

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS HIGHLIGHTS

- The Chief Executive Officer of Is Girisim has declared that they aim to provide financial sources amounting to approximately US\$ 15-20 million to small and medium-sized enterprises in 2010. To date, Is Girisim has invested in 11 companies namely; Cinemars, Nevotek, ITD, Probil, Step Hali, TUYAP, Beyaz Filo, Ode, Ortopro, Turkmed and Frik Ilac. Is Girisim and HSBC have also recently agreed with TAV Holding in order to acquire 35% stakes of Havas. Accordingly, approval of the Competition Board has been obtained and upon the consent of the Ministry of Transportation, acquisition of Havas shares by Is Girisim and HSBC will be finalized in January 2010 at the latest.
- According to the statement made by Turcas Petrol to the Public Disclosure Platform, the Company has transferred all of its shares in its indirect affiliate Turcas Elektrik Uretim to its direct affiliate, Turcas Enerji Holding. 99.99% stakes of Turcas Elektrik Uretim with a total nominal value of TRY 499,960 have been transferred in return for TRY 2,520,588 upon appraisal by a chartered accountant. Such transaction intends to meet project financing and restructuring needs of the group companies.
- As per the announcement made by Mensa Mensucat to the Public Disclosure Platform, Ulutas Tekstil, the Company's controlling shareholder, is negotiating with a foreign investor in order to sell 3 million 680 thousand shares corresponding to 4% of the total share capital of Mensa Mensucat. It is expected that the negotiations would be finalized soon.
- Koc Fiat Kredi Tuketici Finansmani has applied to the Capital Markets Board in order to issue commercial bonds amounting to TRY 50 million. The commercial bonds are planned to be sold to Yapi Kredi Bankasi rather than being sold through public offering.

BANKING SECTOR NEWS

- As per the announcement of the Banks Association of Turkey, as a reminder, the International Bank Account Number (IBAN) and one-time passwords shall apply as of 1 January 2010 in Turkey. Each IBAN to be assigned by the banks to the customers consists of 26 alphanumeric characters referring to a single account. Unless there is a written statement, all electronic fund transfers shall be performed by using the IBAN of the respective bank account as of the said date. Accordingly, it is mandatory to validate and use the beneficiary's IBAN for the money transfers to be made to the accounts in the countries within the European Economic Area.
- Yapi Kredi Bankasi has become the leader of sector with approximately 356 thousand POS machines. As to the announcement made by the Bank, Yapi Kredi maintains its leadership with over 10 million credit card holders, approximately 200 thousand member business entities and 17% market share in POS machines.
- International Investment Bank and German Development Bank have signed a cooperation agreement in order to provide a loan amounting to Euro 95 million to Turkey and Western Balkans. This loan will be used to finance the energy efficiency and renewable energy projects, and the loan amount will be raised to Euro 400 million within 4-5 years.
- Overseas Private Investment Corporation has provided a loan amounting to US\$ 100 million with 10-year maturity to Garanti Bankasi in order to expand the Bank's lending to small and medium-sized enterprises. The loan is expected to be used in businesses involved in a variety of sectors, including manufacturing, tourism services and construction.

Highlights

a. Capital Markets Highlights

b. Banking Sector News

c. Privatization Updates

d. Other News

cont'd.

cont'd.

- Vakifbank has purchased production facilities of Raks Elektronik, which has recently announced its bankruptcy, in return for TRY 9 million 100 thousand. The facilities are located in Manisa Industrial Zone with 35,340 m² area. Vakifbank had been one of the banks which had signed a restructuring protocol with Raks Elektronik.

PRIVATIZATION UPDATES

- Pursuant to the dailies, Binbirgida Tarim Urunleri has submitted the highest bid amounting to TRY 115 million during the final negotiations with regard to the privatization of Camalti Tuzlasi owned by Tutun, Tutun Mamulleri, Tuz ve Alkol Isletmeleri. The other bidders in the respective privatization tender were Durmaz Joint Venture Group, Izmir Camalti Joint Venture Group, Seba Joint Venture Group, Koyuncu Nakliye Pazarlama, Birol Mutlu-Senol Mutlu Joint Venture Group and Ozkaya Insaat-Mehmet Emrah Parlakay Joint Venture Group.
- As per the announcement made by the Privatization Administration, several investors have submitted bids for the electricity distribution companies to be privatized. Accordingly, 11 investors for Camlibel Elektrik Dagitim (Sivas, Tokat, Yozgat region), 8 investors for Firat Elektrik Dagitim (Elazig, Bingol, Malatya, Tunceli region), 16 investors for Uludag Elektrik Dagitim (Balikesir, Bursa, Canakkale, Yalova region) and 8 investors for Vangolu Elektrik Dagitim (Bitlis, Hakkari, Mus, Van region) have submitted bids in the respective privatization tenders of such electricity distribution companies, all of which are owned by TEDAS.

OTHER NEWS

- As per the statement of the Turkish Statistical Institute, in November 2009, the number of the newly established companies and co-operatives increased from 3,088 to 3,526, by 14.2%, compared to same month of last year. Accordingly, 3,272 limited liability companies, 171 joint stock companies and 83 co-operatives have been established during last month. Fields of activity of most of the new companies are determined as wholesale and retail sale, production, construction, transportation, warehousing and communication, agriculture and hotel and restaurant businesses.
- Rossmann, the German cosmetics and cleaning materials market chain, released a statement to announce its entry into Turkish market. Accordingly, the Company will establish a partnership with Turkish PNR Group. Rossmann will own 75% percent of shares in the partnership, whereas PNR Group will have the remaining 25%. Initially, Rossmann stores will be opened in the spring of 2010 in Ankara, Izmir and Bursa. The initial investment amount is declared to be Euro 2 million.
- Exxon Mobil has declared that it has purchased 100% of XTO Energy, in return for US\$ 41 billion. Under the terms of the share purchase agreement, approved by the Boards of Directors of both Companies, Exxon Mobil agreed to issue 0.7098 common shares for each common share of XTO Energy, representing a 25% premium to XTO Energy shareholders. The transaction value includes US\$ 10 billion of existing XTO Energy debt.

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.

TABOGLU & DEMIRHAN

Attorneys at Law

Levent Cad. No. 9

1. Levent, 34330, Istanbul, Turkey

E-MAIL: enquiries@taboglu.av.tr

www.taboglu.av.tr

PHONE: (212) 339 8800

FAX: (212) 339 8899