

AT - A GLANCE

February 28, 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

We expect the market to be fragile on news flow from the MENA region and its effects on oil prices. A negative opening is to be followed again by selling pressure. 60,000 levels for the market seem possible, and reactionary buy flows may be observed from that level.

Macro News

- Tender for third bridge on the way...

Sector News

- Limak acquires certain Italcementi assets in Turkey worth € 290 mn...
- 10-year Samurai bonds...

Company News

- Yapi Kredi Sigorta <YKSGR TI> declares net profit of TL 5.2 mn in 4Q10...
- Anadolu Cam <ANACM TI> concludes take-over of Ukrainian Merefia Glass Company (Neutral)...
- Boyner <BOYNR TI> discloses TL 7.2 mn net profit in 4Q10, down by 23% y/y yet slightly higher than expected...
- Tat Konserve <TATKS TI> discloses TL 6 mn net loss in 4Q10, worse than expected...
- Bagfas <BAGFS TI> 4Q10 Results: Strong operational profitability...

Agenda

- 28.02
- Foreign Trade Statistics for January
Ata Foreign Trade Est: US\$ 4.3 bn
 - Yapı Kredi Bank <YKBNK TI> 4Q10 Earnings
Ata Est. 4Q10: TL 370.5 mn (-37.1% y/y), FY10: TL 2,150 mn (58.7% y/y)
- 1.03
- Employment Statistics for December
 - CNBC-e Consumer Confidence Index for February
 - Turkish PMI for February
 - TEA Export Statistic for February
 - ICC Retail Price Index for February
- 3.03
- CPI and PPI for January
Ata CPI Est: 1.00% (m/m), 4.5% (y/y)
 - Non-residents' Holdings of Securities for week ending on Feb 25th

Market Data

Indices	Daily	Weekly	YTD	Last	Vol. *	Mcap **
ISE 100	▲ 1.0%	-7.0%	16.2%	61,367	3,119	351
ISE 30	▲ 0.5%	-7.1%	12.2%	75,152	1,891	274
Financials	▲ 0.6%	-7.7%	14.0%	90,939	1,666	228
Industrials	▲ 2.2%	-4.4%	34.3%	50,908	889	100
Banking	▲ 0.7%	-7.1%	9.4%	130,800	1,070	171

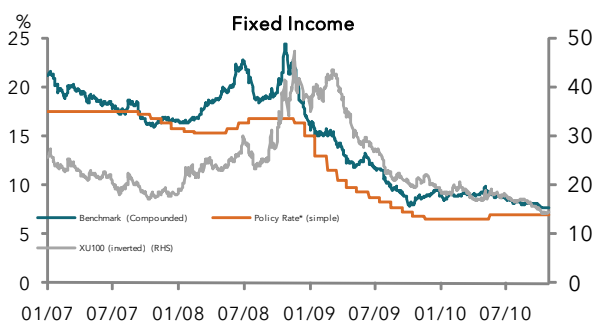
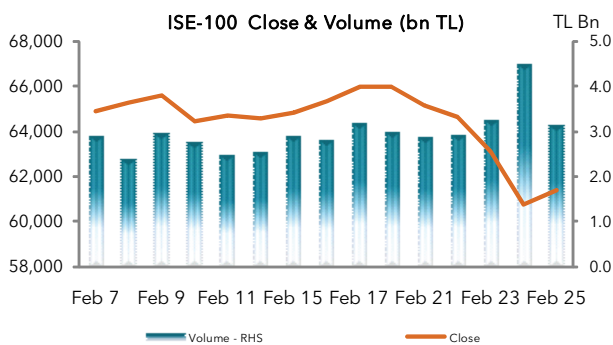
Most Active	Perf.	Vol. *	Best	Worst
GARAN	▲ 1.1%	393	ISAMB 0.0%	SISE -2.0%
ISCTR	▲ 1.2%	268	NETAS 13.0%	TCELL -1.7%
FENER	▲ 9.8%	180	KARSN 12.0%	KCHOL -1.2%
THYAO	▲ 6.5%	159	FENER 9.8%	TKFEN -1.1%
HALKB	▼ -0.9%	138	KONYA 8.8%	AKENR -1.1%

* 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)



*Borrowing rate until 20 May 2010, then one-week repo rate.

