

TABOGLU, ATEŞ & DEMIRHAN

Newsletter

ENERGY MARKET UPDATES

- The national petroleum Company of Azerbaijan and Turcas Petrol have been applied to the Energy Market Regulatory Authority to establish 4 million dollars refinery in Ceyhan. Thus the applications made for establishing refinery have been reached to 3 and the prescribed investment size has been reached to US\$11 billion.
- The legislative proposal, which allows foreign and domestic companies to establish jointly hydroelectric plants, has been adopted by the Parliament. By the legislative proposal, 16 HES projects shall have fine prospects and a purchase guarantee shall be given at the price of Euro 5-5.5 during ten years as well as renewable energy sources.
- The Energy Efficiency Law, which was sent back to the Parliament by the President in order to discuss Articles of 5, 7, 10, again, has been adopted as it is. Only Article 3 has been re-discussed at the General Assembly and the entire law has been re-voted and adopted. The law comprises the procedures and the fundamentals to benefit from renewable energy sources, to improve the energy conscious throughout society, to support increasing energy efficiency for the production, transmission, distribution and consumption stages of the energy, in industrial enterprises, buildings, electrical energy production plants, transmission and distribution plants.
- Petrol Ofisi has decided to incorporate a company, which has a paid-in-capital of US\$ 200,000 in Georgia. In accordance with the statement made by Petrol Ofisi to the Istanbul Stock Exchange, it is declared that the Company had decided to establish a company of which its paid-in-capital was US\$ 200,000., to render aviation fueling services, to establish retail fuel distribution station network to be operated by dealer organization and to render support services for distribution activities.

PRIVATIZATION HIGHLIGHTS

- As per the dailies, by the decision of the Privatization High Council published in the Official Gazette on 20 April 2007, six highways and Boğaziçi and Fatih Sultan Mehmet bridges, Gaziantep-Sanlıurfa ring road, Izmir and Ankara ring road shall be privatized through transfer of operation rights. The privatization transactions shall be completed until 31 December 2008.
- Pursuant to the dailies, the Council of State has granted a stay of execution for privatization works for Bor, Ereğli and Ilgin sugar factories. In accordance with the decision dated 9 April 2007, the execution of the decision of Privatization High Council concerning to privatize three sugar works with their workers, had been suspended.

NEWS RE BANKING SECTOR

- According to the dailies, the General Assembly of Halkbank has approved the public offering of the Bank. At the General Assembly, Halkbank's balance sheet, profit/loss and profit distribution statements have been announced and the decision of Privatization High Council with respect to the sale of Halkbank's shares through public offering method and the amendment of the Articles of Association has been approved. Pursuant to the dailies, the General Manager of Halkbank has stated that the Bank has represented a growth over the sector's average performance and he said "we replaced our shell". He stated that, at the beginning, Halkbank was expected to be privatized by way of block sale but then it public offering method was chosen. Halkbank is expected to complete the public offering in May after roadshow presentations in coming weeks.

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Highlights

a. Energy Market Updates

b. Privatization Highlights

c. News re Banking Sector

d. Capital Markets Highlights

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- As per the dailies, Isbank shall use the sales profit of real estate for capital increase. According to the declaration made by the Bank, the sales of the real estates in Istanbul and Manisa had been realized in return for TRY 1,003,500 and the Bank had been resolved to keep TRY 557,524. out of the profit of the real estates amounting to TRY 783,366.35 which became as a result of aforesaid sale in a separate account and to use it for capital increasing, in case of necessity.
- As per the dailies, Yapi Kredi Leasing which has closed the previous year with the transaction volume amounting US\$ 962 million, is aiming to make US\$ 1 billion 230 million trading volume by 28 % growth this year. The General Manager of Yapi Kredi Leasing has stated that by the beginning of the merger period of Koc Leasing and Yapi Kredi Leasing, they had changed their way of doing business completely and shortened decision process and he also added that they were grown by 2-10 million dollars transactions and took the first place in the sector.

CAPITAL MARKETS HIGHLIGHTS

- Pursuant to the dailies, a tax fine amount to TRY 509,914.04 has been imposed to Goltas for the years 2002-2005. According to the statement that has been sent to the Istanbul Stock Exchange, the report which was prepared by the Ministry of Finance had been served by the Revenue Department of Isparta, the principal and the penal amount of the stamp duty which has been imposed to company for the years 2002-2005 was TRY 509,914,04.- except interest. It is also stated that an examination is being made with respect to the report by the company and in accordance with the result such examination, legal process will be initiated.

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- As per the dailies, Turk Ekonomi Bankasi is increasing its issued capital from TRY 76.5 million to TRY 100 million According to the statement made by the Bank, by adding TRY 11,750,000 of the inflation adjustment difference and TRY 11,750,000 of the contingencies reserves the capital shall be increased to TRY 100,000,000 from TRY 76,500,000.
- Izdemir Demir Celik has decided their profit distribution policy at the meeting of board of directors. The Company shall offer to its General Assembly to distribute bonus shares as first dividends amounting to TRY 47,860,873.23.
- As per the dailies, Teknosa, which was penetrated Romania market by acquiring 51 % of the Rumanian retail company, has taken the first step for being the regional leader. Teknosa, which was opened the second store in Bucharest, is planning to open 10 more stores in the Romania
- As per the dailies, the CEO of Alfa, one of the shareholders of Turkcell, has stated that they had brought a lawsuit against Cukurova, another shareholder in Turkcell, because of unpaid credit amount of US\$1.35 billion. He has added that Alfa Group had established a credit to Cukurova Group amounting to US\$ 1.7 billion but following the payment of the two installments, Cukurova had defaulted 16 times in making payment.
- The Capital Markets Board has approved the public offering of Oyak Investment Trust. According to the Weekly Bulletin of the Board, the offering price shall be TRY1.0-1.1.

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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