

TABOGLU & DEMIRHAN Newsletter

CAPITAL MARKETS NEWS

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- ING Group, an international financial servicing company, which has purchased Oyakbank in return for US\$ 2 billion 673 million last year, has reached an agreement with Oyak Group to purchase all shares of the private pension company, Oyak Emeklilik, in return for Euro 110 million. The deal is expected to be closed until the end of 2008.
- Cementirie Aldo Barbetti, an Italian cement company, has purchased 30% of Cimko Cimento ve Beton Sanayi, a group company of Sanko Holding, in return for US\$ 400 million. As to the Share Purchase and Shareholders Agreement between the parties, 40% of Cimko Cimento will be offered to public within 4 years and Sanko Holding and the new buyer will have equal rights in management of the Company. As per the statement made by Sanko Holding, they have three other international partners, namely Ytong, Nestle and Martelli, and they are planning to constitute new partnerships with other international investors such as Riello and wish to penetrate international market under "Sanko-Riello" brand name.
- It is announced that Garanti Yatirim has purchased 57,996,387 shares of Turk Telekom, which has offered 15% shares to public last month, in return for TRY 263.9 million in order to maintain price stability. These shares are corresponding to 11% of the shares offered to public. The free float rate of Turk Telekom decreased to 13.3% due to above-mentioned purchase of Garanti Yatirim.
- The Turkish Agriculture Credit Cooperation Central Association has concluded the tender regarding the sale of Guven Sigorta. Groupama International of France has submitted the bid of TRY 350 million in the tender and was entitled to sign the share purchase agreement. The transaction shall be subject to the approvals of the Competition Board and the Undersecretariat of Treasury.
- Koc Group has purchased Kaletron which is active in simulation technologies as of 2 June 2008. The General Manager of Koc Information Group has declared that the purpose of the transaction is to expand their service area in defense industry. Accordingly, Koc Group expects significant growth in the market, which is currently amounting to US\$ 2 billion.
- It is announced that Arcelor-Mittal has increased its shareholding from 13.68% to 24.98% in Eregli Demir Celik (Erdemir), shares of which have been acquired by Oyak Group three years ago in the privatization process, through acquisitions in the Istanbul Stock Exchange.

NEWS RE BANKING SECTOR

- Scotiabank, the banking giant of Canada, has established a representative office in Istanbul pursuant to their plan of expanding trade financing and correspondent banking services. According to the statement made by the Bank, the representative office will also facilitate the penetration of other Scotiabank business lines, such as ScotiaMocatta and Scotia Waterous in the region. ScotiaMocatta has operations in financing and trade of precious metals and ScotiaWaterous has operations in mergers and acquisitions in the sector of global petroleum and gas.

NEWS RE COMPETITION

- The Competition Board has approved the transfer of the shares of Afyon Cimento, Set Group Holding and Set Beton, which are held by Ciments Francais, to OJSC Holding Company Sibirskiy Cement. Furthermore, the transfer of 33.34% shares of TAV Tepe Akfen Yatirim to Goldman Sachs International Bank has also been approved by the Board.

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Highlights

- a. Capital Markets News
- b. News Re Banking Sector
- c. News re Competition
- d. Privatization Highlights
- e. Energy Sector News
- f. Other News

PRIVATIZATION HIGHLIGHTS

- As per the dailies, the Turkish Privatization Administration has resolved to realize the privatization of the factories of Turkiye Seker Fabrikalari in three packages through asset sale method. Kars, Ercis, Agri, Mus and Erzurum will be put out to tender as portfolio A; Elazig, Malatya, Erzincan and Elbistan as portfolio B; and Kastamonu, Corum, Carsamba, Kirsehir, Turhal and Yozgat as portfolio C. Additionally, the Competition Board has also decided that no pre-conditions or limitations shall be required for the tender.
- According to the figures given by the Treasury for the privatization, US\$ 28 billion 435 million of privatization proceeds has been realized in 2006 and 2007. The total amount of the acquisitions made by the foreign companies is US\$ 6 billion 271 million. The total amount of the direct foreign investment is over US\$ 55 billion in the same period.

ENERGY SECTOR NEWS

- As per the dailies, Enerjisa Enerji Uretim A.S., which is the consortium of Sabanci Holding and Verbund, has signed a loan agreement amounting to Euro 865 million for 10 hydro-electric power plants and a natural gas power plant, which are the first phase investment of Enerjisa. The financing package, which is arranged for Enerjisa, has been granted by a co-ordination of international financing institutions including IFC, Akbank and WestLB AG. It is planed to generate 12,000 GWh of electricity and provide electricity to 3.6 million customers with the power plants which will be built within the context of the financing package.

OTHER NEWS

- As per the dailies, Dedeman Turizm Yatirimlari, the hotel investment and management company of Dedeman Group, aims to increase the number of its hotels from 20 to 28. Accordingly, 6 of these new hotels will be built in different cities of Turkey such as Istanbul, Gebze, Yozgat, Izmir and Zonguldak and one in Baku, Azerbaijan and the other one in Iran. Moreover the Company is planning to invest TRY 57 million for renovation of the existing hotels. The General Manager of the Company has stated that the turnover of the Company will be increased from TRY 93 million to TRY 128 million by the end of year 2008.
- As per the dailies, A Yapim Radyo ve Televizyon Yayinciligi A.S., which is owned by Dogus Broadcast Group, has submitted a bid amounting to US\$ 95 million for Kral TV and Kral FM which have been put out to tender by the Savings Deposit Insurance Fund. A Yapim has been the sole bidder and the sale will be finalized upon approval of the Fund. If the Fund does not approve the offer, a new tender will be realized through negotiation method.
- Logiturc, 90% shares of which is held by JER Partners, an American private investment fund, has commenced a logistics park construction in Tuzla to be realized through a US\$ 90 million investment.
- The new draft law, which will amend the Land Registry Law, will be on the agenda of the General Assembly of the Parliament. Accordingly, the articles of the draft law that are restricting the foreigners to purchase land in Turkey will be discussed at the General Assembly.

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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