What the Day Heralds

Limak acquires certain Italcementi assets in Turkey worth € 290 mn... Limak has acquired three cement plants (Ankara, Balıkesir and Trakya plants with total clinker capacity of 1.87 mn tons and total cement capacity of 2.6 mn tons), one grinding mill (Ambarlı) of 1.2 mn ton capacity and 13 RMC plants for € 290 mn. The transaction excluded Afyon, the listed cement company of the Group, and Set Group Holding.

This transaction will expand Limak Group's operations to the western part of Turkey, and provide shipment facilities from Balıkesir and Ambarlı. Limak will be one of the key players in the sector with around a 5.4 mn ton clinker capacity and 11% market share. Recall that Italcementi had sold the Group's cement assets in Turkey to Sibirskiy Cement (SIBCEM) for Euro 600 mn in 2008, although the transaction was not finalized.

10-year Samurai bonds... The Turkish government is planning to issue 10-year Samurai bonds with a yield of the yen swap rate plus 45-55 bps. Accordingly, Daiwa Securities Capital Markets Co., Mitsubishi UFJ Morgan Stanley Securities Co. and Mizuho Securities Co. are to contribute to the management of the sale, while JBIC is to provide a guarantee for up to 180

billion yen (US\$ 2.2 bn) of the bonds. Final terms emerge on March 11.

Tender for third bridge on the way... Prime Minister Recep Tayyip Erdogan on Saturday revealed government plans to conclude a tender for the construction of a third bridge over the Bosphorus this year. The PM also mentioned that the third bridge might include motor vehicle transportation and a railway system.

Company News

Yapi Kredi Sigorta	MARKETPERFORM	Share Price: TL 13.45
YKSGR TI	P/E: 20.7x	Target Share Price: TL 16.3
Insurance	P/Premium: 1.3x	Upside Potential: 21%

Yapi Kredi Sigorta <YKSGR TI> declares net profit of TL 5.2 mn in 4Q10...

Yapi Kredi Sigorta has disclosed TL 5.2 mn in net profit for 4Q10, slightly higher than our TL 4.1 mn call. The bottom line is better than the TL 21 mn loss of 4Q09 and close to the TL 5.4 mn net profit of 3Q10. The y/y rise in gross premium generation and improvement in the combined ratio affected technical profit positively. On a q/q basis, despite the 60% surge in gross premium generation, and improvement in the combined ratio from 101% in 3Q10 to 96% in 4Q10, a TL 7.2 mn other expense item, as opposed to TL 2.1 mn other income written in 3Q10, limited the bottom line increase in 4Q10. On a cumulative basis, the net loss of TL 12 mn in 2009 turned to a net profit of TL 43 mn, thanks to a rise in gross premium generation and improvement in profitability.

Gross premium generation has risen 13.1% y/y to TL 235 mn, and surged by 60% q/q in 4Q10. Accordingly, total premium generation in 2010 rose by 24.7% to TL 758 mn, with respective 18.6% and 48.1% y/y growth in the health and auto insurance segments. The company ranks 5th in the non-life segment in terms of premium generation, increasing its market share from 5.7% in 2009 to 6.3% in 2010, according to AIRCT data.

Yapi Kredi Sigorta's combined ratio fell from 113.9% in 2009 to 101.6% in 2010. Accordingly, it wrote a technical profit of TL 46.6 mn in 2010, in contrast to the TL 22.7 mn technical loss written in 2009. On the other hand, operating expenses rose by 18.4% y/y to TL 138 mn in 2010, due mostly to the rise in commission expenses given increased gross premium generation. Investment income increased by 35% y/y to TL 69 mn, thanks mostly to the rise in dividend income in 2010.

