

Turkey

Chamber of commerce:

Chamber of commerce:
Istanbul Chamber of Commerce
Resadiye Cad, Eminönü
34112 Istanbul
Turkey
Tel: +90 212 455 6000
Fax: +90 212 513 1565
+90 212 520 1656
Email: ito@ito.org.tr

Professional body:

Oguzlar Mahallesi Barış Manço Caddesi
No:44 Balgat
Ankara
Turkey
Tel: +90 312 287 87 90
Fax: +90 312 286 31 00 / 286 55 65
Website: www.barobirlik.org.tr

Is the draft Turkish Commercial Code an appetite-killer for foreign investors?

Tolga Ismen
Ismen Law Firm
Istanbul

M&A transactions contribute significantly to foreign direct investment into Turkey. Most of the big international companies entered into the Turkish market through either buyouts or joint ventures. The transaction documents used in these deals are at times governed by foreign laws such as English or Swiss law. However, Turkish law plays a significant role in the enforcement of certain rights under such transaction documents, especially those under shareholders' agreements. In the past, there were some good and bad examples with respect to the enforceability of such rights. Turkey is on the brink of adopting a new commercial code (CC), following which the possibility and means of enforcing such rights will change dramatically overnight.

The new CC is much more protective in comparison to the existing Turkish Commercial Code of 1956 (TCC). It is protective in the sense of protecting the Turkish vendors that will become partners with international companies in joint ventures. This is not a mere interpretation or an analysis but a statement set forth in the reasoning of the new CC.

Joint stock companies

There are a couple of very important changes introduced by the new CC. It introduces a new concept of the fundamental structure of joint stock companies. Any decision of the board or the general assembly of a joint stock company that is not in compliance with the fundamental structure of joint stock companies will be null and void. The full extent of the fundamental structure of joint stock companies is not clear.

The new CC also explicitly states that any provision of an agreement (read shareholders' agreement) that is in conflict with the articles of the related company is also unenforceable. It also sets forth an exhaustive list of provisions that can be included in the articles of a joint stock company. Therefore, the inclusion of any other provision to the articles will be incompatible with the fundamental structure of joint stock companies and the inclusion of any provisions that are not included in the articles in any other agreement will render such provisions unenforceable.

Therefore, in essence the new CC introduces a straightjacket with respect to the governance of joint stock companies. These provisions are applicable not only to public but also to privately-held companies. They are also applicable to the second common form of corporations in Turkey, the limited liability company: there can therefore be no preferred legal structure to overcome this restrictive feature of the new CC.

Restriction of share transfers

Privileged shares, which constitute the backbone of any joint venture, are also limited by the new CC. The limitation on the restriction of share transfers constitutes the most important limitation. A restriction of share transfer can only be enforceable as long as it can be proved that the continuity of the relevant shareholder as a shareholder of the company is crucial for such company.

This is a very discretionary test and, especially for financial investors, may yield negative results. Similarly, the disclosure requirements of any acquisition of more than 5% of the shareholding of a joint stock company (even if privately held) may be an appetite killer for certain types of investors, such as sovereign wealth funds, which may have disclosure restrictions.

Disclosure of financial statements

There are some other appetite killers for foreign investors in the new CC, including the

requirement for the independent audit and disclosure of financial statements. According to the new CC, all corporations (whether joint stock companies or limited liability companies, whether public or private) should have independent International Financial Reporting Standards audits and should disclose their financial statements.

This disclosure should be made on the public website of the company in question, the launching of which is compulsory, and should be accessible by everybody. There is no doubt that certain multinational companies that treat their financials as one of their well-kept trade secrets will not appreciate this new change.

Liability of parent companies

Another important concern for multinational companies is the accountability of the parent company in a group company structure. If a Turkish company is benefiting from the reputation of its parent company, for instance by using the same brand or trade name, then such parent company may be held jointly liable together with its Turkish subsidiary.

This is a very bold expansion of the principle of the piercing of the corporate veil. Moreover, any plaintiff may initiate a lawsuit against such parent company in the place of the incorporation of the subsidiary. For instance, a US company can be sued in Istanbul based on the conduct of its Turkish subsidiary.

