

TABOGLU & DEMIRHAN

Newsletter

PRIVATIZATION HIGHLIGHTS

cont'd.

- The Privatization Administration has suspended the tender process with regard to the privatization of Elazig, Malatya, Erzincan and Elbistan sugar factories owned by Türkiye Seker Fabrikalari upon the stay of execution decision adopted by the Council of State. The Administration has stated that at this stage, it will not receive any further bids, and will make the relevant announcement regarding the tender process as to the outcome of its objection against the stay of execution decision.

CAPITAL MARKETS UPDATES

- Cemas Dokum, a subsidiary of Isiklar Ambalaj, has decided to go public through capital increase. According to the announcement made by Isiklar Ambalaj to the Public Disclosure Platform, Cemas Dokum has decided to amend its articles of association and apply to the Capital Markets Board and the Ministry of Industry and Trade with a view to tailor the articles to the Capital Markets Board's legislation. In this respect, the Company has mandated Turkish Yatirim.
- Avivasa Emeklilik, a company active in private pension and life insurance sector, has reached approximately TRY 2 billion total net asset value. According to Avivasa's statement, it is the first company which has achieved a total net asset value above TRY 2 billion.
- The Corporate Governance Association of Turkey has prepared a guideline for family-owned companies. The Guideline mainly aims to encourage them to go public, provides tips to the shareholders in order to sustain the durability of their companies through giving information on significant mechanisms in terms of the corporate governance principles, and radical changes contemplated by the draft Turkish Commercial Code.

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- As per the announcement made by the Istanbul Stock Exchange to the Public Disclosure Platform, shares of Gozde Finansal Hizmetler, established through partial spin off of FFK Fon Finansal Kiralama, will start to trade as of 25 January 2010 with "GOZFN" code.
- Pursuant to the disclosure made by Sabanci Holding, the Holding will evaluate the strategic options for Advansa B.V., 92.82% shares of which are owned by the Holding, on the grounds that the Company's operations are outside of the main line of business of the Holding. The Company is headquartered in the Netherlands and active in polyester sector. Advansa's subsidiary portfolio comprises 51% of Advansa Sasa in Turkey, 100% of Advansa GmbH and Advansa Marketing GmbH in Germany, and 100% of Advansa Iberica S.L. in Spain.
- According to the weekly bulletin of the Capital Markets Board, Baskent Menkul Kıymetler and Ozak Gayrimenkul Yatirim Ortakligi have applied to the Board to initiate capital increase through rights issue amounting to TRY 1.5 and TRY 9.8, respectively. Additionally, Finans Finansal Kiralama has applied to the Board to increase its registered capital ceiling from TRY 130 million to TRY 300 million. The Board has approved TSKB Gayrimenkul Yatirim Ortakligi's application regarding increase of its registered capital ceiling from TRY 100 million to TRY 200 million.
- Sabanci Holding has declared that total turnover of Enerjisa companies shall be realized as TRY 3.4 billion and operational profit except for amortization shall be about TRY 300 million in 2010. Enerjisa aims to reach at least 11% market share with 5 thousand MW installed capacity and distribution networks having 6 million subscribers until 2015.

Highlights

a. Privatization Highlights

b. Capital Markets Updates

c. News re Energy Market

d. Banking Sector News

e. Other News

NEWS RE ENERGY MARKET

- Pursuant to the statement made by Dogan Holding to the Public Disclosure Platform, Boyabat Elektrik, 33% of which is owned by Dogan Enerji, has borrowed a long term project finance loan amounting to US\$ 750 million for the hydroelectric project power plant with a capacity of 513 MW. The construction of the plant and barrage is contemplated to be completed by the end of 2012 and, Holding assumed joint and several liability together with the other shareholder groups, limited with the completion period.
- As per the statement made by a member of the Board of Directors of Akenerji, the Company may participate in nuclear energy tender if relevant conditions are provided. Additionally, it has been stated that the Company aims to reach 3,000 MW energy in 2015, 30% of which should be provided from renewable energy and 50% from natural gas. Akenerji currently holds 3 natural gas power plants with the capacity of 380 MW and 1 hydroelectric power plant which is under-construction.

BANKING SECTOR NEWS

- The Central Bank of Turkey has issued a Communiqué stipulating principles of printing formalities of cheques; amounts to be paid by addressee banks to the cheque holders in case of a bad cheque; and certain procedures and disclosures. According to the Communiqué, banks are obliged to pay TRY 600 for cheques amounting equal to or more than TRY 600, and the exact cheque amount if it is less than TRY 600, provided that such cheques should have been submitted timely.

OTHER NEWS

- The Draft Law on Working Conditions of University and Medical Personnel known as “Full Time Legislation” has been passed in the Parliament. The Law mainly focuses on the remunerations to be paid to the university and medical personnel, and stipulates that the lecturers will carry out their duties on full-time basis, and will not be employed with any private or governmental institution with or without wage, other than his/her own employer institution.
- As per the dailies, the Undersecretariat of the Treasury has issued 350 incentive certificates amounting to around 3.4 in December, 2009. Among the investments, Arcelik modernization investment, Aksa Aklik electric, gas, steam, hot water production investment, Nursan Denizcilik transportation, communication and warehousing services investment, Asya Portliman transportation and warehousing services investment are worth to mention.
- According to the statement made by Alcatel Lucent Teletas Telekomunikasyon to the Public Disclosure Platform, the Company has executed an agreement with Turk Telekom regarding the sale and maintenance of IP/MPLS equipments. The price has been determined as approximately US\$ 27.8 and the estimated completion period is 2 years.
- British American Tobacco, closing down its facilities in Izmir/Tire will carry on its business activities in Samsun facilities. The Company contemplates to transfer the employees who wish to work in Samsun facilities.

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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