

AT - A GLANCE

February 21, 2011

SAVE THE DATE

Ata Invest's Investor Conference in Istanbul
May 15-17th at Four Seasons Bosphorus
 One-on-Ones and Major Business Owners discussing
 Growth Strategies

Market Comment

Local equities are still struggling at around the 66,000 mark and trying to break out of it. Today, a slightly negative opening seems possible on back of escalating geopolitical tension. Yet, the market is still resistant against breaking down the support levels of around 64,800.

Macro News

- Unstable Lira to salvage Turkish economy...
- Chamber head warns of speculative construction costs...

Sector News

- Uprising in Libya reflects negatively on Turkish contractors...
- Government may take additional measures to control loan growth...

Company News

- Adana Cimento <ADANA TI> posts TL 52 mn net profit in 4Q10 financials... (Slightly higher)
- Petrol Ofisi <PTOFS TI> Tender call to start on February 23...
- Akenerji <AKENR TI> responsible for receiving non-binding offers...
- Dogan Yayin Holding <DYHOL TI> - Council of State rules in favor of the company regarding TL 444 mn portion of fine... (Positive)
- Ford Otosan <FROTO TI> to post 4Q10 results today...
- Emlak REIC <EKGYO TI> 4Q10 Results: Disclosed TL 268 mn net earnings...

Agenda

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| 21.02 | • Capacity Utilization for February |
| | • Real Sector Confidence Index |
| | • External and Domestic Debt of Central Gov. for January |
| | • Ford Otosan <FROTO TI> 4Q10 Earnings |
| | Ata Est. 4Q10: TL 139 mn (+10.9% y/y) |
| | FY10: TL 447.5 mn (34.2% y/y) |
| 22.02 | • Central Bank's Second Expectation Survey for February |
| 23.02 | • Turkcell <TCELL TI> 4Q10 Earnings |
| | Ata Est. 4Q10: TL 482.5 mn (-5.6% y/y) |
| | FY10: TL 1,885 mn (-4.3% y/y) |

Market Data

Indices	Daily	Weekly	YTD	Last	Vol. *	Mcap **
ISE 100	▲ 0.0%	1.9%	24.9%	65,986	2,983	351
ISE 30	▼ 0.0%	2.1%	20.8%	80,938	1,477	274
Financials	▲ 0.0%	2.4%	23.5%	98,487	1,564	228
Industrials	▼ -0.2%	0.2%	40.5%	53,262	1,314	100
Banking	▼ 0.0%	3.3%	17.8%	140,831	686	171

Most Active

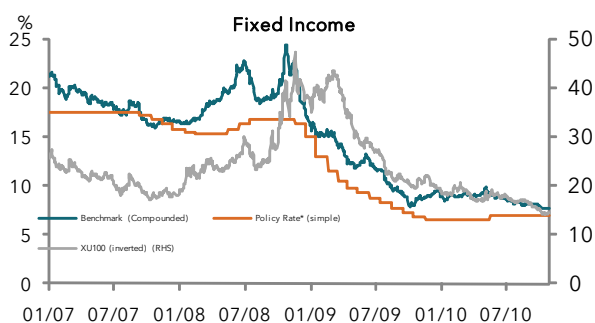
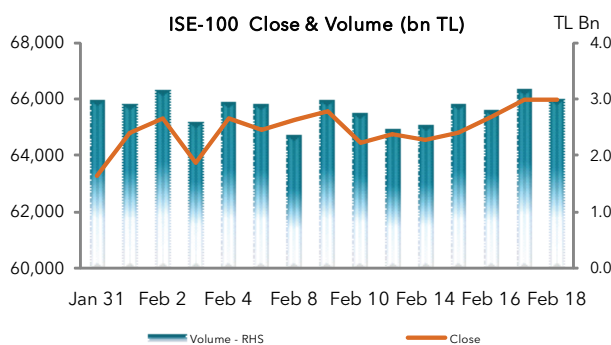
	Perf.	Vol. *	Best	Worst
AKGRT	▼ -2.1%	226	ISAMB 0.0%	ARCLK -4.5%
DOHOL	▲ 1.6%	207	AKSA 5.7%	AFYON -4.3%
GARAN	▲ 0.3%	167	EGGUB 5.4%	AYGAZ -2.5%
ISCTR	▼ 0.0%	152	KONYA 5.3%	FROTO -2.2%
KONYA	▲ 5.3%	148	DYHOL 4.8%	AKGRT -2.1%

* in TLmn, ** in TLbn

Key Valuation Parametrics

Multiples **	2009	2010E	2011E	Growth	2010E
P/E	12.3	11.0	9.7	Net Earnings	13%
EV/EBITDA	8.9	6.1	5.5	EBITDA	13%
EV/Sales	1.2	0.9	0.8	Sales	14%
P/BV(Banks)	2.5	1.9	1.6	BV	13%

** in TL, based on AtaInvest Coverage (c.82% of ISE MCap)



What the Day Heralds

Uprising in Libya reflects negatively on Turkish contractors...

