

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

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- According to the statement made by the Privatization High Council, an agreement regarding the transfer of operating rights has been executed with Elektrik Uretim regarding its hydroelectric power plants in Bunyan, Camardi, Pinarbasi and Sizir.
- Pursuant to the dailies, the companies within the privatization portfolio will invest TL 346.2 million in their investments. According to the investment program for 2011, TEDAS will make the highest investment amounting to TL 300 million. Turkey's total privatization income has reached to US\$ 41.8 billion by the end of 2010.
- Pursuant to the dailies, Turkish retail store, Kiler Alisveris, has applied to the Istanbul Stock Exchange to offer 15% of the shares of the Company to public. According to the announcement made by Kiler Alisveris, the shares are expected to be traded at a launch price between TL 5.30 and TL 6.10. The paid-in capital of TL 121.1 million is expected to reach TL 134.6 billion.
- As per the Weekly Bulletin of the Capital Markets Board, Halk Gayrimenkul Yatirim Ortakligi has applied to the Board regarding the capital increase and the public offering of the increased shares. In addition Mepet Metro Petrol has applied to the Board regarding the capital increase and the public offering of the increased shares by restricting the preemption rights.

BANKING SECTOR NEWS

- Pursuant to the dailies, the amount of long term loan obtained from abroad by the private sector in November 2010 has decreased to 1.6 % compared to the previous month and fell to US\$ 118.6 billion. By the end of October 2010, the level of the long term loan debt of private sector obtained from abroad was around US\$ 120.5 billion. According to the statement made by the Turkish Central Bank, short-term credit obligations of the private sector, excluding banks from abroad is determined as US\$ 1 billion 878 million at the end of November 2010. This amount consists of the debt of non-banking financial institutions in the amount of US\$ 650 million and the debt of non-financial institutions amounting to US\$ 1 billion 228 million.
- As per the dailies, Citigroup, one of the biggest banks of the United States, announced that its profit for the fourth quarter of 2010 has been US\$ 1.3 billion and US\$ 0.04 per share. The Bank's total profit for the year 2010 is US\$ 10.6 billion and US\$ 0.35 per share.
- As per the dailies, with the new Turkish Commercial Code which will come into effect in July 2012, approximately 1.5 million establishments shall be obliged to register trademarks with the Turkish Patent Agency because of the obligation for each equity company to have a website. It has been further stated that, with the new regulations, the trademark and patent industry will approximately grow by TL 300 million.
- As per the statement made by the Chairman of Agaoglu Group, the Group may realize an initial public offering in 2011.
- As per the dailies, the Capital Markets Board will initiate legal procedure against Trabzonspor to determine whether the general assembly for the year 2009 has been convened lawfully.

CAPITAL MARKETS UPDATES

- As per the statement of Gersan Elektrik to the Public Disclosure Platform, Gersan Elektrik will incorporate a company with a share capital of US\$ 1 million in Qatar.

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Highlights

a. Privatization Highlights

b. Banking Sector News

c. Capital Markets Updates

d. Energy Markets News

e. Competition News

f. Other News

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- As per the announcement made by Borusan Mannesmann to the Public Disclosure Platform, Borusan Mannesmann will export a total of 6 thousand 300 pieces of large diameter pipeline to Denmark in return for Euro 20.7 million. The total length of the pipeline will be 94 kilometers.

COMPETITION NEWS

- The Competition Board has indicated that there is no obligation to apply to the Board for the acquisitions of the shares of JAC Holding Corp, JAC Products Inc and its subsidiary Wynnchurch Capital Ltd. It has been decided that there are no affected markets as per the Communiqué concerning the Mergers and Acquisitions Calling for the Authorizations of the Competition Board.
- The Competition Board has indicated that there is no obligation to apply to the Board for the acquisitions of 99.992% shares of SEN EC Kurumsal Hizmetler by Elkotek Muhendislik Danismanlik Hizmetleri on the grounds that the thresholds have not been exceeded as per the Communiqué concerning the Mergers and Acquisitions Calling for the Authorizations of the Competition Board.

OTHER NEWS

- As per the dailies, Amendments on the Notification Law and Several Laws has been published in the Official Gazette on 18 January 2011. The article imposing the obligation to make the notifications to the joint stock companies, limited liability companies and limited partnerships divided into shares electronically shall be deemed as a major amendment in the Notification Law and such article will come into force on 19 January 2013.
- As per the dailies THY Teknik and Pegasus Airlines have executed a 10-year component support agreement which covers all Boeing 737NG planes.

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- As per the announcement made by the Savings Deposit Insurance Fund, the Fund plans to sell off Cine 5 TV, Viva TV/Radyo Viva and Show Radyo, which have an estimated total value of US\$ 57 million. The Fund, which requires US\$ 4 million as a tender guarantee from bidders, will start collecting bids on 28 January 2011. Accordingly, Cine 5 TV will be put on sale on 31 January 2011. The Fund will put Viva TV/Radyo Viva on sale on 8 February 2011 and will require a US\$ 600,000 tender guarantee from bidders and Show Radyo will be put on sale on 15 February 2011 and bidders are required to pay US\$ 1.1 million as a tender guarantee.
- As per the statement of BIM to the Public Disclosure Platform, BIM and Saudi Arabia Savola Group Company will operate in the retail sector for the incorporation of a joint venture company and executed a preliminary memorandum of understanding.
- As per the dailies, Ronisans Insaat has signed a construction agreement in Syria in the amount of US\$ 180 million. Ronisans Insaat will construct a complex named "Taj Halab" including a shopping mall, movie theaters, hotels and a convention center on a 150,000 square-meter area. The project is planned to be completed by January 2013.
- Pursuant to the dailies, the "Turkish-Argentina Trade and Investment Delegation", comprised of 35 companies from Argentina and 140 companies from Turkey convened in Istanbul to discuss opportunities for partnerships, sales, and assigning representations in respective countries.
- Pursuant to the dailies, Sabanci Holding's subsidiary, Tamsa Global, will produce HD-C12 model buses in Egypt and will offer the buses to Middle East and Africa.

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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