

The Biggest Financing Package in The Turkish Private Power Sector

ENERJISA OBTAINS “1 BILLION EURO” FINANCING

Istanbul. 16.06.2008— **Enerjisa Power Generation Company**, a joint subsidiary of Sabancı Holding and Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbund) signed a €865 million financing package for the first phase of the company’s investment program. This landmark transaction, which is expected to be increased to up to € 1 bn in the course of 2008, secures the generation of 12,000 gigawatt-hours of electricity per year, potentially supplying 3.6 million consumers. This financing package was successfully arranged by IFC, a member of the World Bank Group, Akbank T.A.Ş. and WestLB AG, together the Global Coordinators.

The project will construct a portfolio of ten hydroelectric power plants in Seyhan, Ceyhan and Cambasi basins and one natural gas-fired thermal plant in Bandirma with total capacity of 1,900 megawatts. This is the largest international financing package for a private Turkish company which will sell into Turkey's deregulated power market. Given the current market conditions, this financing sends a strong signal of confidence in Enerjisa, a Sabancı-Verbund joint venture, to become a leading private power generator in Turkey’s liberalized electricity market.

IFC arranged a financing package of €463 million, including senior and subordinated loans of €158 million for its own account and jointly with WestLB arranged a €305 million syndicated loan with a 12-year maturity. Mandated Lead Arrangers joining the B-Loan were KfW IPEX-Bank GmbH, Bank Austria Creditanstalt AG, Erste Bank der oesterreichischen Sparkassen AG, Raiffeisen Zentralbank Oesterreich AG, WestLB AG, and Société Générale. In addition, Akbank T.A.Ş. arranged parallel financing of €402 million with a 12-year maturity with participation of National Bank of Greece.

Selahattin Hakman, Energy Group President of Sabancı and Chairman of Enerjisa, stated: “We want to thank all financing banks, for sharing our confidence in the liberalisation of the Turkish power market. Starting with this landmark financing package, we intend to have a 10% share of the Turkish electricity market by 2015. With an installed capacity of more than 5.000 megawatt, we will help to overcome the supply bottleneck in this sector. Together with our partner Verbund, we aim at developing further generation, distribution and supply as well as wholesale/trading of electricity in Turkey. We are confident that a fast development of the liberalisation in the Turkish power market, including the privatisation of the distribution companies and the generation assets, will make it possible for us to increase our contribution to overcome the upcoming supply-bottle-neck in this sector.”

Michael Pistauer, CEO of Austria's leading utility Verbund: "Closing this excellent financing package in such a difficult financial market environment with such a strong bank club evidences the trust and confidence in Sabancı's and Verbund's strategic targets. Jointly we are aiming to develop a strong vertically integrated position in the Turkish power sector with a focus on state-of-the-art environmentally friendly power plants. We would therefore also like to thank all the participating banks to build up with Sabancı, Verbund and EnerjiSA a long term relationship in the promising Turkish power sector."

Shahbaz Mavaddat, IFC's Director for Southern Europe and Central Asia, said "We are pleased to be catalyzing significant private sector funding to help mitigate the shortage of electricity generation capacity which is a major impediment to industrial growth and economic development in Turkey and the region. With ten hydro plants and one natural gas plant, this project reflects IFC's commitment to promoting investments in renewable and clean energy. "

ENERJISA

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ABOUT ENERJISA POWER GENERATION A.S.

Enerjisa Power Generation A.S. (“Enerjisa”) was first established in 1996 by Sabancı Holding to meet its customers’ energy needs with high quality and in a reliable way and also to evaluate future business opportunities that may occur within the energy sector. Since 2007, Enerjisa has been jointly owned and controlled (50:50) by leading Turkish group Sabancı Holding and Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (“Verbund”), Austria’s leading electric utility. The two partners teamed up exclusively to become a leading player in the future Turkish electricity sector.

The current installed capacity of Enerjisa is 455 MW. Enerjisa owns and operates four natural gas power plants located in Kocaeli, Adana, Çanakkale and Mersin with a total capacity of 370 MW and four hydroelectric power plants that are located in Antalya, Mersin and Kahramanmaraş regions with a total capacity of 85 MW. Additionally, a portfolio of some 2.600 MW is currently in planning and implementation status. This consists of hydroelectric power plants totaling about 1000 MW, the 920 MW Bandırma natural gas-fired power plant, the 450 MW Tufanbeyli coal-fired power plant and several wind power projects.