

TABOGLU & DEMIRHAN

Newsletter

CAPITAL MARKETS UPDATE

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- Isiklar Ambalaj, the first company trading on the Istanbul Stock Exchange having made capital decrease previously, has increased its capital to TRY 70 million. The capital had been dropped to TRY 30 million with a view to cover the Company's losses incurred during the previous years. The Company appears to have turned their losses into profit and will even be able to distribute dividends to its shareholders for the forthcoming years. It has been announced that the period to exercise pre-emptive rights for the shareholders shall continue between 14 – 28 September. In addition, the Company has decided to establish a new company engaging in investments regarding shopping malls, according to which a piece of land owned by Isiklar group companies in Bartin shall be allocated for the utilization of the new company. It has been stressed out that different shopping mall projects will also be realized.
- As per the announcement made by the Chairman of the Istanbul Stock Exchange to the Public Disclosure Platform, the second session of the Istanbul Stock Exchange shall be extended for 30 minutes; accordingly the session shall start at 2.00 p.m. and end at 5.30 p.m. instead of 5.00 p.m.
- As per the announcement made by Afyon Cimento to the Public Disclosure Platform, the Company will increase its capital from TRY 120 thousand to TRY 3 million, and the nominal value of each share will also be increased from TRY 0.1 to TRY 0.25. Subsequent to the approval of such increase by the General Assembly of the Company, an application will be made to the Capital Markets Board for the registration of shares. 76.5% of Afyon Cimento stakes is held by Ciment Francais.
- As per the announcement made by Atakule GYO, the Company has received a new offer for sale of its 51% stakes. The offer has been made by an investor who has also attended the previous sale attempted to be made through block sale method. The official and binding offer of the investor has been submitted through the consulting company EFG. 51% stakes of Atakule GYO held by, inter alia, Vakifbank Memur ve Hizmetlileri Vakfi, Vakifbank Personeli Ozel Sosyal Guvenlik Hizmetleri Vakfi and Vakif Sistem Pazarlama. The remaining 49% of Atakule GYO is publicly traded since 2002.
- Kent Gida has decided to increase its capital with a view to merge with Intergum Gida, another group company of Cadbury Schweppes purchased back in 2007. As per the announcement made to the Istanbul Stock Exchange, respective reports from expert institutions have been obtained and merging ratio and capital increase amount have been determined. Accordingly, a trademark license agreement will be signed by and between Kent Gida and Intergum in order to enable Kent Gida to maintain production under trade names "First" and "Falim" owned by Intergum during the merger period. The capital of the Company will be increased by TRY 4 million 468 thousand.
- As per the disclosure statement made by Aselsan Elektronik to the Public Disclosure Platform, the Company has signed a research and development project agreement with the Undersecretariat of Defense Industry in order to meet the demands of the Turkish General Staff. The investment amount of the project has been declared as approximately US\$ 46 million by the Company.

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Highlights

a. Capital Markets Update

b. Banking Sector Highlights

c. Telecommunication News

d. Energy Market Update

e. Other News

BANKING SECTOR HIGHLIGHTS

- Yapi ve Kredi Bankasi has obtained a syndicated loan consisting of US\$ and Euro currencies separately, US\$ 397.5 million plus Euro 399.5 with 1 year maturity. 44 banks from 21 countries under the leadership of UniCredit of Bank Austria have participated in the syndication loan whereas the loan is going to be used in financing of exportation.
- Turkiye Is Bankasi has announced to the Public Disclosure Platform that the Bank has extended the maturity of its syndicated loan which was obtained on 22 September 2008 for one more year. The amount of the loan which is subject to extension is declared as US\$ 350 million plus Euro 293.5 million.

TELECOMMUNICATIONS NEWS

- As per the announcement made by Turk Telekom to the Public Disclosure Platform, the Company has signed a 9.5-year loan agreement up to US\$ 380 million with 1-year grace period with ABN Amro Bank N.V, BNP Paribas and ING Bank. N.V. It has been added that such loan will be used for financing of services and products to be procured from Ericsson AB and Ericsson Telekomunikasyon.
- Anel Telekomunikasyon has announced that the Company is planning to produce cell phones branded as "General Mobile Inc." under the collaboration with Gencell Iletisim Hizmetleri through its affiliate, AnelEs Elektronik. Accordingly, 3 million cell phones will be produced within the next 3 years.

ENERGY MARKET UPDATE

- It has been reported that Akenerji has recently set into operation its wind power plant to generate 52 million kWh electricity a year. According to the written statement released by Akenerji, the plant has been granted production license back in 2006 and all preliminary works and other engineering design affairs have been accomplished in August 2009. Akenerji, carrying on with the implementation of further 10 projects including establishment of a natural gas power plant with 900 MW capacity, is about to kick off new projects, and contemplates to have power of 3 thousand MW within the next 5 years.

OTHER NEWS

- Zorlu Center, a project of Zorlu Gayrimenkul, is about to pioneer the real estate sector with its "mixed use" feature including five different functions such as hotel, office, shopping centre and residences as well as socio-cultural structures like theatre hall, performance and concert halls which will be launched for the first time in Turkey.
- Standard & Poor's, the international rating organization, has upgraded Turkey's rating from negative to stable. The reason of the upgrade has been stated as the decrease of uncertainty in Turkey's economical policy.
- Sinpas GYO is about to start 4 new projects to include construction of residences, commercial real estate and logistic center. The total investment amount of all projects has been declared as approximately US\$ 148 million.

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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