Head of the Turkish-Libyan Business Council Mr. Takla is cited on daily Haberturk as saying that Turkish contractors have US\$ 5 bn worth of construction works in Libya, and that their offices had been ransacked by the protestors. Currently, Turkish contractors faced ~US\$ 40 mn damages in Libya.

Government may take additional measures to control loan growth...

According to reports in the local media, the BRSA and government are to await 1Q readings and identify those banks with excessive growth on their loan books. According to the news report, new measures to be applied to these banks will likely include a slowing down of the approval processes, such as new branch openings and the appointment of new executives, as well as increasing certain requirements (including CAR) of these banks.

Unstable Lira to salvage Turkish economy...

The Turkish Central Bank on Feb. 15 left its benchmark interest rate unchanged at 6.25%. The bank's surprising rate cuts earlier in December and January -an "unorthodox" method that is often explained as an attempt to promote deflationary measures - were widely approved by Turkish economists. The policy of the Turkish Central Bank has been interpreted by some academics as an attempt to create an unstable lira and deter the inflow of speculative capital. By lowering the exchange rate, inflation may be curbed, but more importantly, exchange rate uncertainty arises, discouraging foreign speculative money

from overheating the economy. Past months have seen historic reduction in Turkey's exchange rate to 6.25%, which has led to Lira depreciation and record-low inflation rates. Although deflationary moves have proven important in light of recent global commodity price rises, we should not lose sight of specific concerns over a damaging growth rate caused by the financial crisis and its speculative consequences. The interest rate cuts appear to reflect the Central Bank's will to divert speculative growth as recommended by the International Monetary Fund and rescue an overheating economy.

Chamber head warns of speculative construction costs...

Structural iron, cement and aggregate prices in Turkey are rising abnormally, according to Murat Yalcintas, head of the Istanbul Chamber of Commerce. Iron costs stood at between TL 700 and 800 / ton last year in January, and this year have risen to over TL 1,200, rising over 50%, he said. A ton of cement has also risen by 50% to TL 100. "We cannot explain this hike, either with a rise in raw material costs or with conditions in world markets," he added, noting that aggregate prices had also risen by more than 60%. While a rise based on cost hikes in input materials was normal, a speculative and artificial price jump should be prevented. "Energy inputs rose by 20% in one year on average, but this is not the sole input for iron or cement. The remaining inputs rose by between 6 and 10%, at levels close to the inflation rate.

Company News

Adana Cimento	MARKETPERFORM	Share Price: TL 5.76
ADANA TI	P/E: 16.7x	Target Share Price: TL 5.93
Cement	EV/EBITDA: 12.5x	Upside Potential: 3%

Adana Cimento <ADANA TI> posts TL 52 mn net profit in 4Q10 financials... (Slightly higher)

Adana Cimento posted a TL 52 mn net profit in its 4Q10 financials, compared to TL 8.9 mn in 4Q09. This is in-line with our TL 46 mn estimate. Although the operating performance was slightly better compared to 4Q09, its one-off gains in 4Q10 (from disposal of Cimsa shares) led to a higher bottom line.

(Note: Financial tables represent the whole company, while for the sake of simplicity, market data represents only "A" type shares <ADANA TI>).

With the inclusion of its 4Q10 financials, full year net earnings rose by 29.8% y/y in 2010.

The top line stayed almost flat at TL 67 mn in 4Q10, as domestic sales eased by 12% y/y. On the other hand, exports improved by 53% thanks to strong export performance to Middle Eastern markets. Also, we observe that the company diverted its main focus to export markets in 4Q10 rather than the weak domestic market. As a result of strong exports, its share in total sales climbed to 23% from 15% in 4Q09.

The gross margin slightly improved to 27.8%, from 27.2% a year ago, thanks to increased white cement sales, which have a higher margin than other products. In that line, the EBITDA margin improved to 22.07% from 20.7% in 4Q10.