On a quarterly basis, the combined ratio also improved from 131.4% in 4Q09 and 101.2% in 3Q10 to 96.3% in 4Q10. This improvement helped technical profit to recover both y/y and q/q, the company wrote a technical profit of TL 13 mn in 4Q10, versus its TL 25.7 mn loss of 4Q09 and TL 2.1 mn profit of 3Q10. There were no major changes in its operating expenses in the quarter, and investment income declined by 5.6% y/y to TL 9.9 mn in 4Q10.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Gross Premium	235	208	13%	147	60%	758	608	25%
Technical Profit	13	-26	n.m.	2	508%	47	-23	n.m.
Net Earnings	5	-21	n.m.	5	-3%	43	-12	n.m.
Margins								
Technical	5.5%	n.m.		1.5%		6.1%	n.m.	
Net Margin	2.2%	n.m.		3.7%		5.6%	n.m.	

Anadolu Cam	OUTPERFORM	Share Price: TL 3.01
ANACM TI	P/E: 9.3x	Target Share Price: TL 3.76
Glass	EV/EBITDA: 4.6x	Upside Potential: 25%

Anadolu Cam <ANACM TI> concludes take-over of Ukrainian Merefa Glass Company (Neutral)...

Anadolu Cam has disclosed concluding the take-over procedures for Merefa Glass Company, which operates with an 85 k ton glass packaging capacity in Ukraine, for a € 32 mn enterprise value.

Comment: Neutral for Anadolu Cam, as the process had already been expected by the investor community. Also, the acquired plant accounts for ~5% of its total glass packaging capacity.

Boyner	UNDERPERFORM	Share Price: TL 3.99
BOYNR TI	P/E: 18.1x	Target Share Price: TL 3.95
Retail	EV/EBITDA: 7.1x	Upside Potential: -1%

Boyner <BOYNR TI> discloses TL 7.2 mn net profit in 4Q10, down by 23% y/y yet slightly higher than expected...

In its 4Q10 financials, Boyner announced a TL 7.2 mn net profit, marking a 23% y/y retreat. Despite its better top line performance, slightly weaker operating performance, in tandem with a higher tax payment (21.8% effective tax rate in 4Q10, vs. 7.1% a year ago) led to a lower bottom line in 4Q10. However, net earnings came in slightly above our estimate TL 6.2 mn, which is largely due to a better-than-expected operating performance in 4Q10. With the contribution of 4Q10 financials, full year net earnings climbed 1.4-fold y/y to TL 17.3 mn.

The top line rose by 17% y/y in 4Q10, to TL 159 mn. However, the operating performance was weaker in the underlying quarter, as EBITDA inched up by 3% y/y in 4Q10 on a 9.8% EBITDA margin, vs. 11.1% a year ago.

While the non-operating loss almost remained flat at TL 2.2 mn compared to 4Q09, Boyner's tax payment rose to TL 2 mn, from TL 0.7 mn a year ago, which pressured the bottom line in the underlying quarter.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Sales	159	136	17%	137	15%	553	483	15%
EBITDA	15	15	3%	6	154%	40	31	29%
Net Earnings	7	9	-23%	3	155%	17	7	137%
Margins								
EBITDA Margin	9.8%	11.1%		4.4%		7.1%	6.4%	
Net Margin	4.5%	6.8%		2.0%		3.1%	1.5%	

Tat Korseve	OUTPERFORM	Share Price: TL 3.64
TATKS TI	P/E: 11.5x	Target Share Price: TL 4.77
Food	EV/EBITDA: 9.4x	Upside Potential: 31%

Tat Korseve <TATKS TI> discloses TL 6 mn net loss in 4Q10, worse than expected...

Tat Korseve has disclosed a TL 6.2 mn net loss for the final quarter of 2010, compared to a TL 9.1 mn net profit a year ago. This pulled the full-year figure to a TL 16.2 mn profit in comparison to TL 33.7 mn net profit in 2009. The figure is lower than both our TL 30.5 mn estimate and the consensus estimate of TL 31 mn.

Operational revenues were down by 12% y/y in the underlying quarter to TL 160 mn. On a full-year scale, the top line came in at TL 787 mn, denoting a 13% rise over the 2009 figure compared to our forecast of TL 839 mn.

