

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

Clear negative trading pattern expected today. Yesterday's closing was at the day's low and also more than 6% below the key 200 day MOV. The market may try to stabilize at around the 58,000 mark, but the drop will likely extend towards the 55,500 level in the short run.

Macro News

- Decreasing trend in CNBC-e consumer confidence continues...
- ICC data signals decline in February inflation...
- Increase in February TEA data...
- 11.9% unemployment rate in 2010...

Sector News

- Banks give their verbal defense on Competition Board investigation...

Company News

- Aksa Enerji <AKSEN TI>: Rights issue decision cancelled while amount of shares to be sold by Kazanci Holding revised up...
- Koza Gold <KOZAL TI>: Discovery of new vein to increase resources...
- Albaraka <ALBRK TI> reports TL 43 mn net earnings for 4Q, in line with estimates...
- BRSA approves sale of Garanti <GARAN TI> shares to BBVA...
- Tupras <TUPRS TI> - Upward revision in RUP Investment Incentive Certificate...
- Turkcell <TCELL TI> - Court rejects Turkcell's appeal on ICTA' fine...

Agenda

- 3.03
- CPI and PPI for January - Ata CPI Est: 1% (m/m), 4.5% (y/y)
 - Non-residents' Holdings of Securities for week ending on Feb 25th
 - Tav Havalimanları <TAVHL TI> 4Q10 Earnings
Ata Est. 4Q10: TL 28 mn (-23% y/y), FY10: TL 95 mn (-13% y/y)
- 4.03
- PA, Final Tender Offer for Operating Licence of Mazidagi Phosphate Fac
- 8.03
- Industrial Production for January
 - Central Bank's First Expectation Survey for March
 - Treasury Cash Balance Realizations for February
 - Bim Birlesik Magazalar <BIMAS TI> 4Q10 Earnings
Ata Est. 4Q10: TL 55 mn (+7% y/y), FY10: TL 230 mn (8% y/y)
- 10.03
- Non-residents' Holdings of Securities for March 4
 - CNBC-e Consumption Index for February

Market Data

Indices	Daily	Weekly	YTD	Last	Vol. *	Mcap **
ISE 100	▼ -4.2%	▼ -9.2%	▲ 11.1%	58,709	3,966	351
ISE 30	▼ -4.5%	▼ -10.1%	▲ 6.4%	71,279	2,592	274
Financials	▼ -5.3%	▼ -10.9%	▲ 7.5%	85,727	2,436	228
Industrials	▼ -3.0%	▼ -5.5%	▲ 31.1%	49,699	966	100
Banking	▼ -6.0%	▼ -12.1%	▲ 1.8%	121,696	1,801	171

Most Active

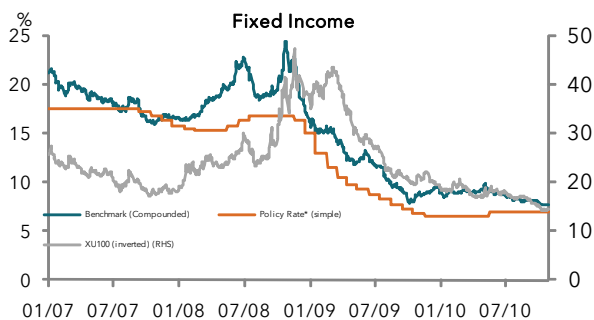
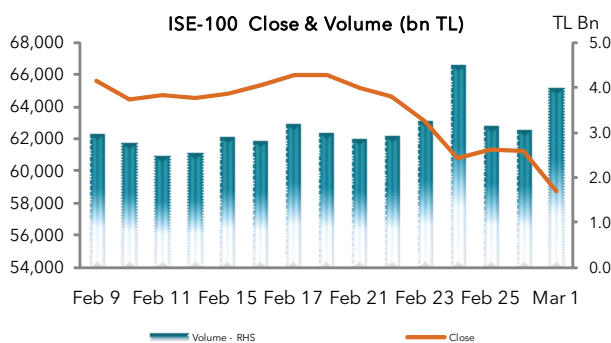
	Perf.	Vol. *	Best	Worst
GARAN	▼ -5.6%	724	ISAMB 0.0%	KONYA -11.8%
ISCTR	▼ -5.8%	546	BIMAS 1.4%	NETAS -11.1%
FENER	▼ -2.9%	248	TTKOM 0.6%	GOLTS -9.9%
AKBNK	▼ -6.4%	162	CLEBI 0.2%	KARSN -9.5%
HALKB	▼ -6.0%	115	AKENR 0.0%	KARTN -8.4%

* 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

Decreasing trend in CNBC-e consumer confidence continues... The CNBC-e consumer confidence index in February shed 1.4% m/m to 106.72 for the second consecutive month. We view this not as a signal of slowdown in domestic demand, but rather in growth. The main reason for deterioration in the index may also be the recent unrest in Libya and the MENA region that is causing instability in the financial markets. However, it is worth mentioning that the index is still 7.0% above last year's level.