Positive aspects of the new CC

There are also certain positive changes introduced by the new CC. The introduction of single-shareholder joint stock companies, the restriction of financial assistance, the squeezing-out of minority shareholders and the permission of treasury stock, which will also enable Turkish companies to issue convertible bonds, are among the improvements.

However, only time will tell whether these improvements are sufficient to deter the appetite killers of the new CC for international investors interested in Turkish companies.

Capital markets

Recommended firms
Tier 1
Akol Avukatlık Bürosu
Hergüner Bilgen Özeke
Paksoy
Pekin & Bayar
Pekin & Pekin
Tier 2
Birsel Law Offices
Çakmak Avukatlık Bürosu
Güner Law Office
Verdi & Yazici
YükselKarkinKüçük
Tier 3
Çağa & Çağa
Cerrahoglu Law Firm
Dogru Law Office
Eryürekli Law Office
ELIG
Özel & Özel
Taboglu & Demirhan

Banking

Recommended firms
Tier 1
Akol Avukatlık Bürosu
Hergüner Bilgen Özeke
Paksoy
Pekin & Bayar
Pekin & Pekin
Verdi & Yazici
Tier 2
Bener Law Office
Birsel Law Offices
Çakmak Avukatlık Bürosu
ELIG
Güner Law Office
YükselKarkinKüçük
Tier 3
Bircanoglu
Çağa & Çağa
Cerrahoglu Law Firm
Esin Law Firm
Ismen Law Firm
Özel & Özel
Poroy & Özülcü
Somay Hukuk Bürosu
Taboglu & Demirhan
Yarsuvat & Yarsuvat

Mergers and acquisitions

Recommended firms
Tier 1
Akol Avukatlık Bürosu
Hergüner Bilgen Özeke
Paksoy
Pekin & Bayar
Pekin & Pekin
Tier 2
Çakmak Avukatlık Bürosu
Güner Law Office
Somay Hukuk Bürosu
Verdi & Yazici
YükselKarkinKüçük
Tier 3
Bener Law Office
Birsel Law Offices
Çağa & Çağa
Cerrahoglu Law Firm
ELIG
Esin Law Firm
Ismen Law Firm
Özel & Özel
Taboglu & Demirhan
Tier 4
Bircanoglu
Gürcan Law Office
Moroglu Arseven Özdemir
Postacioglu Law Office

Project finance

Recommended firms
Tier 1
Çakmak Avukatlık Bürosu
Hergüner Bilgen Özeke
Paksoy
Pekin & Pekin
Verdi & Yazici
Tier 2
Birsel Law Offices
Fidan & Fidan Law Firm
Güner Law Offices
Pekin & Bayar
Tier 3
Bener Law Office
Cosar Law Firm
Özel & Özel

The legal market in Turkey saw a number of key departures this year, and spin-off firms are slowly offering greater depth to the quality of lower tier firms. The most prominent changes have been the departures of Emre Derman and name partner Aydin Düren, as well as other lawyers, from White & Case's Istanbul office Akol Avukatlık Bürosu.

"They have had some degree of difficulties and in normal conditions these would be very hard to tolerate. But the unfortunate events have not taken place in the best time in history: they have lost key members during a time in which activities are down," says one peer.

Another key development is the departure of top banking lawyer Mete Yegin from Pekin & Pekin. Yegin has yet to establish himself elsewhere. The demerger of EsinIsmen Law Firm is also a point of discussion, as is the demerger Fidan & Eyürekli Law Firm.

Trends see Denton Wilde Sapte firm Güner Law Office raise its profile in the market and relatively recent spin-off firms such as YükselKarkinKüçük beginning to build top-flight reputations in the market.

Capital markets activity was low over the last year, with some partners describing it as dead. However, Turkey's banking sector, having tightened its regulations after its own crisis in 2001, is faring better than its western counterparts.