On the operational profitability front, Tat Korseve reported TL 8.8 mn EBITDA in the final quarter, indicating margin deterioration from 9.5% in 4Q09 to just 5.9%. This carried full-year EBITDA to TL 57.9 mn, implying a 7.4% margin, vs. 10.1% a year ago.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Sales	160	183	-12%	217	-26%	787	694	13%
EBITDA	9	17	-46%	16	-40%	58	70	-18%
Net Earnings	-6.2	9	n.m.	9	n.m.	16	34	-52%
Margins								
EBITDA Margin	5.9%	9.5%		7.2%		7.4%	10.1%	
Net Margin	n.m.	4.9%		4.0%		2.1%	4.9%	

Bagfas	UR	Share Price: TL 175
BAGFS TI	P/E: -	Target Share Price: -
Fertilizer	EV/EBITDA: -	Upside Potential: -

Bagfas <BAGFS TI> 4Q10 Results: Strong operational profitability...

Bagfas disclosed TL 21 mn net earnings in the final quarter, favorable against both TL 2 mn a year ago and TL 6 mn net profit in the prior quarter. Improvement at the bottom line is attributable to strong operational performance. This carried the full-year bottom line to TL 47 mn, vs. A TL 5 mn net loss in 2009.

The company recorded TL 85 mn revenues in 4Q10 up by 125%, primarily attributable to higher average fertilizer prices and 27% y/y growth in sales volume. Revenues for the full year were at TL 280 mn, suggesting 4% y/y improvement due to higher prices. In the meantime, export sales turnover was TL 61 mn in 4Q10, accounting for 76% of the top line. On a cumulative basis, proceeds from exports comprised 62% of total revenues.

On the operating front, Bagfas reported TL 25 mn EBITDA, implying a margin of 29%, suggesting a substantial improvement over 5% recorded last year, and above the 19% margin of the prior quarter. This brought full-year EBITDA to TL 63 mn compared to negative TL 8 mn in 2009.

Bagfas' net cash position improved from TL 74 mn in the prior quarter to TL 99 mn at the end of the year, while its long FX position also rose from TL 51 mn to TL 74 mn.

4% dividend yield... Bagfas is to propose a TL 19.7 mn cash distribution from its 2010 earnings to its General Assembly, implying a gross TL6. 57738 per share (net TL 5.59078) cash dividend. This suggests a 3.8% gross dividend yield (net 3.2%) based on the latest closing. The distribution will start on May 18.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Sales	85	38	125%	66	29%	280	268	4%
EBITDA	25	2	1195%	13	96%	63	-8	n.m.
Net Earnings	21	2	806%	6	253%	47	-5	n.m.
Margins								
EBITDA Margin	29.4%	5.1%		19.4%		22.5%	n.m.	
Net Margin	24.6%	6.1%		9.0%		16.8%	n.m.	

Corporate Actions

Company	Ticker	Cash Dividend Distribution			Bonus Issue	Capital Increase		Date	Ref Price (TL)
		Total (TL mn)	Gross per share (TL)	Gross Yield		Rights Issue	Post-increase Capital (TL mn)		
Bagfas	BAGFS	20	6.6	3.8%				May, 18	
Akbank	AKBNK	570	0.1	1.9%					
Arcelik	ARCLK	250	0.4	5.1%				March, 29	
Bolu Cimento	BOLUC	11	0.1	5.0%				May, 31	
Emlak G.M.Y.O.	EKGYO	175	0.1	2.8%				March, 31	
Halk Bank	HALKB	395	0.3	2.7%				May, 27	
Hektas	HEKTS	12	0.2	10.2%					
Mardin Cimento	MRDIN	71	0.6	8.5%					
Trabzonspor	TSPOR	32	1.3	5.7%					
Turk Telekom	TTKOM	2,244	0.6	9.0%				May, 30	
Turk Traktor	TTRAK	150	2.8	11.3%				April, 01	
Unye Cimento	UNYEC	45	0.4	8.6%					



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