

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

- The Privatization Administration has put out to tender five pieces of real property, belonging to Sumer Holding in Malatya and Konya, through sealed envelope and bargaining methods. As per the announcement of the Administration, the interested bidders will have to submit their offers in compliance with the tender specifications on 30 October 2008. The interested bidders will be able to bid for all properties provided that the offers must be submitted separately for each real property.
- The Privatization Administration has announced that five companies or consortiums submitted bids for the privatization of Meram Elektrik Dagitim, electricity distribution company for Konya region, and another two companies submitted bids for Aras Elektrik Dagitim. Meram Elektrik Dagitim ve Aras Elektrik Dagitim had been put out to tender for the sale of their 100% stake on 30 May 2008. The companies pre-qualified to bid had been announced on 18 July 2008 and the closing date for submitting proposals was announced as 15 September 2008 previously. The bidders for Meram Elektrik Dagitim are Alsim Alarko Sanayi Tesisleri ve Ticaret, Cengiz Insaat, Kiler Alisveris Hizmetleri Gida Sanayi ve Ticaret, a joint venture of Barnek-Anel Elektrik, and Ittifak Holding. The bidders for Aras Elektrik Dagitim are Askale Cimento Sanayi Ticaret and Kiler Alisveris Hizmetleri. It is also stated that no foreign companies have expressed their interest for the tenders.
- Tekel Tutun, Tutun Mamulleri, Tuz ve Alkol İşletmeleri A.Ş. (“TEKEL”) has announced the tender of its miscellaneous assets. According to the statement, the Privatization Administration will put out to tender a number of factories and other related assets owned by TEKEL via sale method. As per the authorization given on 23 July 2008, the tender shall be undertaken in the form of negotiations after receipt of bids in sealed envelopes. The tender specifications and information memorandum prepared can be obtained from TEKEL, by 10 October 2008.

TELECOMMUNICATIONS SECTOR NEWS

- The GSM Association has launched the Green Power for Mobile Program with the goal of assisting the mobile industry to use the renewable energy sources, such as solar, wind, or sustainable biofuels, to generate power to 118,000 new and existing off-grid base stations in developing countries by year 2012. It is stated that up to 50% of new off-grid base stations in the developing countries could be powered through renewable energy by year 2012.
- The regulation regarding IMT-2000/UMTS was published in the Official Gazette on 18 September 2008 and has become effective on the same date. According to the regulation, the operation of 3G, the third generation of mobile phones, will be put out to tender within six months and the Telecommunications Authority will grant an operation license to four operators for a period of 20 years. The tender will be realized via sealed bids. 3G services include services like wide-area wireless voice telephones, video calls, and broadband wireless data, all in a mobile environment.

CAPITAL MARKETS UPDATE

- As per the weekly bulletin of the Capital Markets Board, Dogan Sirketler Grubu Holding and Eczacıbası Yapı Gereçleri Sanayi ve Ticaret have applied to the Capital Markets Board in order to obtain permission to issue capitalization securities, to be covered from the Company’s internal sources, amounting to TRY 950,000,000 and TRY 43,750,000, respectively. In addition, Mensa Mensucat Sanayi Ticaret has applied to the Board to obtain a permission to increase its registered capital ceiling from TRY 100 million to TRY 250 million.
- As per the statement of Ak Enerji made to the Istanbul Stock Exchange, the Company has purchased the bid specifications for the tender of first nuclear plant of Turkey which will be held on 24 September 2008.

Highlights

a. Energy Market Updates

b. Capital Markets News

c. Banking Sector Highlights

d. Other News

OTHER NEWS

- The Competition Board has decided not to grant negative clearance to the catering agreement executed among Turk Hava Yollari, Do&Co Ikram Hizmetler and Do& Co Restaurant & Catering Aktiengesellschaft. The Board also has not granted any exemption to the parties. The Competition Board has further decided to launch an inquiry if the parties fail to fulfill the necessary requirements and to submit the documents, relating to the catering agreement, to the Competition Board within 30 days.
- As per the statement made by TAV Havalimanlari Holding to the Istanbul Stock Exchange, the Company has submitted a non-binding offer, in a 50-50 joint venture with Goldman Sachs International, to the tender for the sale of JSC Almati International Airport.
- Akenerji Ayyildiz, a group company of Akkok Group, has entered into agreement with Vestas, a Danish company in order to obtain supply and maintenance services for Ayyildiz wind plant to be built in Bandirma by Akenerji. It is further stated that 5 V90/3 MW wind tribunes will be supplied and maintained by Vestas according to the agreement.
- The Russian Federal Customs Service has announced that the Republic of Turkey and Russia have executed an agreement to simplify customs procedures for Turkish goods and to ease trade problems that may be encountered at cross-borders. Pursuant to the agreement, Turkish companies, exporting goods to Russia, shall be granted certain advantages when passing through customs, provided that they submit accurate information about goods in advance.
- According to the dailies, Celebi Hava Servisi will submit an offer in the licensing tender for ground services at India's Mukim Cochin Airport together with. As per the statement, in case the joint venture becomes the of winning bidder in the tender, it will hold 74% stake and AWPL will hold 26% stake of the share capital of the company to be established. It is also stressed that the license for the ground services of Mukim Cochin airport will be valid for a period of seven years.
- As per the dailies, the Savings Deposit Insurance Fund has confiscated 36 companies of Erol Aksoy, the owner of Iktisatbank, on 20 September 2008 on the grounds that installments of Aksoy's debts amounting to US\$ 945.1 million were not paid and that he did not comply with the provisions of the protocol dated 9 May 2008 executed by and between the Savings Deposit Insurance Fund and Erol Aksoy regarding the installment plan.
- The Chairman of the Turkish Advertising Agencies Association has stated that the advertising industry will continue growing despite the current global economic crisis and that industry volume is expected to reach TRY 4.7 billion by the end of the year. He further stated that total advertising volume has increased to TRY 1.7 billion with a ratio of 15% in the first half of 2008 when compared to the same period last year.
- As per the statement made by Anel Telekom to the Istanbul Stock Exchange, the Company has decided to submit an offer to Turk Telekom's tender regarding the sale of 50,000 units of video-phone.

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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