Key deals in the market include the ongoing acquisition Migros Turk by BC Partners, and the privatisations of Tekel Tobacco, Izgaz and electricity distribution services in the Ankara region. The key active areas were the energy, hydro and thermal projects, and infrastructure sectors. The traditionally busy M&A sector did see a slow down, with "big deals sleeping at the moment" according to one peer.

Akol Avukatlık Bürosu

Akol is almost unanimously considered a leading firm and Meltem Akol is one of the country's undoubted leading M&A lawyers. "She is very experienced, she knows everything and she has been around," says one peer. Partner Gamze Cigdemtekin "is a good M&A lawyer who is taking a great part of the work that they are doing" says another peer, while Ebru Temizer is "one to be mentioned".

The firm is involved in the biggest merger of the year, representing BC Partners in connection with the \$3.1 billion merger of Migros with its parent company. Elsewhere, the firm acted for the Israeli Central Bottling Company Group in an \$80 million acquisition of a 95.7% stake in TürkTuborg, the Turkish arm of Carlsberg, and advised Trade & Exhibitions Overseas in its \$5.5 million acquisition of Newex International.

Seef Foods sought the firm's advice in its \$36.8 million acquisition of edible oil manufacturer Ana Gıda Otomotiv, and Veolia Water also hired the firm in a \$4 million acquisition of a 60% stake in ATS Aritim Teknolojileri.

Leading lawyers

Meltem Akol

Hergüner Bilgen Özeke

Hergüner Bilgen Özeke (HBO) is the largest firm and a force in the market. "They have some good M&A people especially and are top in project finance," says one peer. Hakki Gedik "is for certain M&A work, especially straight-forward work, probably the best. He is methodical and he never misses a detail", says another peer. Clients note that the firm is responsive and accessible.

In the quiet capital markets, the firm was kept busy advising the European Investment Fund on regulatory issues and other operations.

Banking saw the firm advising the Commercial Bank of Qatar in facility agreements for two construction companies for a total of \$182 million. HBO was retained by the Overseas Private Investment Corporation (OPIC) on a \$200 million financing for subsidiary Ipotec Financing, as well as by Alliance Group in a \$590 million acquisition of Koc Holding and KBC Bank and ING Belgium in a \$600 million term loan facility and revolving credit to Ravago.

In top M&A deals, HBO handled two large privatisation transactions. The firm advised Gaz de France and Suez Energy International on their \$410 million acquisition of the privatised Izgaz, and assisted British American Tobacco on its \$1.72 billion acquisition of Tekel's privatised tobacco arm. In other deals, the firm advised EFD Energies Nouvelles in an acquisition of a 50% stake in Polat Enerji.

In project finance, the firm acted for Yapi Merkezi on a joint venture with Binladin Group in relation to the Makkah-Medina Railway Project. MMK Atakas Metalurji, Magnitogorsk Iron & Steel Work and Recep Atakas Group hired the firm in their \$1.23 billion financing to build and operate two steel making facilities. HBO also advised Akbank, the International Financial Corporation (IFC) and West LB in a €1 billion financing of eleven separate energy projects.

Leading lawyersHakki Gedik
Ümit Hergüner
Senem Ismen
Ender Özeke**Pekin & Pekin**

Pekin & Pekin seems the firm of the moment, causing peers to consistently rate it for quality of individuals and overall reputation.

An international client says "the firm's lawyers are always willing to stay late, which you don't always find with local counsel". Lead lawyer Ahmed Pekin "is very smart ... and has the ability to provide a unique job" says one peer, while a client adds: "He has a good relationship with the government and with everybody ... as in he knows what people will think on certain issues."

The capital markets and banking sectors saw the firm assist Standard Chartered in a term loan facility of \$824 million to Is Bankasi's Bahrain branch; Citigroup Global and HSBC in two separate \$1 billion Eurobond issues by the Turkish government and Deutsche Securities; and UBS in a further \$1.5 billion government Eurobond issue.

In M&A, Ayça Sevımay led teams to provide advice to a private equity fund on a \$64 million acquisition of a 60% stake in the Safak Group and an energy company in a \$70 million acquisition of a 50% stake in Tasyapi Enerji Grubu as well as its bid for twenty project licenses worth \$2 billion. Osman Akin led a team assisting a conglomerate in a \$120 million acquisition and merger with a local fleet rental company.

