

TABOGLU, ATES & DEMIRHAN

Newsletter

PRIVATIZATION HEADLINES

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- As per the dailies, the Savings Deposit Insurance Fund has initiated a tender for the sale of Sagra. According to the announcement published in the Official Gazette dated 16 July 2007, the sale consists of immovable assets, equipments, fix assets and the trademark agreements. The tender will be realized on 25 September 2007. The offers are required to be submitted on 21 September 2007, at the latest. The estimated price has been determined as US\$ 39 million.
- The shares of Dogusan, which are owned by Iller Bankasi, have been taken within the scope of privatization. The relevant resolution of the Privatization High Council has been published in the Official Gazette on 14 July 2007. In accordance with the resolution, the shares of Dogusan will be privatized through sale method and the sale process is planned to be completed within a year.

BANKING SECTOR NEWS

- The closing date of the agreement regarding the sale of Alternatifbank and its subsidiaries' shares to Alpha Bank has been extended until 30 September 2007 and the purchase price determined previously will be revised. Alternatifbank has stated that the decision on extension has been taken since the legal approval process has not been completed. The revised price will be determined through adding the net profits of the related companies gained during the period from 1 July 2007 until the share transfer date, to the previous price by using the equity multiplier prescribed in the agreement dated 23 November 2006.
- As per the dailies, Turk Ekonomi Bankasi will increase its registered capital ceiling to TRY 900 million. Following the provision of the permissions from the Capital Markets Board, the Banking Regulation and Supervision Agency and the Ministry of Trade and Industry, the Bank will commence the process.

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- According to the dailies, Saudi National Commercial Bank has agreed to pay US \$1.08 billion for 60% stake in Turkiye Finans, a participation bank owned by Ulker and Boydak Group. Ulker and Boydak Group will retain 20% each in Turkiye Finans. The Chairman of Turkiye Finans has stated that the deal, subject to the approval of the Banking Regulation and Supervision Agency, will be closed by the end of 2007 and the management and tradename of the Bank will not be changed after the closing. Besides, it is also stated that the price will be revised together with the 2007 profits and may be increased by US\$ 120-130 million.

CAPITAL MARKETS HIGHLIGHTS

- As per the statement made by Cukurova Holding to the Istanbul Stock Exchange, 3.4% of Turkcell held by Cukurova Investments have been transferred to JP Morgan in consideration of TRY 8.60 per share, to be sold to the investors abroad.
- According to the statement sent by TAV to the Istanbul Stock Exchange, TAV, the owner of the 60% shares of Havas, has initiated negotiations with Park Enerji to acquire 18 million shares representing 40% of Havas from Park Enerji.

TELECOMMUNICATIONS HIGHLIGHTS

- As per the dailies, Nordic telecom operator TeliaSonera has purchased the shares of MCT, a US based telecommunications company and the provider of mobile telecommunications services in Central Asia, in consideration of US\$ 300 million. TeliaSonera has acquired 100% of MCT shares and thus gained the shareholding in the leading GSM operators in Uzbekistan, Tajikistan and Afghanistan.

Highlights

- a. Privatization Headlines
- b. Banking Sector News
- c. Capital Markets Highlights
- d. Telecommunications Highlights
- e. Energy Sector Updates
- f. Other News

ENERGY SECTOR UPDATES

- Turkey will sign an electricity agreement with Greek Government. According to the agreement, Turkey will export electricity to Greece for a period of two months and will exchange electricity in return. Turkey will get electricity in January and February 2008, in return for the electricity supplied to Greece. It is the first time that Turkey trades energy with a EU member state.
- As per the dailies, Koc Holding has decided to merge all its affiliates, which operate in energy sector, under Aygaz. The purpose of the decision is indicated as using the resources efficiently and becoming a more integrated energy company. After completion of the process, Aygaz will own 23.73% in Entek Elektrik Uretim, 88.97% in Mogaz Petrol Gazlari and 98.99% in Akaryakit Urunleri Pazarlama.
- As per the dailies, a German energy company, RWE, is negotiating in order to join the consortium for Nabucco pipeline that will be constructed between Turkey and Europe. Due to the information provided by Bulgargaz, one of the consortium members, RWE will be joining the consortium consisting of Bulgargaz from Bulgaria, BOTAS from Turkey, Transgaz from Romania, MOL from Hungary and OMV from Austria.
- Aksa Dogal Gaz Dagitim won the tender for the Cukurova natural gas distribution license. Cukurova is the largest gas distribution region in terms of volume and area and it includes cities as Mersin, Adana, Osmaniye, Hatay and 14 other provinces in the south of Turkey. The tender was launched by the Energy Market Regulatory Authority and Aksa won with a bid of zero service and amortization costs and a subscriber cost of US\$ 167.

OTHER NEWS

- With respect to the tender which was realized by the Housing Development Administration for the new stadium to be constructed in Seyrantepe, among 28 interested bidders only 5 of them have submitted offers. The bidders succeeding the technical evaluation will be invited to submit their second offers. The winning bidder will build a new stadium with a capacity of 52 thousand people and will be able to use Ali Sami Yen, the current stadium of Galatasaray, for any project.
- As per the dailies, the report of "500 Largest Industrial Companies of Turkey, 2006", issued by the Istanbul Chamber of Industry, demonstrates that TUPRAS is the largest industrial company in Turkey. The ICI survey listing the top 500 industrial companies in Turkey has ranked TUPRAS in 1st place, Ford Automotive in the 2nd place and EUAS, the electricity production company, in the 3rd place. It is stated that the production-sales figures of TUPRAS in 2006 was TRY 18.67 billion, more than three times of the figures of Ford Automotive, which was TRY 5.6 billion. The production-sales figures of EUAS in 2006 were TRY 3.9 billion.
- As per the dailies, Teknoloji Holding has sold Planet, one of its group companies active in POS and payment systems, to Ingenico. It has been stated that the purchase price was over US\$ 40 million. The Chairman of Teknoloji Holding has stated that the most significant distinctive feature of Planet is its success on research and development in banking sector. Besides, the CEO of Ingenico has stated that Turkey will be a center for operations of Ingenico following the contribution of Planet.

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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