

# TABOGLU & DEMIRHAN

## Newsletter

### **BANKING SECTOR NEWS**

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- Albaraka Turk, the first participation bank of Turkey, realized a net profit of TRY 90 million 687 thousand in the first 9 months of 2008 with an increase of 58% in comparison to the same period of last year. Total loan portfolio of Albaraka Turk including net income from financial leasing transactions has reached to TRY 3 billion 565 million with a 25% increase and total amount of funds has reached TRY 3 billion 730 million. Number of branches of Albaraka Turk, which were 70 in 2007, has increased to 94 and number of employees has increased from 1482 to 1744 in 2008. Accordingly, the General Manager of Albaraka Turk has declared that such results for the first 9 months of 2008 have confirmed that their performance complies with the budget targets.
- As per the statement of the General Manager of Eximbank, Turk Eximbank has granted a financial support amounting to US\$ 107 billion 398 million for export transactions since 1989. The financial support, which has been granted in the first 10 months of 2008, has been realized as US\$ 7 billion 933 million and it is expected that the total support will exceed US\$ 10 billion by the end of this year.
- As per the dailies, Turk Ekonomi Bankasi has started to provide free consultancy services for small and medium size enterprises. The Vice General Manager of the Bank has stressed that the Bank's certified consultants, who have been educated in co-operation with the Turkish Union of Chambers and Commodity Exchanges, are going to provide consultancy services regarding foreign trade, marketing, production and finance.

- The Chairman of the Capital Markets Board has stated that, among 319 publicly-traded companies, market values of 150 are under TRY 1 per share. He has further stated that they are working on a new opportunity for companies whose value per share is below TRY 1 to increase capital in cash.
- Anadolu Sigorta made a net profit of TRY 96.3 million in the first 9 months of 2008 with an increase of 144% compared to the same period of previous year.

### **ENERGY SECTOR NEWS**

- Turkiye Petrolleri, Turkey's sole national oil company, and ExxonMobil have signed a cooperation agreement to explore petroleum and natural gas in the Black Sea. The parties are going to invest US\$ 400-450 million for the exploration studies and the production investment is estimated as US\$ 20 to 40 billion. As per the agreement, Turkiye Petrolleri will transfer 50% of its petroleum rights arising from its sea expropriation licenses regarding north areas of Kastamonu, Bartin and Samsun provinces to ExxonMobil and ExxonMobil shall bear the exploration risk. Turkiye Petrolleri and BOTAS have also signed a cooperation agreement with Shell regarding exploration, operation, transportation and marketing studies of natural gas in Iraq. As per the agreement, natural gas will be exported to Turkey and Europe once Iraq's domestic demand is met.
- Ak Enerji, an Akkok Group company 37.3% shares of which have been transferred to CEZ in return for US\$ 302.6 million in November 2008, made a net profit of TRY 67.8 million in the first 9 months of 2008.

### **CAPITAL MARKETS UPDATES**

- The premium production volume of Aksigorta has reached TRY 654 million with 10% increase, as compared to last year, and Aksigorta has realized a net profit of TRY 11.5 million in the 3<sup>rd</sup> quarter of 2008.

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- The Vice Chairman of General Electric has declared that they would still be interested in investing in nuclear energy sector in Turkey and may consider further opportunities in that respect.

#### *Highlights*

*a. Banking Sector News*

*b. Capital Markets Updates*

*c. Energy Sector News*

*d. Telecommunication Sector News*

*e. Other News*

**TELECOMMUNICATIONS SECTOR NEWS** *cont'd.*

- The Minister of Transportation has declared that 145 thousand applications have been made by the GSM subscribers in order to switch their operators so far. However, 18 thousand of the applications, which have not fulfilled the necessary application conditions, have been denied.
- 51% of stores in Atrium, one of the leading shopping centers of Turkey, will be put on sale through public auction method. The Chairman of the Board of Directors of Botim, the owner of 51% of stores in Atrium, has reached an agreement with Eskidji for such sale. As per the statement made by Eskidji, 33 stores will be sold separately, and they may be sold as a package to one buyer upon request.

**OTHER NEWS**

- Ford has decided to sell 2/3 of its shares in Mazda, the Japanese automotive company, in return for US\$ 540 million. After the sale, Ford's shares in Mazda will decrease from 33.4% to 13%.
- As per the dailies, a framework agreement has been executed among Alarko Holding, Dogus Holding and Fiba Holding to constitute a consortium regarding the privatization tender of the National Lottery.
- Groupama has completed the process regarding the purchase of 99% shares of Guven Sigorta and Guven Hayat, which were owned by the Central Union of Agricultural Credit Cooperatives of Turkey, in return for Euro 180 million. As per the statement made by Groupama, the total revenue of both companies has been realized as TRY 246 million in 2007.
- The share transfer process between Avrupa Holding and ERGO International AG has been completed upon the Treasury's approval. Accordingly, ERGO has become the sole owner of ErgoIsvicre upon acquisition of 25% of the Company. Previously, Avrupa Holding had sold 75% of ErgoIsvicre to ERGO in 2006 and the transfer process for the remaining shares has been initiated in September 2008.
- General Motors, one of the largest automotive companies in the United States of America, has decided to sell its shares in Suzuki, the Japanese automotive company, in return for US\$ 230 million. Suzuki has declared that they decided to purchase their own shares from General Motors. The partnership between the companies had been constituted in 1981; however, General Motors has sold back 17% of the shares to Suzuki in 2006 and now the remaining 3.02% of Suzuki shares are going to be sold back to Suzuki.
- Pakmaya, the producer of baker's yeast, has established an evaporator treatment facility through an investment amounting to US\$ 17.5 million in addition to its biological treatment system in Duzce, Cumayeri.
- Mitsubishi Group, the largest group of companies of Japan, has participated in Intercity, the leading rent-a-car company of Turkey, through purchase of 45% stake in Intercity. 25% stake is purchased by Mitsubishi Corporation and 20% stake is purchased by Mitsubishi UFJ Lease & Finance. It is planned to increase the size of the vehicle fleet of Intercity to 75,000 vehicles through a new investment of approximately US\$ 3 billion, which is planned to be realized in the next 4 years.

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*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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