The firm also advised Garanti Bank, Is Bankasi and Vakıflar Bankasi in the \$3.5 billion financing for the acquisition by Migros, structuring a multi-tranche agreement including a term facility, revolving facility and a mandatory tender offer-linked facility.

Leading lawyersSezin Okkan Çalışkan
Ahmed Pekin
Ayça Sevımay**Paksoy**

Paksoy receives high praise from the market and is the first choice for a number of key clients. "We like them because they create simultaneous solutions and provide you with different options in problem solving," says one client, who "worked with them on privatisations, which are very difficult in Turkey, very challenging".

"Serdar Paksoy and Halide Düren produce very clear documents, on-time delivery and they highlight all the outstanding issues ... and they play good-cop and bad-cop very well in negotiations," says another client. One banking client adds: "We use Paksoy on almost all local syndicated deals. They are also strong internationally and experienced in energy market law and regulations."

Paksoy acted on two significant capital markets deals, advising JPMorgan in the \$700 million sale of 4.1% of Turkcell shares held by Cukurova Group, and for issuer Ulker Cikolata in a suspended IPO.

Banking partner Düren featured in a notable deal advising ABN Amro and Yapi Kredi Bank on a €336 million financing for the construction and operation of a new airport facility in eastern Istanbul. The firm won further mandates from Yapi Kredi, assisting the bank and Is Bank on a \$345 million loan to finance the Icdas thermal power plant, and in a \$350 million financing of two hydroelectric power plants in south eastern Turkey.

In M&A, the firm is advising Danish company Gumlink in a 50/50 joint venture agreement with Ulker in the confectionary market and advised unsuccessful joint bidders Agrokör and Blackstone in their proposed \$2 billion acquisition of Migros.

Düren assisted Aegon in a 100% share acquisition of life insurance group Ankara Emeklilik, while Elvan Aziz Bikmen advised Turkven Private Equity in its acquisition of a 40% stake in cosmetics company Tekin Acar.

Leading lawyersElvan Aziz Bikmen
Halide Düren
Serdar Paksoy**Pekin & Bayar**

Leading lawyers Sefika Pekin and Selin Bayar command excellent reputations in the market. Pekin "is a very intelligent lady" says one peer, with "serious charm" according to another. A different competitor notes that while Bayar "is a very strong lady ... and she does not have that unreasonable streak of ambition that you have in leading lawyers, she is reasonable and balanced".

One client rated the firm top for "reliability: they do not make statements if they are not sure". Sila Yavuz and Hasan Çağlayan also draw high praise from clients.

The firm clinched the biggest ever M&A in Turkey, advising BC Partners and its Turkish affiliate Moonlight Perakendecilik in relation to its \$3.25 billion acquisition of a 50.8% stake in Migros Turk. The firm also advised in the related \$400 million share purchase on the stock exchange and an \$800 million tender offer as part of the deal's financing. Elsewhere in the capital markets, the firm represented Credit Suisse Securities in a \$1.7 billion rights issue by Garanti Bank.

In banking, P&B advised Finansbank on a \$625 million syndicated facility to Enerji; Fortis Bank on a €526 million syndicated facility to the Istanbul Metropolitan Municipality; and Standard Bank on a \$500 million syndicated loan to Zorlu Enerji Elektrik Üretim, among other deals.

On the M&A side, the firm acted for Munir Sahin in its acquisition of 100% of Betasan Bant Sanayi and for Harel Insurance

Investments and Financial Services in its acquisition of an 87.7% stake in Turk Nippon Sigorta.

Among a series of large project finance deals, the firm assisted a syndicate of banks on a \$1.37 million credit facility to British American Tobacco and The National Bank of Greece in a \$75 million facility to Akkur.

Leading lawyers

Selin Bayar
Sefika Pekin

Verdi & Yazici

This comparatively younger firm has an excellent reputation in banking and project finance, and is gaining prominence in acquisition finance structures related to its M&A work. It is their relationship with banks, especially their close ties to Garanti Bank, which makes their project finance practice enviable.