Adana Cimento registered TL 47.3 mn net non-operating income (including net financial income) in 4Q10, vs. TL 2.9 mn in 3Q10. This is largely driven by the one-off gain from its stake sale in Cimsa. Recall that Adana Cimento had decided to sell its 14.12% stake in Cimsa.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Sales	67	67	1%	78	-14%	305	293	4%
EBITDA	15	14	7%	17	-13%	67	78	-14%
Net Earnings	52	9	487%	12	344%	102	79	30%
Margins								
EBITDA Margin	22.1%	20.7%		21.7%		21.9%	26.7%	
Net Margin	77.6%	13.3%		15.0%		33.5%	26.9%	

Petrol Ofisi	N/R	Share Price: TL 6.88
PTOFS TI	P/E: 18.8x	Target Share Price: -
Oil	EV/EBITDA: 6.9x	Upside Potential: -

Petrol Ofisi <PTOFS TI> Tender call to start on February 23...

In a filing sent to the KAP, OMV announced that the tender call process would commence on February 23, and end on March 8. Investors will recall that the CMB had announced its approval of OMV's request for a tender call for Petrol Ofisi's shares last week. The tender call price will be calculated as the sum of € 1.5982 and US\$ 2.2215 per Petrol Ofisi share. The tender price will be TL-denominated, and the highest exchange rate of Central Bank (the rate of the prior date of the tender call, or the rate of the share transfer date) will be taken into consideration when converting into TL.

Ak Enerji	OUTPERFORM	Share Price: TL 3.2
AKENR TI	P/E: 15.1x	Target Share Price: TL 4.49
Utilities	EV/EBITDA: 18.7x	Upside Potential: 40%

Akenerji <AKENR TI> - Akenerji responsible for receiving non-binding offers...

Akenerji's main shareholders, Akkok Group and CEZ, have announced their decision to authorize Akenerji to take indicative offers for the company's assets.

Dogan Yayin Holding	N/R	Share Price: TL 2.19
DYHOL TI	P/E: 90.1x	Target Share Price: -
Media	EV/EBITDA: 11.9x	Upside Potential: -

Dogan Yayin Holding <DYHOL TI> - Council of State rules in favor of the company regarding TL 444 mn portion of fine... (Positive)

Dogan Yayin Holding announced on Friday Council of State approval of Dogan TV Holding's appeal and cancellation of the TL 444 mn portion of the tax fine. Including overdue taxes of TL 236 mn related to this case, the amount reaches TL 680 mn.

The parties have the right to apply for adjustment against the rulings.

Ford Otosan	OUTPERFORM	Share Price: TL 13.35
FROTO TI	P/E: 9.2x	Target Share Price: TL 17
Automotive	EV/EBITDA: 6.4x	Upside Potential: 27%

Ford Otosan <FROTO TI> to post 4Q10 results today...

We estimate Ford Otosan reporting TL 139 mn net earnings for the final quarter of the year (CNBC-e TV channel consensus estimate: TL 148 mn), suggesting expected 11% y/y growth. This points to an estimated TL 447 mn bottom line for the full year (34% growth over FY09) compared to the TL 457 mn consensus estimate.

Looking at the operating figures, we expect TL 2,364 mn and TL 7,378 mn operational revenues for 4Q10 and FY10, respectively, suggesting over 30% y/y growth, which is also expected to reflect to the EBITDA level (Ata estimate: TL 216 mn EBITDA for 4Q10), as we project margins remaining more or less flat on a y/y basis at 9.1%.

Emlak REIC	N/R	Share Price: TL 2.83
EKGYO TI	P/E: -	Target Share Price: -
Real Estate	EV/EBITDA: -	Upside Potential: -

Emlak REIC <EKGYO TI> 4Q10 Results: Disclosed TL 268 mn net earnings...

Emlak REIC reported a TL 268 mn net profit for the final quarter of the year, up by 53% y/y thanks to better operating performance on the back of doubling operational revenues and 53% y/y growth at the EBITDA level.

On a full-year scale, net earnings reached TL 469 mn, suggesting a 5% y/y increase over TL 446 mn a year ago. The top line was up by 73% y/y in 2010 resulting in 39% y/y growth in EBITDA, while loss at the non-operating level curbed bottom line growth.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Sales	940	471	99%	118	694%	1,498	865	73%
EBITDA	359	235	53%	27	1226%	653	468	39%
Net Earnings	268	175	53%	-2	n.m.	469	446	5%
Margins								
EBITDA Margin	38.2%	49.8%		22.9%		43.6%	54.1%	
Net Margin	28.5%	37.0%		n.m.		31.3%	51.6%	



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