

# TABOGLU & DEMIRHAN

## Newsletter

### **PRIVATIZATION HIGHLIGHTS**

- The General Directorate of State Airports Authority will collect offers for the Zafer (Kutahya–Afyonkarahisar–Usak) Regional Airport tender on 28 June 2010. Previously, the tender, which was held on 1 April 2010, had been cancelled, as there were no bidders submitting any offers.
- The Housing Development Administration has put out a tender for the construction of 300 residences, a clinic, a trade center and an elementary school in Ayazma, Istanbul. The tender will be held on 8 June 2010 at 14.00 through open bidding method.
- The privatization process for the 52 hydroelectric power plants belonging to Elektrik Uretim, which was divided into 19 groups, will be completed on 24 May 2010. The overall revenue achieved so far from the completed tenders has reached to US\$ 427.2 million. The investors mainly focused on Kayakoy hydroelectric power plant in Kutahya with 88 offers, and Nema Kimya-Espe joint venture became the highest bidder with US\$ 17.4 million. The largest revenue was gained from Bozkir, Ermenek and Goksu power plants, and Firat Enerji became the highest bidder with US\$ 86.4 million.

### **TELECOMMUNICATIONS SECTOR NEWS**

- Turk Telekom has signed a share purchase agreement with Invitel Holdings for the purchase of 100% shares in Invitel International in return for Euro 221 million. The completion of the transaction is subject to certain conditions precedent and approval of the regulatory authorities. Due to the debts of Invitel, Turk Telekom will pay approximately Euro 197 million at closing. Invitel International provides services in 16 countries in Middle and Southeast Europe and had a turnover in the amount of Euro 121.1 million for the year 2009.

### **ENERGY MARKET NEWS**

- Dapras, a group company of Calik Holding, has obtained an investment incentive certificate in the amount of TRY 14.8 billion for a refinery project in Ceyhan, which will produce jet fuel, paraffin, kerosene, other petroleum and hydrocarbon gases and fuel oil.

### **CAPITAL MARKETS UPDATES**

- Marti Otel Isletmeleri has announced that it has applied to the Capital Markets Board on 18 May 2010 for the public offering of its shares in Marti Real Estate Investment Trust, which corresponds to 94% of the share capital of the Company.
- As per the announcement of CarrefourSA, the Company has signed a share purchase agreement with Ipek Giyim Magazalari in order to purchase all of its 4 million shares with a nominal value of TRY 4 million in return for TRY 45 million. Ipek Giyim Magazalari is doing business under the trade name “Alpark” with 27 retail stores in Istanbul and has achieved TRY 78 million 884 thousand 171.92 net sales in the year 2009.
- Anel Telekomunikasyon has announced that the Company is planning to realize the public offering of Anel Elektrik within the first week of June. The share capital of Anel Elektrik, which has been TRY 30 million 600 thousand before the public offering, will reach to TRY 46 million 600 thousand upon the capital increase and 2 million 400 thousand shares with green-shoe option is planned to be offered to public. The Company set a price range of between TRY 5 – 6 to sell 34% stake which will be 39% including the green-shoe option.

#### *Highlights*

*a. Privatization Highlights*

*b. Telecommunications Sector News*

*c. Energy Market News*

*d. Capital Markets Updates*

*e. News on Banking Sector*

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- According to the statement of Reysas Real Estate Investment Trust, the Company has submitted its application in order to be traded on the Istanbul Stock Exchange. Accordingly, the share capital of the Company will be TRY 170 million upon the public offering and the amount to be offered to public will be TRY 65 million 500 thousand.
- The shares of Aksa Enerji Uretim with a nominal value of TRY 31 million 600 thousand which were offered to public on 13-14 May 2010 have started to be traded on the Istanbul Stock Exchange as of 21 May 2010. On the other hand, the Istanbul Stock Exchange has announced that the shares of Mango Gida with a nominal value of TRY 3 million 400, which were offered to public on 13-14 May 2010, would start to be traded on the stock exchange as of 24 May 2010.
- Arena Bilgisayar has signed a confidentiality and exclusivity agreement in relation to sale of all or part of its shares to a strategic investor for a term of 3 months. Pragma Finansal Danismanlik has been authorized to provide the necessary consultancy services during the sale process. 44% shares of Arena Bilgisayar are traded on the Istanbul Stock Exchange, 12.88% shares are held by Izi Kohen whereas 11.24% shares are held by Mehmet Betil. The Company with paid-in capital amount of TRY 32 million has achieved 5% increase in its sales revenue to reach over TRY 162 million within the first 3 months of this year.

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## NEWS ON BANKING SECTOR

- Garanti Bankasi has announced that the Bank has signed a loan agreement in the amount of US\$ 60 million with the European Bank for Reconstruction and Development and the Clean Technology Fund. Accordingly, the loan to be used in financing of energy efficiency of small enterprises will consist of two tranches, and US\$ 48 million with 5-year maturity will be provided by European Bank for Reconstruction and Development whereas US\$ 12 million with 15-year maturity will be provided by the Clean Technology Fund.
- The Banking Regulation and Supervision Agency has prepared a draft regulation amending the Regulation on Operations of Banks Subject to Permission and Indirect Shareholding in an effort to regulate the sales and purchases of the shares of the banks traded on the stock exchange. According to the draft, in the event a legal entity holding 10% or more shares of a bank, which are listed on the stock exchange, sells its shares to cause a change in the major shareholder of the bank, then such transaction will need to be approved by the Agency. On the other hand, the approval of the Agency will also be required for the acquisition of the shares, which are listed on the stock exchange of a bank's legal entity shareholder, causing the major shareholder to change. In such a case the person acquiring the shares has to comply with the required qualifications of founders.

*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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