

## AT - A GLANCE

MarTY 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

**Another range-bound trading pattern is expected in local equities.** A slightly negative reading is possible at the opening bell. The market is still trading above its 200-day MOV @ 63,451. Supports are @ 64,000 and 63,450. Resistances @ 65,000 and 65,650.

### Macro News

- Key Messages from CBT Governor Yilmaz:
- CUR- in line with expectations...

### Sector News

- PM's Energy Comments...
- No price adjustment in electricity prices until July...

### Company News

- Isbank <ISCTR TI> to issue bonds worth TL 700 mn...
- Sekerbank <SKBNK TI> sells NPL portfolio of TL 144 mn for TL 12 mn...
- Koc Holding <KCHOL TI> partnering with Stena Line in IDO privatization....
- Akfen Holding <AKFEN TI> forms consortium for IDO privatization...
- TAV Airports announces purchase of certain stakes in its three subsidiaries...
- Sise Cam <SISE TI> Solid operating performance in 4Q10...
- Koza Gold <KOZAL TI> Share sale completed by major stakeholders...

### Agenda

- 28.03 • Coca Cola Icecek <CCOLA TI> 4Q10 Earnings  
Ata Est. 4Q10: -TL 23 mn, FY10: TL 216 mn (+27% y/y)
- Hurriyet <HURGZ TI> 4Q10 Earnings  
Ata Est. 4Q10: TL 8 mn, FY10: TL 29 mn
- 29.03 • Wind farm licence tenders (2nd round)
- Coca Cola Icecek <CCOLA TI> 2010 Webcast
- Anadolu Efes <AEFES TI> 4Q10 Earnings  
Ata Est. 4Q10: TL 21 mn (+57% y/y), FY10: TL 504 mn (+19% y/y)
- 30.03 • MPC Meeting Minutes
- Wind farm licence tenders (3rd round)
- 31.03 • GDP 4Q Ata Est: Q410: 5.9%, FY10: 8.1%
- Foreign Trade Statistics for February
- Deadline to submit bids for IDO privatisation

### Market Data

Indices	Last	Daily	Weekly	YTD	Vol. *	Mcap *
ISE 100	▲ 64,356	1.0%	1.4%	-2.5%	2.9	351
ISE 30	▲ 78,781	1.0%	1.1%	-3.1%	2.0	274
Financials	▲ 95,073	1.0%	0.3%	-4.5%	1.7	228
Industrials	▲ 54,480	0.7%	3.4%	3.8%	1.1	100
Banking	▲ 133,337	1.5%	0.0%	-7.2%	1.2	171

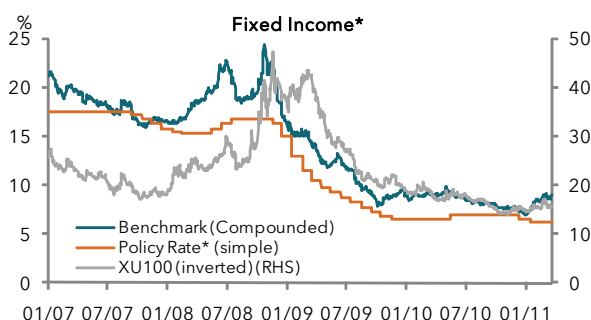
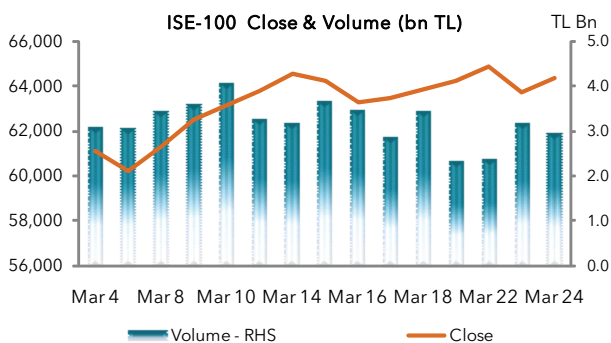
Most Active	Perf.	Vol.	Best	Worst
GARAN	▲ 1.1%	379	NTTUR 10.3%	PTOFS -8.5%
ISCTR	▲ 0.8%	344	NTHOL 10.2%	THYAO -3.5%
THYAO	▼ -3.5%	192	GLYHO 7.7%	ISFIN -2.4%
HALKB	▲ 2.1%	119	BRISA 6.7%	AEFES -2.3%
AKENR	▲ 4.0%	118	TEKTU 6.2%	SAHOL -1.9%

\* in TLbn

### Key Valuation Parametrics

Multiples *	2010E	2011E	2012E	Growth	2011E
P/E	11.0	10.5	9.5	Net Earnings	5%
EV/EBITDA	7.9	7.3	6.5	EBITDA	9%
EV/Sales	1.1	1.0	0.9	Sales	12%
P/BV(Banks)	1.7	1.6	1.3	BV	5%

\* 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

## Key Messages from CBT Governor Yilmaz:

- Monetary policy targets sustainable credit growth
- CBT is concern over rising commodity prices
- Imported inflation is at 10.9%, March reading was above that target
- Inflation dynamics are developing within the CBT's expectations
- Restructuring revenues to be used to pay government debt
- Despite supply side shocks, inflation dynamics have not deteriorated
- CBT still prioritizes inflation targeting
- Fiscal discipline to be kept as is
- Turkey to reduce debt stock during 2011-2013
- Public revenues should be spent on infrastructure
- CBT to start imposing measures in 2Q11.
- Currencies of low risk economies to outperform others

