

TABOGLU & DEMIRHAN Newsletter

BANKING SECTOR HIGHLIGHTS

- The Turkish Parliament's Industry and Trade Commission has approved the Draft Law amending the Credit Cards Law on 19 June 2009. According to the Draft Law, the Banking Regulation and Supervision Authority shall be entitled to determine the minimum payment ratio between 20% and 40% of the total debt. Furthermore, the Draft Law provides a new reschedule plan for the non-performing loans due as of 31 May 2009.

ENERGY MARKETS NEWS

- According to the announcement made by Izmir Demir Celik to the Public Disclosure Platform, Izdemir Enerji Elektrik Uretim, an affiliate of Izmir Demir Celik, will invest approximately US\$ 350 million in a power plant with 350 megawatt installed capacity once all necessary approvals are obtained.
- Akenerji, the main shareholders of which are Akkok Group and Czech Cez., plans to reach an installed capacity of 3,000 MW by making a US\$ 3 billion investment in the energy sector within the next 5 years. In addition to the established power of 358 MW, Akenerji aims to increase its capacity to 746 MW by activating 9 hydroelectric power plants and one wind power plant by 2011.

CAPITAL MARKETS UPDATE

- Pursuant to the announcement made by Dogan Holding to the Public Disclosure Platform, the Company, holding currently 20% shares of Ray Sigorta, will sell approximately 10% shares of Ray Sigorta to TBIH Financial Services Group in return for US\$ 19.77 million. The exercise price of the transaction will be calculated through adding 12-month Libor to the initial deal price once the approvals of the relevant authorities are obtained.

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- TAV Havalimanlari Holding has announced that the Company is planning to sell 20% of its shares in TAV Tunisie SA, a wholly-owned subsidiary of TAV. It has been reported that, the negotiations with potential buyers have already been started.
- Akfen Holding negotiates with potential buyers to sell 33% of its shares in TUVTURK, the winning bidder in the tender for the privatization of vehicle inspection services in 2004. It has been stated that although the leading candidate is Bridge Point, a European private equity fund, the other two partners of TUVTURK, Dogus Group and TUV, are also interested in buying the shares.
- As per the announcement made by Arcelik to the Public Disclosure Platform, the Company will participate in the capital increase of its subsidiary Beko LLC, established in Russia, with an amount of approximately US\$ 45 million 450 thousand.

NEWS RE COMPETITION

- As per the Competition Board's decision issued on 16 June 2009, the Board has decided to grant an individual exemption to the Transatlantic JV Agreement executed between among Air France/KLM S.A. and Northwest Airlines Inc. / Delta Airlines Inc. as of 12 June 2007 due to the fulfillment of the relevant terms of the Law No. 4054 on the Protection of Competition.
- The Competition Board has decided not to initiate any investigation on Mey Icki in accordance with the Law No. 4054 and rejected the complaints against the Company alleging that it had abused its dominant position in the market and behaved in a manner that restricted its competitors' market activities.

Highlights

a. Banking Sector Highlights

b. Energy Market News

c. Capital Markets Update

d. News re Competition

e. Other News

OTHER NEWS

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- The application period for the short-time work allowance has been extended for over a period of 6 months. A short-time work allowance is a support of the unemployment fund to workers whose working hours are cut down significantly or suspended. It has been stated that a number of 122,520 employees of 1,418 companies have benefited from the short-time work allowance within the period between October 2008 and May 2009.
- The Justice Commission of the Parliament has approved the draft law amending the Condominium Ownership Law on 16 June 2009. Accordingly, construction servitude right shall be converted into condominium ownership *ex officio* by the relevant authority within 60 days when the building usage permit is granted. The fine to be imposed on the householders who do not convert their construction servitude rights to condominium ownership by November 2009 has been revoked.
- Banvit, a leading white meat producer, has announced that the Company aims to expand its business and increase its market share from 0.08% to 2% in red meat sector within the next 2 years.
- According to the data released by the International Organization of Motor Vehicle Manufacturers, automotive production in Turkey has dropped by 59.4% in the first quarter of 2009 whilst the total global automotive production has declined by 35.9% in the same period.
- The Head of Eczacibasi Health Care Division has stated that the Division has achieved a turnover of US\$ 428 million in 2008, which is equal to 14% of the Holding's income for the same period. He has added that the Health Division aims to make more investment in high technology products. Eczacibasi Monrol, 50% of which is owned by Eczacibasi, plans to open a new manufacturing plant in Dubai this year and two new facilities in Romania and Egypt by 2011, and contemplates to open up further plants in Poland and Bulgaria by 2012.
- The Joint Venture constituted by Nurol Insaat-Ozaltin Insaat - Makyol Insaat - Astaldi Insaat - Yuksel Insaat - Gocay Insaat seems to be the winning bidder in the tender for Izmit Korfez Tunnel and Bursa - Balikesir - Izmir Highway projects. The Joint Venture has offered the shortest construction and operation period for the projects to be constructed on the principle of build-operate-transfer model.
- Turkish Airlines has announced that a new code sharing agreement has been signed on 9 June 2009 with Malaysia Airlines with the effective date of 1 July 2009. The agreement will provide both airlines with an air bridge for the respective markets and destinations.
- As per the dailies, premiums in insurance sector in 2008 have increased from TL 10.9 billion to TL 11.8 billion with a growth rate of 8%. The number of executed agreements and policies have reached to 37.5 billion and 52.4 billion respectively, with an increase of 15% in the year 2008.

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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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