

TABOGLU, ATES & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

- TAV Havalimanlari has started negotiations to establish a partnership with Babcock&Brown European Investments S.a.r.l. for the operation rights of Pilsen Airport in the Czech Republic. The airport is currently operated by PlaneStation Pilsen, which is owned by Babcock&Brown European Investments S.a.r.l.
- The Istanbul Stock Exchange has become the sixth most profitable stock market among 57 stock markets registered in the World Federation of Exchanges for September 2007 with a 7.7% profit margin. The Istanbul Stock Exchange was ranked 12th in profitability for the 12-month period between October 2006 and September 2007 with a 46.4 % profit margin.
- As per the dailies, Ray Sigorta has acquired TRY 189.7 million premiums in the first 9 months of 2007. According to the statement to the Istanbul Stock Exchange, TRY 125.9 million was collected as premium from accident insurance, TRY 25.9 million from fire insurance, TRY 19 million from engineering and TRY 6.4 million from earthquake insurance policies.

NEWS RE BANKING SECTOR

- Is Yatirim has opened a new branch at Akaretler, Besiktas, which is the third branch in Istanbul and fifth branch in Turkey. The reason of opening the new branch has been declared as meeting the needs of expanding consumer portfolio. Moreover, in addition to such 5 branches of Is Yatirim, approximately 880 branches of Is Bankasi are providing services as Is Yatirim's agency.
- As per the dailies, Fortis Bank has started "debt transfer loan" application. The payments of the debt transfer loan will be directly made to credit cards or loan accounts in other banks, which are mentioned in the application forms of the customers.

ENERGY SECTOR NEWS

- As per the dailies, EnerjiSA, a joint venture of Verbund and Sabanci Holding on 50-50% basis, has stated that they are interested in Ankara natural gas distribution tender; however, they have not decided whether or not they shall participate in the tender yet. The CEO of Verbund has stated that EnerjiSA will make an investment of US \$6.5 billion and increase the power capacity of EnerjiSA from 455 MW to 5.000 MW until 2015 and the CEO of Sabanci Holding has stated that their aim is to become the leader in the sector with 10% market share in 2015.
- According to the Council of Ministers Decree published in the Official Gazette on 17 October 2007, a Specialized Energy Industrial Region is to be established in Ceyhan, to market the petroleum of Azerbaijan and Caspian Sea to the world markets. Pursuant to the Decree, the region will cover an area of 13 million 471 thousand square meters. It is expected that the investments relating to petroleum, petroleum chemistry, power station will be deployed in the region, which will be established on the expansion area of Yumurtalik Free Trade Zone.

PRIVATIZATION HIGHLIGHTS

- The Privatization Administration has decided to exclude the winning bid submitted by the TransCentralAsia, the Kazakh Consortium, for Petkim shares and submitted the secondary offer from Socar-Turcas-Injaz Consortium to the Competition Board for approval. The Socar-Turcas-Injaz Consortium had submitted the second best bid with their final offer of US \$2 billion 40 million in the privatization tender for the sale of 51% stake in Petkim.

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Highlights

a. Capital Markets News

b. News re Banking Sector

c. Energy Sector News

d. Privatization Highlights

e. Other News

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- Pursuant to the dailies, the chairman of the Privatization Administration has stated that the tobacco premises of Tekel will be put out to tender before the end of this month. He has also added that the privatization of the sugar factories will be initiated soon and deferred privatization of electricity distribution regions and the privatization of large-scaled ports are also included in the agenda. Furthermore, the privatizations of Samsun, Bandirma and Iskenderun ports are also planned for year 2008.

OTHER NEWS

- Turk Havacilik ve Uzay Sanayii has delivered the first F-16 plane that has been modernized within scope of F-16 modernization programme of Jordan Royal Air Force last week. Due to the agreement signed by TUSAS and RJAF in July 2005, "Falcon-up", "Falcon Star" and "Mid Life Upgrade" modifications of 17 F-16 planes will be made by TUSAS.
- Pursuant to the dailies, the Competition Authority has approved Deutsche Bank AG's purchase of 22% stake in Dogan Gazetecilik, a daily publishing unit of Dogan Media Group.
- As per the dailies, a member of the board of directors of Metro AG has declared that they are planning to improve their business and open two more Media Markt stores in Turkey. Metro AG has initiated its operations 30 years ago and they approximately purchase goods amounting to Euro 500 million from various suppliers in Turkey. Moreover, the number of full time employers in Turkey, which is 4,600 at the moment, is planned to be increased next year as well.

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- As per the dailies, Turgay Ciner, who has recovered Kanal 1 and some other magazines from the Savings Deposit Insurance Fund after the seizure of Sabah and ATV, has incorporated four new companies, namely Ciner Yayin Holding, Ciner Medya Yatirimlari, Ciner Matbaacilik and Ciner Gazete Dergi Basim Yayıncılık, to be active in the media sector.
- The general manager of Turkish Airlines has declared that they will cease the use of printed tickets and shift to electronic tickets by the end of 2007.
- The Savings Deposit Insurance Fund will put two factories, which are owned by Yasemin Mensucat Sanayi ve Ticaret A.S. and Aksoylar Tekstil Sanayi ve Ticaret A.S. on sale. The factories have an estimated total value of TRY 25.4 million.
- According to the dailies, the Italian steel manufacturer, Danieli, has signed an agreement for Euro 375 million for steel plants that will be established by a Russian - Turkish partnership. The partnership of Russian Magnitogorsk and Atakas will establish a factory with an annual capacity of 2.4 million tons of flat steel in Iskenderun and a painting factory in Istanbul.
- According to the World Investment Report 2007 published by the United Nations Conference on Trade and Development, Turkey is listed as 16th country among the countries attracting most international investment inflow with US\$ 20.1 billion and listed as the 5th country among the developing countries.

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.

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