

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

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- According to the statement of Anadolu Efes Biracilik to the Public Disclosure Platform, the Company will purchase all remaining shares of its subsidiary, Efes Breweries International. The Company currently holds 95% of Efes Breweries International's issued share capital. The Company had previously initiated the purchase process through squeeze-out method by making an application to the respective court in Amsterdam on 9 June 2010.
- A cooperation agreement has been signed by and between the Capital Markets Board and the Emirates Securities and Commodities Authority. In line with the agreement, technologic cooperation and exchange of information between the authorities of the Republic of Turkey and United Arab Emirates is aimed to be improved.
- As per the statement of Ford Otomotiv to the Public Disclosure Platform, the board of directors of the Company has approved to invest approximately TL 950 million in manufacturing of new generation "Transit" products.

- Yapi Kredi has obtained a loan in the amount of US\$ 750 million from Unicredit Luxembourg with 5-year maturity. The respective loan agreement has been signed on 11 October 2010.
- Denizbank will increase the number of its branches from 500 to 800 until the year 2014 with an investment in the amount of TL 500 million. The Bank is targeting to make approximately Euro 1.8 billion profit before tax until 2014.

PRIVATIZATION HIGHLIGHTS

- The Privatization Administration has finalized the tenders for several immovable properties. Binbir Gıda has become the winning bidder in the tender held for the sale of the immovable property located in Ayvalik belonging to TEKEL with a bid amounting to TL 6 million 840 thousand. On the other hand, the highest bid for the immovable property located in Aydin has been submitted by an individual. However, no bid has been submitted in the tender for the immovable property located in Seyhan above the initial price, which was set as TL 19 million 800 thousand.

BANKING SECTOR NEWS

- Akbank and China Development Bank have executed a cooperation agreement. Within the framework of the agreement, reciprocal accounts of Turkish Lira and Chinese Yuan will be opened in order to provide support for using the local currencies in trade between Turkey and China.
- Albaraka Turk and Anadolu Hayat Emeklilik have agreed to cooperate for the provision of individual pension products consisting of interest-free financial instruments to the customers of Albaraka Turk. With these products, which will become available at the beginning of 2011, the Companies are targeting to provide individual pension services to 10 thousand people in the year 2011.

- The Council of Istanbul Metropolitan Municipality has decided on the privatization of Istanbul Deniz Otobusleri (IDO) and Istanbul Gaz Dagitim (IGDAS) by majority. The shares of IDO and IGDAS will be privatized through block sale method. Furthermore, spin-off procedures with respect to IDO have been completed and operation of conventional ferries has been spun-off as a separate company. The new company, Istanbul Sehir Hatlari Turizm Sanayi ve Ticaret, has been incorporated with a share capital of TL 5 million. Thus, the inner-city sea transportation will be carried out within the scope of Istanbul Municipality whilst other ferries and sea buses and inter-city sea transportation will be privatized under the privatization of IDO.

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Highlights

a. Capital Markets Updates

b. Banking Sector News

c. Privatization Highlights

d. Energy Markets News

e. Other News

ENERGY MARKETS NEWS*cont'd*

- The Energy Market Regulatory Authority has granted 34 licenses in electricity, natural gas and oil markets in total. 19 licenses have been granted in electricity market, 13 of which are generation licenses whereas the remaining 6 are wholesale licenses. On the other hand, in the natural gas market 3 licenses have been granted whilst 9 licenses have been granted in oil market.
- Sanko Holding will construct a thermal power plant in Yumurtalik, Adana. The power plant will have 650 MW. Imported coal will be used as fuel in the power plant. The construction process of the power plant will start within 3 years. The economic life of the power plant is 30 years. 475 employees will work during construction whilst 150 employees will work in the operational period.
- Zorlu Dogal Elektrik Uretim, one of the subsidiaries of Zorlu Energy Group, has signed a loan agreement with Akbank and Garanti Bankasi to obtain US\$ 410 million with 12-year maturity. 50% of the loan will be provided by Akbank and the remaining 50% will be provided by Garanti Bank. The Company will use the loan for the financing of purchase of 8 power plants and for the capacity increase of another power plant.
- Pursuant to the dailies, Dogan Group has put its subsidiaries in the media sector, such as Hurriyet and CNN Turk, for sale. Murdoch, Time Warner, Vivendi, RTL and Alex Springer are among the groups interested in the sale of the media organs of Dogan Group. The transaction is expected to be realized in the first quarter of 2011.
- Trakya Cam has executed a joint venture agreement with Saint-Gobain in relation to flat glass, mirror and coated glass investments in the Republic of Tatarstan in the amount of Euro 184 million. Trakya Cam will have 70% partnership whereas Saint-Gobain will have 30%.
- Renault - Nissan has signed a cooperation agreement with respect to supply of electricity and infrastructure regarding the electric vehicles in Turkey. Renault - Nissan will invest Euro 4 billion in manufacturing of electric vehicles in the world.
- As per the dailies, Pfizer will purchase King Pharmaceuticals in return for US\$ 3.6 billion in cash. By acquiring King Pharmaceuticals, Pfizer will also incorporate other pharmaceutical companies such as Avinza and Epipen. The purchase agreement has been approved by the board of directors of both companies.

OTHER NEWS

- As per the written statement released by the Savings Deposit Insurance Fund, the tender through sealed tender and public auction methods for the sale of the commercial and financial integrity of Cine 5 TV will be held on 29 November 2010. The appraised value has been determined as US\$ 40 million. The deadline to submit offers is 26 November 2010.
- Pursuant to the dailies, Euroasia Capital Partners, an independent private equity fund, is preparing to invest in the Turkish companies having strong positions in their respective sectors. Accordingly, the Fund is planning to invest in over Euro 100 million within 2-3 years.

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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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