Leading lawyer Can Verdi receives high praise from clients. "Can Verdi is the best in Turkey; it is a bold statement, but if I had a question I would call him first and nobody else," says one client. The client adds that Verdi has "experience ... he worked in a bank as chief legal counsel and was on the board of one of the biggest banks in Turkey, so he knows about the inside, which is very different".

Another client who has worked with a number of top firms says that the "team is very experienced and well known in project finance and acquisition finance". The client adds that the team works well together, and that they are professional, proactive and supportive in negotiations. "The firm also helps us during commercial negotiations," the client says.

The firm was involved in all the significant privatisations of the past year and acted in two mergers in the banking sector.

Leading lawyers

Can Verdi
Hakan Yazici

Çakmak Avukatlık Bürosu

Çakmak is the only top firm based in the capital Ankara, giving it a geographical advantage in government sponsored privatisations and public-private partnership (PPP) projects. It is known locally as the Ankara office of White & Case.

In capital markets last year the firm advised AEI in connection with a public offering and Cimpor Yibitas Cimento on capital markets law in relation to a merger. The firm also had a solid showing in banking, advising Commerzbank, the National Bank of Saudi

Arabia, Bank Julius Baer and Visa Europe in loans and on regulatory issues.

Çakmak's strongest presence is in the energy market, where the firm advised Statkraft in the acquisition of a 95% stake in Yesil Enerji, and Eon Holding on the sale of a 70% shareholding in two power companies.

The firm represented Verbund in the acquisition of a 50% stake in Enerjisa, a Sabanci Holding and Verbund joint venture. The firm was also the counsel to Sabanci Holding on its successful bid in the \$1.26 billion privatisation of the Ankara region electricity distributor Baskent Elektrik Dagitim (Bedas).

The firm then assisted Enerjisa on a €1 billion power generation financing for the development of a 1.9GW power portfolio in Turkey, and on a \$700 million facility to fund the acquisition of the privatised Bedas.

Other deals saw Çakmak assist ExxonMobil in the tender of the Turkish Petroleum Corporation for exploration licenses in the Black Sea, AES-IC Ictas Consortium in the development and financing of several Turkish energy projects, and also won mandates from Petrobras, Cukurdere Madencilik and GDF Suez Energy.

Leading lawyers

Mesut Çakmak
Mehtap Yildirim Öztürk

YükselKarkinKüçük

A past spin off from HBO, YKK has developed a strong reputation, especially in M&A. "It is a very good service and Muharrem Küçük is excellent," says one client. "They are one of the most experienced teams; very well educated and very eager on the projects," says another client, who adds that the firm is also "good value for money."

Küçük was active in the capital markets, which saw the firm close the high-profile Turk Telekom IPO in May 2008. More recently, the firm won mandates from ATV-Sabah, MV Holding and Merrill Lynch, which it advised on derivative deals.

The firm won repeated mandates from Bank Asya to advise on regulatory issues, Islamic finance products, convertible bonds, various *murabaha* (deferred sale) and reverse *murabaha* agreements and loan facilities, and acted for Tekfen Bank in a \$1.3 billion syndicated loan.

Cüneyt Yüksel acted on all the top M&A deals. Highlight transactions included acting for Lukoil on a \$555 million acquisition of Akpet Group, for Izmit Municipality in the \$550 million privatisation of Izgaz. Marfin Investment Group's Hygeia sought the firm's advice in a \$96 million acquisition of Safak

Hospitals, as did energy group Essentium for two €17 million acquisitions.

In project finance, YKK represented Alb Telecom in a €120 million refinancing, Çalık Holding/Turkuvaz in a \$750 million financing for its acquisition of ATV-Sabah and Essentium Groupo on a \$42 million loan from the Turkish Industrial Development Bank.

Leading lawyers

Muharrem Küçük
Cüneyt Yüksel

Güner Law Office

A number of peers note that Güner Law Office, which has an association with Denton Wilde Sapte, has been enjoying an increasingly prominent position in the market, especially in M&A and banking transactions.

