

TABOGLU, ATES & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

cont'd.

- As per the dailies, 19 companies have filed for pre-qualification for Petkim Privatization Tender for the block sale of 51% of Petkim shares. As announced by the Privatization Administration, 18 of 19 applicants have qualified. The final offers will be submitted on 15 June 2007, the latest. It has been reported that Zorlu Holding, Global, Sanko, Dinckok, Akfen Holding and Calik Group are among the interested bidders together with some other foreign companies. The Chairman of the Privatization Administration noted that the tender will be finalized until the end of June.
- An operational license for Mersin Port was granted to the Joint Venture of PSA and Akfen in return for US\$ 775 million.

- Is Gayrimenkul Yatirim Ortakligi has applied to the Capital Markets Board for the issuance of new shares, TRY 103.5 million of which will be met from internal resources and the remaining TRY 16.5 million from dividends.
- According to the Capital Markets Board's weekly bulletin, Albaraka Turk has filed an application to the Board for issuance of shares through public offering in the amount of TRY 54 million 500 thousand.

ENERGY SECTOR NEWS

- ### CAPITAL MARKETS NEWS
- As per the dailies, the value of Is Yatirim Corporate Stocks has increased to 14.29% on a daily basis on the first session of the Istanbul Stock Exchange on 18 May 2007. In addition, Is Yatirim has pushed the button in order to create a new fund family under the brand of "ISBYF". The first product of the new fund family has been "Is Yatirim Dow Jones Turkey Equally Weighted 15 Stock Exchange Funds (DJTEA15)" consisting of 15 stocks of ISE with the highest free float. DJTEA15 was offered to public on 17 May 2007 and 18 May 2007. The fund is expected to start trading on 24 May 2007.
 - Dogan Holding has become a 10% partner of Marbleton Property Fund LP for the purpose of accomplishing real estate projects. It has been reported that the negotiations between Marbleton Property Fund LP and Dogan Holding have been finalized last week and a subscription agreement has been signed and presented to the relevant authorities in order to complete the necessary formal transactions.

- The Energy Market Regulatory Authority will invite more than one hundred foreign investors, predominantly including Russian, Italian and German energy corporations having a strong international presence, to an investment pool in the Turkish energy sector amounting to US\$ 130 billion. The Authority will hold the 6th Investment and Regulation Conference of Energy Regulators' Regional Association on 21st and 22nd of May in Istanbul. The investment opportunities in the energy sector will be discussed at the conference where more than 200 foreign investors will participate.
- According to the dailies, the Chairman of Turkish Atomic Energy Authority has remarked that the Atomic Energy Authority will perform its licensing and audit duties, which are its principal tasks, under the Nuclear Power Station Law. The criteria for the candidate investors in the nuclear power stations will be announced by the Ministry of Energy and Natural Resources upon the effective date of law.

cont'd.

Highlights

a. Privatization
Highlights

b. Capital Markets
News

c. Energy Sector News

d. News re Banking
Sector

e. Other News

NEWS RE BANKING SECTOR

- According to the dailies, upon the enactment of the Housing Finance Law, some of the international mortgage consulting companies have started engaging activities in Turkey. Among others, BNP Paribas has begun to operate in Turkey under the name of "TEB UCB Mortgage Consulting" within the structure of TEB. The Vice General Manager of TEB has highlighted that the new company will function with its 70 mortgage experts who will work with 3.500 real estate offices all over Turkey.
- Halkbank has announced a net profit of TRY 238 million for the first quarter. As announced by Halkbank, its net profit for the first quarter of 2007 has increased to TRY 238 million with a ratio of 28% compared to the same period of the previous year. Its operational incomes having reached TRY 564 million with an increase of 17%, the Bank's profit before taxes and collections from the delinquent loans, increased with a ratio of 96% in comparison with the first quarter of 2006. As of the first quarter, its total assets amounted to TRY 35.7 billion, deposits to TRY 28.5 billion, active profitability to 2.8% (annual) and equity profitability to 24.8% (annual).
- As stated in the dailies, foreign investors are still interested in the Turkish banking sector. The Chairman of Participation Banks Union and General Manager of Bank Asya has reported that the process of selling 50% of the shares of Turkiye Finans Participation Bank to a foreign investor will be finalized soon and Albaraka Turk is expected to realize its public offering until the end of June.
- Turkiye Is Bankasi, with an active size of TRY 78.6 billion, declared a gross profit of TRY 694 million and a net profit after provisions of TRY 367 million during the first quarter of 2007.

OTHER NEWS

- As per the dailies, Sabanci Holding Cement Group operating Akcansa and Cimsa factories, targets an investment of US\$ 376 million this year. The Chairman of the Cement Group has reported that an extra capacity of 10 million tones will be added to the industry this year, 3 million of which will be generated by the Group. He has also said that investment for 1.5 million tones will be made in Tokat, 2.5 million tones from Sanko, 1.5 million tones from Bastas, 1 million tones in Mardin and 1 million tones in Askale will be made in the industry as a whole.
- Petrol Ofisi has reported a loss of TRY 224.1 million at the end of the first quarter due to the fact that the expense relating to tax reconciliation has increased the other operational expenses in the income statement by %576.78 to TRY 368.8 million. According to the financial statements submitted to the Istanbul Stock Exchange, a net profit of TRY 45.9 million has been declared by the Company for the same period of the previous year. In March, Bogazici Corporate Tax Office has imposed a total payment of TRY 985 million including the original tax and fines to Petrol Ofisi for the period between 2002 and 2006. The Company had pay TRY 275.3 million in total for the original taxes and fines upon a reconciliation reached with the authorities of the Ministry of Finance last week.

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, Ates & 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, Ates & Demirhan, a full-service law firm based in Istanbul.

TABOGLU, ATES & 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