ICC data signals decline in February inflation... According to the Istanbul Chamber of Commerce (ICC) inflation index, monthly inflation rose by 0.57%, exceeding last year's 0.38%. The food sub-index of the ICC inflation, which has significant correlation with CPI's food inflation draws a more optimistic scenario rising 1.1%, lower than last year's 2.1% hike. Note that our call for February CPI, due on March 3, is a 1.0% m/m increase.

Increase in February TEA data... The Turkish Exporters Assembly (TEA) February data indicates that exports rose by 24.2% y/y to US\$ 10.2 bn, adding up to US\$ 117.5bn in the last 12 months. The automotive sector was the star performer of the month on US\$ 1.6 bn worth of exports. Note that our foreign trade forecast for February is a US\$ 4.7 bn deficit, composed of US\$ 9.8 bn of exports and US\$ 14.5 bn of imports.

11.9% unemployment rate in 2010... In 2010 the unemployment rate fell to 11.9%, thereby comparing favorably to the 14.0% of 2009. The labor force participation rate came in at 48.8%, exceeding the 47.9% observed in 2009, while non-farm unemployment in 2010 fell to 14.8% from 2009's 17.4% level.

Comment: The 2010 unemployment rate decreased to 11.9% from the previous year's 14.0%. Rigidity in Turkey's high unemployment rate, despite robust growth momentum is mainly due to structural problems of the Turkish economy. This raises the question of the sustainability of Turkey's high economic growth rate. The economy recovered sharply in 2010, but such a sound growth rate has failed to create sufficient jobs.

Hot money flows resulting in Lira appreciation in 2010 have increased cheap imports, thus benefiting job growth elsewhere, but causing Turkey's current account deficit to rise to US\$ 48.6 bn. The Central Bank has imposed measures to ease credit growth and prevent further Lira appreciation, which has registered partial success. However, these measures alone are unlikely to solve Turkey's unemployment problem. Further measures, including an easing of the tax burden on employers, and job market flexibility, must be introduced to truly address the jobless growth problem. (See our Macro Note: Labor Force Statistics- 2010 of March 1).

Banks give their verbal defense on Competition Board investigation... Banks began giving their verbal defense on Tuesday in the Competition Board's investigation into suspected irregularities regarding promotions given to companies to encourage them to open employee salary accounts. The competition board started the investigation on August 19, 2009. Among the 8 banks being investigated are Akbank <AKBNK TI>, Isbank <ISCTR TI>, Yapi Kredi <YKBNK TI>, Garanti <GARAN TI>, Halkbank <HALKB TI>, Finansbank <FINBN TI> and Denizbank <DENIZ TI>.

Akbank CEO Ziya Akkurt commented that the ISE banking index may fall by 20% with a possible US\$ 6-7 bn outflow should the Competition Board decide against the banks.

Comment: The Competition Board has decided in favor of banks in recent comparable cases, and we believe the probability of a similar outcome is also high in this case. Yet the issue may pressure banking stocks due to its large scope.

Company News

Aksa Enerji	N/R	Share Price: TL 4.4
AKSEN TI	P/E: -	Target Share Price: -
Utilities	EV/EBITDA: -	Upside Potential: -

Aksa Enerji <AKSEN TI>: Rights issue decision cancelled while amount of shares to be sold by Kazanci Holding revised up...

Having announced corporate action plans to increase the free float (rights issue and stake sale by Kazanci Holding) in December 2010, the company has made some revisions to these plans as of yesterday.

Accordingly, the shares that were subject to sale by Kazanci Holding are to be revised up to 68.9 mn nominally valued shares (11.93% of current capital) compared to 46.2 mn shares (8% of the capital) in the initial announcement. The transaction is expected to be executed some time in 2011 depending

on market conditions. Reportedly, the proceeds from the stake sale will be utilized to repay Kazanci Holding's and other group companies' debts to Aksa Enerji, which will be used for a capacity increase of existing power plants and new investments. Note that the current outstanding free float is 5.5%, which will potentially rise to ~17.5% once/if the transaction is completed.

On the other hand, the decision to increase the paid-in capital by TL 58.5 mn through a 10.13% rights issue will be cancelled.

Koza Gold	OUTPERFORM	Share Price: TL 18.05
KOZAL TI	P/E: 9.7x	Target Share Price: TL 24.94
Mining	EV/EBITDA: 5.2x	Upside Potential: 38%

Koza Gold <KOZAL TI>: Discovery of new vein to increase resources...