One client highlights the firm's trade finance expertise, adding: "It is one of the best firms in Turkey so you don't notice any difference with them from doing other international transactions".

The relationship with Denton Wilde and secondments from this office bolster the firm's international profile. "One advantage with Güner is that they have international expertise; for example partner Jonathan Clarke [on secondment from Denton Wilde to Istanbul] is a native English speaker ... so this is good at drafting foreign documents," says one client, adding that the firm's M&A capabilities are on a par with the best.

In one notable capital markets transaction, the firm advised an international insurance group on various capital market issues worth \$1 billion, arising from its acquisition of a listed local insurance company and a non-listed pension company.

In banking, the firm advised NBK Capital on a \$15 million mezzanine facility to Kinic Deniz, Standard Chartered on a \$45 million car fleet financing to Intercity, HSBC on a \$20 million export credit to Akenerji Elektrik Uretim, and Kaupthing Bank on a €28 million transfer of Turkish securities.

In M&A, the firm advised an international insurance group on a proposed \$1 billion acquisition of a listed local insurance company, Fortis Investments and ABN Amro in relation to the \$1.6 billion privatisation tender of Bakent Dogalgaz Dagitim and Lehman Brothers in a \$500 million joint venture to set up a natural gas power plant.

Leading lawyers

Ece Güner

ELIG

ELIG has gone through a number of changes over the last few years, losing founding partner Ismail Esin and partner Tolga Ismen. However, the firm does have solid international expertise to work on, which puts it on a par with top firms in banking. Remaining partners Serkan İçtem and Tunç Lokmanhekim lead the firm's financial and M&A arms.

"The good thing is that they are pretty responsive, and İçtem is very user friendly and easy to deal with," says one client. "He is US educated, so they have a very good standard of written and spoken English". Another client adds, "They were enthusiastic and responsive and willing to try and help us."

The firm has capital markets capabilities and acted on a \$30 million transaction advising seller, the Islamic Corporation for the Development of the Private Sector, on a *murabaha* (deferred sale) facility agreement with purchaser Eti Gümüş.

Banking, the firm's strong suit, saw İçtem and Canan Arslan act on a series of large deals, including advising Akbank as borrower of a \$1 billion term loan facility, Credit Suisse in a \$150 million funding to Istanbul Elektrik Tramvay, and Azelis on its participation in a €350 million senior facilities agreement. Other work saw the firm advise on a \$200 million syndicated loan for the National Bank of Greece, as well as repeat work for Finansbank.

Lokmanhekim closed three sizeable M&A deals, acting for Safak Hospitals' shareholders in the sale of a majority stake to a group of investors led by Julius Baer, for Omya in its acquisition of Tuneks Mining's assets, and for ADAC in its acquisition of various businesses and assets from IKS Turizm.

Leading lawyers

Serkan İçtem
Tunç Lokmanhekim

Other ranked firms

Somay Hukuk Bürosu is consistently described as one of the top M&A firms in the country. "It is very, very good in M&A," says one peer. "Metin Somay is good, his business approach is excellent, and Melis Aritman is hard worker". Another peer puts Metin Somay as one of the top five M&A lawyers in the country.

The firm represented Italcementi and Ciments Français in a \$820 million sale of a set of companies to Sibirski Cement, and Oyak in a \$525 million sale of 50% of its shares in Oyak-AXA to AXA. Borusan Holding sought the firm's counsel for a proposed \$500 million investment with Arcelor

Mittal in a hot strip mill business and on its sale of a 50% stake to ENBW.

Esin Law Firm and **Ismen Law Firm** formed following the demerger of EsinIsmen Law Firm in February 2009.

Esin Law Firm, originally formed in 1997 by Ismael Esin before going through two mergers and demergers with ELIG (Esin Lokmanhekim İçtem Gürkaynak) and EsinIsmen Law Firm, has deep experience in capital markets transactions and M&A, most notably through Esin himself and Birtürk Aydın.

