

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

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- Pursuant to the dailies, recently an amount of US\$ 148 million was transferred to the Treasury's account by the Privatization Administration. As per the statement of the Administration in this regard, approximately US\$ 1 billion 944 million in total has been deposited in the Treasury's account since December 2009 in line with the Law No:4046 on the Implementation of Privatization.
- Pursuant to the statement made by Is Bank, the Bank has applied to the Banking Regulation and Supervision Agency, the Capital Markets Board and other relative governmental authorities with a view to obtaining approval for the issuance of bank bills and bills of exchange in Turkish Lira for a total amount up to TL 5 billion with different maturities.

TELECOMMUNICATION UPDATES

- Due to the dailies, Turkcell Iletisim Hizmetleri has announced that a consortium of seven operators including Turkcell's 100% subsidiary, Superonline, together with Etisalat (UAE), Mobily (Saudi Arabia), Jordan Telecom, Mada-Zain Consortium (Jordan), and Syria Telecommunications Establishment (Syria) have executed an agreement so as to initiate the Regional Cable Network Project. As a result of the Project, Fujairah, an emirate of the United Arab Emirates, where the fiber optic cables are conjoined will be connected with Europe.

CAPITAL MARKETS UPDATES

- Due to the dailies, Discovery, Time Warner and RTL have placed their bids for the television channels and newspapers put out on sale by Dogan Yayin. The British international business newspaper the Financial Times has also brought the news and reported that the said companies are especially interested in Kanal D and Star channels. It has been further stated that TPG, KKR and Apax are within those international companies interested in the assets put out on sale by Dogan Yayin.
- As per the statement made by NKSJ Holding of Japan, the European Bank for Reconstruction and Development will purchase 9.99% stake of the Holding in Fiba Sigorta in return for TL 50 million 600 thousand.

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ENERGY MARKETS NEWS

- As per the statement made by Keskinoglu, the Company, whose main business line is poultry, is to invest TL 16 million in energy sector in 2011 with a view to meeting 70% of its own power demands. The Company has invested approximately TL 6 million in energy sector in 2010 and by way of the upcoming investments in 2011, it is anticipated that 130 million kW of energy will be produced.
- Pursuant to the dailies, power transformer repair facility of Alstom Grid has started its operations. The facility is located in Gebze and it is considered as a leading edge factory among those producing high voltage power transformers. Approximately Euro 10 million has been invested in the facility which is the sole plant of Alstom Grid producing special arc furnace transformers.
- Due to the dailies, Calik Holding and Rosneft, a Russian state owned oil company, have finalized their negotiations and executed a cooperation agreement. Accordingly, a company will be formed for oil trading in Turkey and the Mediterranean Sea.
- As per the announcement, Ayen Enerji and Albania based A.S Energy SH.P.K. joint venture has submitted the highest bid for the tender regarding construction of five hydroelectric power plants in Albania. The Albanian authorities have invited the joint venture to execute an agreement for the construction of 87.7 mW power plants.

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Highlights

a. Privatization Highlights

b. Telecommunication Updates

c. Capital Markets Updates

d. Energy Markets News

e. Banking Sector News

f. Competition News

g. Tobacco and Alcoholic Beverages Markets News

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BANKING SECTOR NEWS

- As per the statement made by the Vice Prime Minister of Russia, incorporation of the company which will be realizing projects with regard to the nuclear power plant located in Akkuyu, was registered on December 13. The company is coordinated in Turkey and its activities will be conducted in line with the applicable laws in Turkey. The Vice Prime Minister has further stated that the company will be financed by Russia and all necessary equipments will be provided by Russia therefore Turkey's costs regarding the nuclear power plant will be minimized.
- As per the statement made by Fluor Corporation, an American engineering and consulting firm, a consultancy agreement has been executed with Socar&Turcas Enerji for the project management of the oil refinery to be constructed in Aliaga.
- Pursuant to the dailies, the Minister of Energy and Natural Resources has stated that the electricity agreement which has been in effect since 2005 between Turkey and Georgia has been extended for an additional period of two years. By way of such agreement, during winter Turkey will provide electricity for Georgia and for the rest of the year Georgia will provide electricity for Turkey when required and two countries will jointly benefit from some power lines.
- The Energy Market Regulatory Authority has increased the amounts of penalties which will be applied in the energy sector in 2011 by 7.7%. As per the Communiqué of the Authority which was published in the Official Gazette on 17 December 2010, the said amendment will come into effect on 1 January 2011.
- As per the statement of Is Bank, the Banking Regulation and Supervision Agency has granted its approval for the Bank to acquire the shares of Closed Joint Stock Company Bank Sofia which is operating in Russia.
- Pursuant to the dailies, Fortis Bank and European Investment Bank have previously executed a loan agreement with an amount Euro 100 million in order to finance the projects realized by small and medium sized enterprises in Turkey. As per the statement made by Fortis Bank, the general management of the Bank has been authorized to execute a pledge agreement with the European Investment Bank and another pledge agreement with both European Investment Bank and Clearstream Banking Luxembourg with a view to providing guarantee for the obligations arising out of the above mentioned loan agreement.

COMPETITION NEWS

- The Competition Board has provided its clearance regarding the application of Cicek Sepeti Internet Hizmetleri for the transfer of % 10 stake by Hummingbird CVA as per the Competition law numbered 4054.

TOBACCO AND ALCOHOLIC BEVERAGES MARKETS NEWS

- The Tobacco and Alcohol Markets Regulatory Authority published its decision regarding the amendments applied to the sales certificate fees on December 16, 2010. As per such decision of the Authority, the fees for sales certificates to be granted to those who intend to sell tobacco products, alcohol and alcoholic beverages have been increased by 7%.

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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