

TABOGLU, ATES & DEMIRHAN

Newsletter

CAPITAL MARKETS NEWS

- According to the dailies, Fideltus Capital Yatirim, an independent corporate finance advisory company, and IEG Investment Banking, a Germany based investment banking company, have executed an alliance agreement to provide consultancy services on mergers and acquisitions and any types of restructurings. The managing director of IEG Investment Banking has stated that they will target the investment opportunities in Turkey and Middle East and try to increase its market share in advisory services sector.
- According to the data of the Capital Markets Board, Garanti Portfoy, achieved the best performance in the sector in 2007, has developed its portfolio by 123% and reached to the portfolio amount of TRY 524 million. According to the records published by the Capital Markets Board, growth rate of individual portfolio management market has increased by 14.2 %, as compared to 2006 and reached to TRY 731.30 million. Meanwhile, the market for institutional portfolio management has developed by 14.5% and reached to TRY 1.09 billion.
- According to the statement made by EastPharma S.A.R.L., holding 82.24% stakes of Deva Holding, to the Istanbul Stock Exchange, the Company has recently executed an in-licensing and supply agreement with F.Hoffman-La Roche. The agreement enables EastPharma S.A.R.L to purchase marketing, selling, exporting and licensing rights of eight products registered in Turkey. Moreover, successful completion of this transaction will enable Eastpharma S.A.R.L to have exporting rights in terms of one product to Russia and the Commonwealth of Independent States. In the statement, it has also been stressed that negotiations regarding purchase of eight more products of Roche on an exclusive basis for Turkey are expected to be realized as of 21 March 2008. The agreements are subject to the Competition Board's approval.

PRIVATIZATION HIGHLIGHTS

- The Council of State has rejected unanimously the lawsuit filed by the Union of Petroleum, Chemicals and Rubber Workers (Petrol-Is) with the claim that the privatization of 51% of Petkim via block sale and tender specifications does not comply with the Privatization Law relying on the facts that determination of the Privatization Administration on the process of privatization is lawful and the assertions denying the post-privatization measures on competition are not realistic.
- As per the dailies, an agreement is executed by and between the Ministry of Defense and Sabiha Gokcen A.S. incorporated by GMR Infrastructure, Limak Holding and Malaysia Airport Holding Berhad for operating the existing terminals of Sabiha Gokcen International Airport and construction of a new international terminal. Malaysia Airport Holding Berhad holds 20% stake in Sabiha Gokcen A.S. whereas the remaining stake shall be equally held by GMR Infrastructure and Limak.
- The Revenue Board of Antalya has announced that 11 pieces of immovable property owned by the Treasury in Antalya Manavgat District will be put on sale on 27 March 2008. The total survey area of the properties is equal to 5,657 m² and the estimated sale price is TRY 1.64 million. Among the properties on sale, the one in Selimiye District holds the building permit for hotel or holiday resort construction. It has been announced that 25% advance payment is required whereas the remaining amount can be paid within 24 months in installments with an interest rate of 0.75%. Moreover, the properties on sale will be exempted from property tax for 5 years starting from the date of tender.

Highlights

a. Capital Markets News

b. Privatization Highlights

c. Banking Sector News

d. Energy Sector Updates

e. Other News

BANKING SECTOR NEWS

- According to the dailies, Aksigorta has announced that the Company's net profit has increased by 54% and reached to TRY 114 million. Meanwhile, premium production of Aksigorta has also increased by 19%, which is above the average growth in the sector, and reached to TRY 794 million.
- As reported in the Middle East Business Intelligence Magazine, Katar Islamic Bank has displayed its interest in Turkish banking sector through its plans on applying for a banking license.
- According to the report of the Turkish Banking Association, the equity capital of publicly held Turkish banks has increased by 31% and reached to TRY 50.7 billion as of the end of 2007.

ENERGY SECTOR UPDATES

- The Regulation regarding the Contest on the Establishment and Management of Nuclear Power Plants and the Sale of Electricity has been published in the Official Gazette on 19 March 2008. The Regulation stipulates the principles and rules with respect to the contest, the criteria required for prospective power plant operators, their production capacity, license fees and incentives for infrastructural developments.
- According to the financial statements of Petrol Ofisi, the largest petroleum distribution company of Turkey, the Company has improved its operational performance in 2007 and accordingly, its net sales reached to TRY 13.4 billion. The Chief Executive Officer of Petrol Ofisi has declared that, the Company is planning to invest US\$ 200 million for its domestic distribution network this year and achieve US\$ 12 billion of sales by 2009.

OTHER NEWS

- Pursuant to the dailies, Otokar has executed an agreement amounting to US\$ 9 million for production of Cobra, an armored vehicle, developed by the Scientific and Technological Research Council of Turkey and Otokar. In line with the agreement, Otokar will produce and deliver new style of Cobra 20 mm automatic emplacement vehicles in year 2009.
- According to the annual data declared by the World Intellectual Property Organization, the number of patent applications from Turkey has increased by 10% in 2007 as compared with the previous year. Accordingly, Turkey has been ranked as the 30th country throughout the world with 296 applications.
- Aselsan has executed an agreement to purchase 16 vessels and related equipments amounting to Euro 50.9 million. In accordance with the agreement, delivery of the vessels will be consummated in 2009.
- Usas Ucak Servis has started to negotiate with the companies Dester B.V.B.A, active in Belgium and Dester Co. Ltd., active in Thailand, to purchase Dester's manufacturing departments. It has been stated that Dester B.V.B.A. and Dester Co. Ltd produce plastic services, equipments and materials for the companies that have operations in airline catering sector.

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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