

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATES

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- As per the statement made by Sinpas Real Estate Investment Trust to the Public Disclosure Platform, the Company has initiated repurchase transactions of its shares within the framework of "Repurchase Program of the Company's Shares" which was approved in the ordinary general assembly held in May. It is further stated that such transactions will be made through Deutsche Securities Menkul Degerler and a commission fee equal to one ten thousandth of the total transaction amount will be paid.
- Pursuant to the dailies, Oger Tours, a German tourism company, and Thomas Cook, one of the world's leading tour operators, have agreed on the sale of all shares of Oger Tours to Thomas Cook. The Founder of Oger Tours has remarked that sale transaction is expected to be concluded in August or September upon obtaining the approval of the German Competition Authority. He has added that his tourism companies and seven hotels in Turkey are not included to this transaction whilst Oger Tours' headquarters will remain to be located in Hamburg.
- The application of Beyaz Filo, a car rental company, to the Capital Markets Board for trading bonds to be issued by the Company on the Istanbul Stock Exchange has been registered by the Board. Pursuant to the written statement made by the Company, bond issuance will take place between 21-23 July and 30% of such bonds with a nominal value of TRY 7.47 million, and the remaining 70% with a nominal value of TRY 17.43 million will be allocated to domestic individual investors and domestic corporate investors, respectively. The revenue to be gained from such bonds will be used for the restructuring of Company's loan debts, purchasing new cars, financing Company's information technologies system and meeting expenditures relating to bond issuance.
- According to the statement of Ersu Meyve ve Gida Sanayi published in the Public Disclosure Platform, the Company has signed a subscription and share lending agreement with GEM Global Yield Fund Limited and GEM Investment Advisers Inc on 13 July 2010.
- As per the declaration made by Turkish Airlines to the Public Disclosure Platform, Turkish Airlines will execute a joint venture agreement with Goodrich Aerostructures, a subsidiary of Goodrich Corporation, for providing maintenance service of nacelle and thrust reverser. The name of the company to be established in line with such agreement will be "Goodrich Teknik Servis Merkezi" and 40% stake of the company will be held by Turkish Airlines. It has been further stated that the number of passengers carried by Turkish Airlines in January-June period has increased by 19.3% and reached 13.4 million.

ENERGY MARKETS NEWS

- The Draft Law Approving the Cooperation Agreement between Turkey and Russia on Establishment and Management of the Nuclear Power Plant in Akkuyu, Mersin has been approved by the Turkish Grand National Assembly and has become law. The related agreement was signed on 12 May 2010. As per the agreement, Turkey and Russia will cooperate in various areas such as design, construction and operation of the plant, sale and purchase of the generated electricity, transportation of wasted nuclear fuel, training of personnel and establishment of fuel generation facilities in Turkey. Installed capacity of the plant will be 4,800 MW to be provided from four different units.

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Highlights

a. Capital Markets Updates

b. Energy Markets News

c. Banking Sector News

d. Other News

BANKING SECTOR NEWS

- As per the statement released by Deniz Bank, the Bank has signed a loan agreement with European Bank for Reconstruction and Development (EBRD) in order to finance the renewable energy investments to be made for companies and houses. The loan which is a part of the EBRD's Turkey Sustainable Energy Financial Facility will be used to finance energy efficiency and small-scale renewable energy investments such as industrial energy efficiency, thermal rehabilitation of buildings, small scale renewable investments, including geothermal, solar, biomass and biogas.
- It has been reported that Yapi Kredi Leasing and International Finance Corporation (IFC) have executed a loan agreement amounting to US\$ 50 million with a maturity of 7 to 10 years. As per the written statement made by Yapi Kredi Leasing, half of the loan amount will be made available for health projects, while the other half will be utilized for renewable energy and energy saving investments. Yapi Kredi Leasing obtained another US\$ 50 million loan from the IFC in 2008. With the recent loan the total loan amount secured from the IFC has reached US\$ 100 million, which is the highest amount of loan facilities provided by the IFC to a leasing company in Turkey so far.
- Halk Bank has obtained a syndicated loan consisting of two tranches amounting to US\$ 130 million and Euro 349 million from international markets.

OTHER NEWS

- Russian Hotel Investments which was established jointly by Akfen Holding and Kayi Insaat, has executed a Euro 50 million loan agreement with International Finance Corporation and European Bank for Reconstruction and Development so as to finance its five hotel construction projects in Russia. Further, these hotels will be managed by Accor and total cost of the projects is estimated to be around Euro 98.5 million.
- According to the dailies, the Competition Board has granted a conditional approval to the acquisition of shares of alcoholic beverages producer Burgaz Raki by Mey Icki. As per the decision, the Board has approved such acquisition provided that Mey Icki will dispose the trademark of Votka 1967 and raki-gin business lines within a certain period. Previously, the Board had blocked the acquisition on the ground that it would strengthen the dominant position of Mey Icki in the market.
- As per the statement made by Mensa Mensucat, the Company is planning to construct a coal or steam power plant in addition to its natural gas generation facility. It has been stressed that in the event such project is realized, total energy capacity will be increased from 10.4 MW to 20 MW.

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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