

TABOGLU & DEMIRHAN

Newsletter

BANKING SECTOR NEWS

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- Pursuant to the announcement made by the Central Bank of the Republic of Turkey, the reserve requirement ratios on both short-term Turkish lira and foreign currency deposits have been increased. The ratio on short term Turkish lira deposits has been increased from 15% to 16% and the ratio on foreign currency deposits has been raised from 11% to 12%. According to the statement, it has been the fourth increase in Turkish lira reserve requirements since November 2010.
- According to the report of the Banks Association of Turkey dated March 2011, 116 new branches have been opened in Turkey in March 2011 and the total number of the branches in the banking sector has reached to 9,581.
- Pursuant to the announcement made by Yapi Kredi Bankasi in the Public Disclosure Platform, the Bank has signed a syndicate loan agreement with a number of international banks in the amount of US\$ 1 billion 450 million.
- As per the dailies, the first 10-year maturity Eurobonds since 1997 have been issued by Garanti Bankasi.
- As per the statement made by the Banking Regulation and Supervision Agency, the Agency has granted authorization to 12 companies to render valuation service regarding the banks' real estates, real estate projects or the rights and benefits with respect to same.
- As per the bi-monthly Global Public Offering Report published by Ernst&Young, 193 global public offerings have been realized in January and February 2011 which amounted to US\$ 25.3 billion. The grounds for such increase in global public offerings ratio have been stipulated as investors' interest in developing markets and its effect which results in price increases with respect to stock exchange markets throughout the world.
- Pursuant to the dailies, Kiler, a Turkish real estate investment trust, has sold its 30.2 million shares with a nominal value of TL 6.10 per share through initial public offering.
- As per the statement made by Bilici Yatirim, a textile company located in Adana, the Company has completed preparations for initial public offering. The registered capital has been determined as TL 300 million and 33% of its registered capital will be offered to public in May 2011.
- As per announcement made by Dogan Gazetecilik, the Company and Demiroren-Karacan joint venture have signed an agreement for the transfer of two newspapers of Dogan Gazetecilik to the joint venture. Accordingly, Milliyet has been sold in the amount of US\$ 47.9 million and Vatan has been sold in the amount of US\$ 26 million.
- As per the announcement made by the Istanbul Stock Exchange, trading of Turkcell's shares has been temporarily suspended upon the Company's request due to disputes between the shareholders arisen during the annual shareholders meeting of the Company.

CAPITAL MARKETS HIGHLIGHTS

- As per the dailies, Enerjisa, a joint-venture between Sabanci Holding and Verbund, has acquired a power plant in Turkey from Ozisik Insaat ve Enerji. According to the statement made by Ozisik, the stake in Alparslan II power plant has been sold to Enerjisa in consideration of US\$ 8 million 899 thousand.
- As per the dailies, the General Manager of Vaillant Turkey has stated that the Company has concluded 2010 with 30% growth when compared to 2009. It has been further stated that the Company expects approximately 20% growth in 2011 due to the fast growth of the natural gas market in Turkey.

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Highlights

a. Banking Sector News

b. Capital Markets Highlights

c. Privatization News

d. Energy Markets Updates

e. Other News

PRIVITIZATION NEWS

- As per the dailies, Cankaya Dogalgaz has offered the highest bid in the privatization tender for Ankara's natural gas distribution company, Baskent Dogalgaz. The Company has offered US\$ 310 million for 20% shares of Baskent Dogalgaz.

ENERGY MARKET UPDATES

- The Energy Market Regulatory Authority's new amendment regarding the Petroleum Market License Regulation has been published in the Official Gazette to be effective on 21 March 2011. As of the effective date of the said regulation, the license owners who provide bunker fuel services in civil aviation traffic airports where there are no licensed storage facilities will be entitled to provide bunker fuel services for other bunker fuel providers by way of their own fuel tankers used as aircraft supply vehicles.
- As per the statement made by the Minister of Energy and Natural Resources, the establishment of a nuclear power plant in Akkuyu, Mersin would increase Turkey's natural gas production and therefore, 6 billion cubic meters less natural gas would be purchased from Russia annually which corresponds to US\$ 2.5 billion. With respect to the objections arisen against the establishment of the power plant due to its violation of the environment, the Minister has stated that the power plant would be subject to environmental impact assessment and they realized many projects with a view to enlarge the green belt.
- As per the dailies, the first energy management certificate in the cement sector has been granted to Cimsa Kayseri Factory among 48 companies in the cement sector.

OTHER NEWS

- Due to the dailies, the State Airports Authority (DHMI), Turkish Airlines and TAV have signed a preliminary agreement to increase the capacity of Istanbul Ataturk Airport by 30%.
- As per the dailies, the tender regarding the sale of the radio channel, Show Radyo, has been completed on 18 April. 3 bidders, namely, Mobil Radyo Televizyon ve Medya Hizmetleri, Arto Radyo Yayıncılık and Vizyon Gorsel Radyo Televizyon Yayıncılık have participated in the tender and Vizyon has given the highest offer in the amount of US\$ 8 million 512 thousand.
- Pursuant to the statement made by the Chairman of Socar&Turcas Group, Petkim will make an investment in the amount of US\$ 300 million by the end of 2015.
- Pursuant to the announcement made by Aselsan Elektronik to the Public Disclosure Platform, the Company has signed an agreement with STM Savunma Teknolojileri Muhendisligi in the amount of Euro 9 million 748 thousand with respect to the supply of electronic support system.
- Due to the dailies, United States helicopter producer, Sikorsky Aircraft, a subsidiary of United Technologies Corporation of Hartford, has won the tender for the joint manufacture of helicopters for the Turkish army with an amount of US\$ 3.5 billion. As per the announcement, the 10-year project envisages the manufacture of 109 general-purpose helicopters.
- Pursuant to the dailies, through January to March 2011, 16,025 companies have been incorporated and 3,698 companies have been liquidated in Turkey.

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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