Koza Gold has announced that ore production at the Kaymaz Gold Mine open pit had started as of yesterday, and that gold production at Kaymaz would start in 2H11 in line with previous guidance. On the other hand, in a new development the discovery of a new vein in the Kaymaz Hub was also announced, which will increase the resources of the hub.

Albaraka Turk	MARKETPERFORM	Share Price: TL 2.07
ALBRK TI	P/E: 7.4x	Target Share Price: TL 3.02
Banking	P/B: 1.1x	Upside Potential: 46%

Albaraka <ALBRK TI> reports TL 43 mn net earnings for 4Q, in line with estimates...

Albaraka has reported TL 43 mn net earnings in its 4Q10 bank only financials, up 30% q/q. The announced figures are in line with the previously announced tax financials, and also with our estimate and the consensus estimate of TL 41 mn. Net profit for 2010 was TL 134 mn, up 27% y/y.

Growth intact... In the fourth quarter, Albaraka expanded its loan book by 15% q/q, exceeding the sector and our forecast. The deposit base grew by 11%, again higher than average deposit market growth. Overall, ytd loan and deposit expansion was 35% and 26% respectively.

Albaraka also continued to expand its security book by 15% q/q with the acquisition of revenue indexed bonds. Annual growth in securities reached 33%.

NII is strong... NIM improved to 4.7% from 4.5% in 3Q, bringing an 11% q/q rise in NII. The main reason for this improvement was the decline in the cost of the participation accounts. NII was at TL 316 mn for 2010, implying a 3% increase over 2009.

Meanwhile, fee income also rose by 3% q/q. Net trading & FX income shed 26% q/q, similar to most banks in the quarter. OPEX was in line with expectations at TL 54 mn, indicating a 9% q/q rise.

Asset quality continues to improve... The NPL ratio dropped to 3.0% in 4Q from 3.2% in the previous quarter. The bank also decreased its provisioning coverage to 85.7 from 90.8% a quarter earlier.

BoD announces dividend of TL 13.5 mn to be proposed to AGM... The announced figure indicates a 10% payout ratio and 1.2% dividend yield.

Overall, we find Albaraka Turk's 4Q operational performance satisfactory. Loan expansion and improvement in NIM and fee income are the main positives of the quarter.

Balance Sheet	4Q10	4Q09	y/y	3Q10	q/q			
Loans	6,271	4,633	35%	5,467	15%			
Securities	435	328	33%	379	15%			
Total Assets	8,406	6,415	31%	7,672	10%			
Deposits	6,882	5,465	26%	6,222	11%			
SHE	853	711	20%	791	8%			
Income Statement	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Net Interest Inc.	84	97	-14%	76	11%	3,200	3,478	-8%
Net Fee Inc.	22	20	15%	22	3%	1,596	1,436	11%
Net Income	43	23	85%	33	30%	2,060	1,355	52%

Garanti Bank	MARKETPERFORM	Share Price: TL 6.68
GARAN TI	P/E: 9.1x	Target Share Price: TL 8.34
Banking	P/B: 1.7x	Upside Potential: 25%

BRSA approves sale of Garanti <GARAN TI> shares to BBVA...

The BRSA has approved GE and Dogus Holding's sale of Garanti shares to BBVA.

Tupras	MARKETPERFORM	Share Price: TL 39.6
TUPRS TI	P/E: 9.6x	Target Share Price: TL 46.1
Oil	EV/EBITDA: 5.8x	Upside Potential: 16%

Tupras <TUPRS TI> - Upward revision in RUP Investment Incentive Certificate...

Tupras announced yesterday that the investment incentive certificate has been increased from TL 2.3 bn to TL 3.9 bn after a recalculation concerning the cost of the project and the addition of construction & assembly costs. Note that this increase is not related to a change in the total costs of the project, but calculated based on the maximum projected investment amount, also reflecting a higher FX rate assumption.

The incentives include: I) VAT Exemption, II) Exemption of Custom Duties III) Tax Discounts (50% discount from Corporation Tax, up to 30% of the value of the project) and IV) Employers Social Insurance Payment Contribution. In line with the increase in the amount of incentives, the tax discounts have also risen. Investors will recall that Tupras had announced on January 10 an Investment Incentive Certificate worth TL 2.34 bn related to this upgrade project.

Turkcell	MARKETPERFORM	Share Price: TL 8.72
TCELL TI	P/E: 10.1x	Target Share Price: TL 11.73
Telecom	EV/EBITDA: 5.4x	Upside Potential: 35%

Turkcell <TCELL TI> - Court rejects Turkcell's appeal on ICTA' fine...

