

TABOGLU & DEMIRHAN

Newsletter

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CAPITAL MARKETS UPDATES

- The Capital Markets Board has accepted 1 year extension request of Is Girisim to meet minimum investment requirement in venture capital companies. The Board has also decided to inform the Company of such requirement in the portfolio table which will be prepared as of 31 December 2010.
- As per the weekly bulletin of the Capital Markets Board, the Board has decided to annul the paragraphs 3 and 4 of the Principle Resolution No. 27/751, respectively (i) banning the trade of private sector bonds from being subject to off-exchange transactions, and (ii) banning the private sector bonds from being subject to repo and reverse repo transactions on the exchange, and the Principle Resolution No. 29/819 banning the private sector bonds from being subject to repo and reverse repo transactions off the exchange.
- Koza Holding has doubled its profit, which has reached to TRY 155.7 million with an increase of 103.45%. The shares of the Company started to be traded on the Istanbul Stock Exchange with the code “KOZAL” and base price of TRY 36.75, last week.
- The Savings Deposit Insurance Fund has put on sale 9 million 246 thousand 500 shares of Inter Sigorta which correspond to 9.25% of total share capital of the Company. The sale of shares will be realized on 23 February 2010.
- PTT and Gedik Yatirim have agreed on a co-operation deal for enabling the investors in Anatolia to invest in the capital markets. The co-operation, which aims to increase the number of investors in the capital markets, includes 40 cities and 850 counties where no intermediary institution is located. As a consequence of the project, such investors will be able to invest in capital markets' instruments via PTT branches.

- The Capital Markets Board has announced that the Board has established the Market Supervision and Inspection Unit, which will track trades in the stock exchange and aim to detect the manipulations in the stock exchange, instantaneously.
- The Chairman of the Istanbul Stock Exchange has informed the companies which are planning to undergo public offering about the price appraisalment and has stated that the companies should designate the prices carefully in order to attract the interest of the investors. The Chairman has added that 20 public offerings are expected this year.
- The bookbuilding period of Fortis Bank's new fund, namely “Coffee with Sugar” which will gain or lose value in accordance with the price of agricultural products such as tea, coffee, sugar and soya bean, etc. with a maturity of 1 year, is announced as 26 February 2010.

BANKING SECTOR NEWS

- As per the announcement made by Denizbank to the Public Disclosure Platform, the Bank has sold its non-performing loan portfolio in the amount of TRY 50 million 200 thousand to Standard Varlik Yonetimi for TRY 4 million 900 thousand.
- HSBC Private Banking department has dematerialized its 1.25 million TAV Havalimanlari shares on the Central Registry Agency to be sold in 99 years. Following this action, number of the dematerialized shares of HSBC Private Banking has risen to 2.64 million.

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Highlights

a. Capital Markets Updates

b. Banking Sector News

c. Energy Sector Highlights

d. Other News

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- Isbank has announced its consolidated profit as TRY 2.75 billion by an increase of 51% as compared to the figures of 2008. The consolidated asset value in 2009 has also been declared as TRY 128 billion 916 million with an increase of 16%. The General Manager of the Bank has stated that such profit will not be distributed to shareholders but be kept in the Bank in order to be allocated to the future projects.

ENERGY SECTOR HIGHLIGHTS

- The Energy Market Regulatory Authority has granted 28 licenses, 12 of which are for auto-production, production, industrial zone distribution and whole sale under the Electricity Market License Regulation, whilst the remaining 16 licenses are for lube oil and bunker fuel delivery under the Petroleum Market License Regulation. Furthermore, the Authority has terminated the natural gas sale license of Guneygaz LPG and natural gas storage license of Habas Petrol.
- The privatizations of four state-owned enterprises, distributing electricity in 4 different regions, have been completed with a revenue of US\$ 1 billion 528 million 850 thousand. Accordingly, Aksa has become the winning bidder of Van and Fırat electricity distribution tenders whilst Kolin Insaat has won the tender for Camlibel Elektrik. Moreover, Limak has submitted the highest bid in the amount of US\$ 940 million for the privatization of Uludag Elektrik. Including these four tenders, private sector's share in the electricity distribution reaches to 44% of the total distribution capacity with 51 cities.

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- Gokcedag Wind Farm Project of Rotor Elektrik Uretim, an affiliate of Zorlu Holding, has been awarded as the European Onshore Wind Deal of the year 2009 by Euromoney Project Finance Magazine. The Project has been financed by a loan agreement amounting to Euro 130 million, which has been signed among International Finance Corporation, European Bank for Reconstruction and Development, European Investment Bank, Denizbank and HSBC. The wind farm, which has 135 MW installed capacity with the erection of 54 tribunes, will start to generate electricity in full capacity in the first half of 2010.

OTHER NEWS

- The Draft Communiqué on the Mergers and Acquisitions subject to the Permission of the Competition Board has been announced. Accordingly, in an M&A procedure, relevant entities, total turnover of which exceed TRY 100 million, and separate turnover of at least two exceeds TRY 20 million throughout Turkey, must apply for the permission of the Board. Moreover, as per the Draft Communiqué, two hard copies and one soft copy of the notification and additional documents should be submitted. Submission of a signed agreement between parties regarding the M&A is required, as well. The Draft Communiqué also details the calculation of turnover and includes a new provision regarding trade secrets.

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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