As part of EsinIsmen, the partners recently advised QVT Fund on capital markets regulations. On the M&A side, the lawyers advised Akkardan Sanayi on a \$111 million acquisition of Sabanci Holding's 50.1% stake in Bossa, and acted for Südzucker in a \$6.7 million transfer of shares to Yildiz Holding.

Tolga Ismen of Ismen Law Firm has widely acknowledged experience in the M&A field. "Ismen has a good amount of experience... some clients like sharp lawyers and he is a sharp lawyer who has a good name in M&A," says one peer.

Ismen and banking partner Arzum Günalçin have significant expertise, having acted recently for the Carlyle Group in a 50% acquisition in TVK Shipyard and OMV Power International in a 60% stake acquisition in Borasco Elektrik Üretim.

Ismen Law Firm has also won a mandate to advise British American Tobacco Turkey on a \$1.9 billion acquisition of Tektel Assets.

Bener Law Office is "getting a lot better" says one peer, noting the firm's increasingly recognised credentials. The banking and project finance sectors saw Onur Kordel represent a local bank in its financing of a hydroelectric power plant and Win Michaelson advise the International Finance Corporation in a \$100 million facility to another local bank to expand its mortgage portfolio.

In one highlight deal, the firm advised Deutsche Bank Trust Company Americas and Credit Suisse in a \$570 million refinancing for Alliance One, which included a \$100 million senior secured credit facility and arranging convertible senior subordinated notes.

The firm was active in M&A, advising local firm Logiturc on a \$125 million joint venture with an international partner and on another \$325 million joint venture with a US hedge fund. Other deals saw the firm act for German company Hella in the acquisition of a local energy company and Zorlu Holding in a joint venture with a US firm. Boosting its profile, the firm also featured in the \$1.7 billion Sedas and Baskent Gaz privatisations representing Akenerji/CEZ.

Cerrahoglu Law Firm has grown this year, recruiting one senior associate and two associ-

ates. The firm is best known in M&A and for leading lawyer Fadlullah Cerrahoglu. "He is someone to be consulted, and if you want the big grey hair factor then he is the one," says one peer of his M&A expertise.

In a top deal, The firm assisted ING Continental Europe Holdings in its \$156 million acquisition of an 89.7% stake in pension fund Oyak Emeklilik. Elsewhere, the firm acted for buyers Continental Caoutchouc-Export and Hal Optik on mid-sized acquisitions, and most recently for Canwest Media Group in its sale of a number of radio stations. Aysegül Yalçınmani featured on most deals.

Özel & Özel is the local counsel of Salans. In large banking deals, the firm advised Akbank on a \$500 million loan to Sama Dubai in relation to a property acquisition and is acting for Goksu Gayrimenkul in a €107 million financing transaction from Bank Austria Creditanstalt and Yapi Kredi, again for a property acquisition.

Lider Factoring sought the firm's advice in a \$43 million structured finance project with Credit Suisse. The firm featured on a string of mid-sized M&A deals, one of which saw Haluk Can Özel advise Ruukki Group on an €80 million acquisition of a 98.8% stake in Türk Maadin Kermaş.

In project finance, the firm won the mandate to advise the state on the privatisation of Elektrik Üretim, and recently worked on mid-sized deals for Mapfre International and Genel Sigorta in a \$34 million loan to Avor Insaat and Acacia.

Taboglu & Demirhan has reputable capital markets and banking practices and was active in M&A. The firm advised the founding shareholders of Monrol Nukleer in the sale of a 50% stake to Eczacıbaşı Group, Unicredit on the total acquisition of San Menkul and IS Private Equity on a large investment into Frik Ilac.

Foreign firms active in Turkey

White & Case do some work independently under leading lawyer Asli Basgoz, although its biggest presence is through local affiliated offices in Akol Avukatlık Bürosu in Istanbul and Çakmak Avukatlık Bürosu in Ankara. White & Case has by the biggest presence in Turkey of all foreign firms.

However, **Denton Wilde Sapte** has begun to establish itself more deeply in the jurisdiction through Güner Law Offices, and **Salans**, though Özel & Özel, maintains a similarly busy practice.