Turkcell has announced the court's rejection of its appeal against the ICTA decision to impose a fine amounting to TL 32 mn in June 2008. The fine is related to certain Turkcell campaigns that offered free

minutes on some of its packages. Turkcell had paid the amount following the notification and utilized the 25% discount option on early payment by making a TL 24 mn payment. The company is to lodge an appeal with a higher court.

Corporate Actions

Company	Ticker	Cash Dividend Distribution			Capital Increase			Date	Ref Price (TL)
		Total (TL mn)	Gross per share (TL)	Gross Yield	Bonus Issue (TL mn)	Rights Issue	Post-increase Capital (TL mn)		
Albaraka Turk	ALBRK	13	0.0	1.2%				April, 05	
Akbank	AKBNK	570	0.1	2.0%					
Arcelik	ARCLK	250	0.4	5.3%				March, 29	
Bagfas	BAGFS	20	0.1	4.0%				May, 18	
Bolu Cimento	BOLUC	11	0.1	5.2%				May, 31	
Emlak G.M.Y.O.	EKGYO	175	0.1	3.0%				March, 31	
Halk Bank	HALKB	395	0.3	2.9%				May, 27	
Hektas	HEKTS	12	0.2	10.3%				Mayis, 30	
Mardin Cimento	MRDIN	71	0.6	8.7%					
Trabzonspor	TSPOR	32	1.3	6.2%					
T.S.K.B.	TSKB	42	0.1	2.4%	14.3%		800		
Turk Telekom	TTKOM	2,244	0.6	9.0%				May, 30	
Turk Traktor	TTRAK	150	2.8	11.4%				April, 01	
Unye Cimento	UNYEC	45	0.4	8.8%					



Emirhan Cad. No: 109 Atakule 34349 Istanbul – TURKEY Tel-PBX: 90-212-310-6200 www.atainvest.com

	Title	Tel	E-mail
Nergis Kasabali	SVP Research and Institutional Sales	90-212-310-6282	nkasabali@atainvest.com

Sales	Title	Tel	E-mail
Mehmet Ilgen	Director	90-212-310-6267	milgen@atainvest.com
Nalan Cakir	Asst. Director	90-212-310-6265	ncakir@atainvest.com
Mujde Erdogan	Asst. Director	90-212-310-6263	merdogan@atainvest.com

Research	Title	Tel	E-mail
Nurhan Toguc	Chief Economist	90-212-310-6281	ntoguc@atainvest.com
A. Onder Zorba	Director	90-212-310-6285	ozorba@atainvest.com



Level 2, 206, GV 05, DIFC, Sheikh Zayed Road, P.O. Box 506709, Dubai, UAE Tel-PBX: 9714 -375 56 35

	Title	Tel	E-mail
Kaan Ferhatoglu	Senior Executive Officer	917-4-375-5629	k.ferhatoglu@atainvestdubai.ae

AUERBACH GRAYSON

25 West 45th Street New York NY 10036 USA Tel-PBX: 1-212-557 4444 www.agco.com

Sales&Trading-USA	Title	Tel	E-mail
Sarkis Iliozer	EMEA Trading	1-212-557-4444	siliozer@agco.com
Ugur Sarman	Institutional Sales-Turkish Equities	1-212-453-3589	usarman@agco.com

For additional information, please contact:

Mehmet Sami, Executive Board Member

Tel-D : 90-212-310 6240

Fax : 90-212-310 6244

e-mail : msami@atainvest.com

DISCLAIMER

Information in this publication was prepared by ATA Invest for information purposes only. It should not be construed as an offer or solicitation for the purchase of sale of any financial instrument, or as the provision of an offer to provide investment services. Investment advisory services are offered within the framework of the investment consulting agreement between clients and stock brokers, portfolio management companies and non-deposit banks. Interpretations and recommendations contained in this report reflect the personal opinion of the person who supplied them. Information regarding mentioned opinions is obtained from reliable sources, and Ata Invest can give no guarantee of the accuracy of such information. The opinions stated herein may not be appropriate for your financial situation, and your risk and income preferences. Therefore, making investment decisions which are solely based on the information contained herein may not satisfy your expectations. Ata Invest shall not be responsible for such results. Ata Invest reserves the right to change and abolish the mentioned information and recommendations without prior notification and /or warning. Ata Invest shall not be liable for any delay, change, loss of integrity and confidentiality. All reasonable precautions have been taken to ensure no viruses are present in this e-mail. Since we cannot accept responsibility for any loss or damage arising from the use of this e-mail, or attachments, we recommend that you subject these to your virus checking procedures prior to use.