The Regulation amending the Regulation on Licensing in Natural Gas Market has been published in the Official Gazette dated 15 August 2008. As per the amendment, obtaining a license in order to import spot liquefied natural gas became a mandatory obligation. In addition, Article 44 of the Regulation on Licensing in Natural Gas Market has been amended; accordingly, the companies, which are active in the natural gas market, excluding BOTAS, shall not be permitted to own a subsidiary or an affiliate that is active in the natural gas market.

Highlights

a. Privatization Highlights

b. Banking Sector News

c. Energy Market News

d. Telecommunication News

e. Alcoholic Beverages Sector Updates

f. Competition Highlights

g. Other News

TELECOMMUNICATIONS NEWS

- Elephant Talk Communications, a distributor of international telecommunications and multimedia content, has decided to expand its international telecommunications network and services for information and communication technologies into Turkey. According to the statement made by the Chief Executive Officer of the Company, the Company is planning to benefit from Turkey's market volume with its 70 million population and Turkey's geopolitical location. Elephant Talk Communications will establish a company in Istanbul in order to execute and provide services in telecommunications sector.

ALCOHOLIC BEVERAGES SECTOR UPDATES

- Pursuant to the dailies, Anadolu Group has acquired the trademark of "Tekel Birasi" from Mey Icki in return for TRY 4.5 million. The transaction will be completed upon the approval of the Turkish Competition Authority. According to the statement made by the Chief Executive Officer of Mey Icki, the Turkish beer market has a production capacity of 800-900 million liters per year and the trademark of "Tekel Birasi" has 1% market share.
- According to the statement made by Turk Tuborg to the Istanbul Stock Exchange, Carlsberg Breweries, one of the shareholders of Turk Tuborg, has injected a total amount of TRY 67.7 million to Turk Tuborg as capital advance last week. On the date of injection of TRY 12 million as capital advance, the price per share of Tuborg has reached TRY 1.64 with an increase of 10.07%. Carlsberg Breweries had already injected Euro 23 million to Turk Tuborg as capital advance in May.

COMPETITION HIGHLIGHTS

- The Turkish Competition Board has granted individual exception for Yapi ve Kredi Bankasi in relation to the credit card sharing agreements executed with Anadolubank and Fortis. The Board has ruled that the several provisions of the "Cooperation Agreement on World Credit Card Program" executed between Yapi ve Kredi Bankasi and Anadolubank on 30 June 2008 and the agreement executed between Yapi ve Kredi Bankasi and Fortis on 2 July 2008 regarding credit card sharing, violate Article 4 of the Law No. 4054 on the Protection of Competition. Therefore, the applications for negative clearance are rejected by the Board. However, since the provisions of the above mentioned agreements are in compliance with the conditions specified in Article 5 of the same Law, the Board has granted individual exceptions for such agreements beginning from the signing date thereof.
- The Turkish Competition Board has rejected the claims based on the unreasonable and unfair high-level price increases raised against Erdemir Demir ve Celik Fabrikalari T.A.S. According to the Board's decision, the price increase made by Erdemir does not violate the Law No. 4054 on the Protection of Competition.

OTHER NEWS

- As per the dailies, Moonlight, a subsidiary of BC Partners, has acquired further 9.2% stakes of Migros, following to its previous acquisition of 13% of Migros' shares realized last week. Although a tender offer is expected to be made to Migros' shareholders in September, Moonlight has acquired 27.6% stakes of Migros at a lower price. As a result of such acquisitions, Moonlight has increased its total shareholding in Migros to 78.42%.

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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