Rise in credit growth as a percentage of GDP at 12%, is high, requires attention. Measures taken by the CBT to slow down credit growth as of 2Q11

Although unemployment level remains high, it is approaching pre-crisis levels

Domestic demand is on the rise in 1Q11

**Comment:** Along with Chinese and Russian central banks, the Turkish central bank is taking drastic measures to limit credit growth. This is likely to have implications, lowering domestic demand growth that has been motivated by low cost credit. We now know that the CBT wants to curb the rise in domestic demand through low credit costs, and is likely to increase RRR further should credit growth exceed 20-25% annual growth. We now believe that the CBT may commence rate hikes as early as 2Q11, given inflationary concerns over the recent rises in oil prices. The CBT also expects the TL to appreciate in the upcoming period.

We disagree with CBT's views on several issues: 1) We think we have seen the peak of oil prices, and inflationary pressures are likely to be around 7% at year end. 2) Pre-loaded rate hikes may have negative implications for the economy that is recently recovering from a global recessionary period. 3) Contrary to our view, the CBT expects the TL to appreciate. We think the value of US Dollar will likely bottom-out soon, as the FED's Fisher has signaled that the US is nearing the end of QE2. Please see other recent macro notes on fixed income and

interest rate expectations. (See our Macro Note: Key Messages from CBT Governor Yilmaz, of March 25).

**CUR- in line with expectations...** The capacity utilization rate (CUR) rose by 5.9 points y/y to 73.2% in March, in line with the market consensus of 73.2% in addition to a 0.2 point improvement on a monthly basis. Bear in mind that 2010 average CUR registered at 72.6%, which shows that March 2011 CUR remains above the 2010 average. CUR of around 75% implies that current levels are still lower than the pre-crisis level; thus there is no need to mention inflationary pressures.

Seasonally-adjusted capacity utilization realized at 76.4%, significantly higher than the March 2010 level of 70.5%, and slightly higher than last month's reading of 76.1%.

According to the main industry groupings, durable consumer and intermediate goods displayed annual growth in March. However consumer, food and beverages, investment and non-durable consumer goods displayed annual contraction.

**Comment:** The slight monthly increase in CUR means that economic activity is continuing its rising trend. Seasonally-adjusted CUR is above the 2010 level, and therefore 1Q11 GDP growth may exceed expectations. A limited hike in monthly CUR is not applying much pressure to March inflation as of yet, but is expected to increase from now on. Continuing unrest in the MENA region, especially military intervention to Libya, may affect trade, thus impacting Turkey's current account deficit, as the country has been producing a trade surplus from business with Libya since 2007. (See our Macro Note: Capacity Utilization- March 2011, of March 25).

**PM's Energy Comments...** Prime Minister Erdogan has confirmed that the state would complete the privatization of 17 thermal and 28 hydroelectric powerplant by the end of this year. He mentioned plans for Ceyhan to become an energy center by 2023, and that stressed continued determination to construct a nuclear power plant.

**No price adjustment in electricity prices until July...** The Energy Market Regulatory Authority (EMRA) has announced that there would be no amendments to prices until July, maintaining a price of 12.4 kuruş/kWh.

## Company News

<b>Is Bank (C)</b>	<b>OUTPERFORM</b>	Share Price: TL 4.95
ISCTR TI	P/E: 7.4x	Target Share Price: TL 7.71
Banking	P/B: 1.3x	Upside Potential: 56%

**Isbank <ISCTR TI> to issue bonds worth TL 700 mn...**

The bank has announced BoD authorization to headquarters for the issuance of bonds worth TL 700 mn with a maturity of 176 days.

Sekerbank	MARKETPERFORM	Share Price: TL 1.68
SKBNK TI	P/E: 7.8x	Target Share Price: TL 1.81
Banking	P/B: 0.8x	Upside Potential: 8%

***Sekerbank <SKBNK TI> sells NPL portfolio of TL 144 mn for TL 12 mn...***

The bank as announced selling its TL 144 mn of non-performing loans for a fee of TL 12 mn.

Koc Holding	MARKETPERFORM	Share Price: TL 7.22
KCHOL TI	P/E: 9.6x	Target Share Price: TL 8.1
Conglomerates	EV/EBITDA: 3.2x	Upside Potential: 12%

***Koc Holding <KCHOL TI> partnering with Stena Line in IDO privatization....***

According to daily Zaman, Koc Holding is partnering with Stena Line, one of the world's largest ferry operator, in the privatization of IDO. Koc Holding was previously expected to participate alone in the privatization. The bid submission deadline is March 31, 2011, with the auction to be held on April 6 or 11 for the block sales of 100% of IDO. The other interested parties are: Yildirim Holding, Un RO-RO (KKR Fund), Zorlu Holding, Negmar Denizcilik (Consortium of Gubretas <GUBRF TI> and Saudi Arabian Nesmag Holding, Demiron Group, Akfen Holding <AKFEN TI>, RHEA Venture Capital Investment Trust <RHEAG TI> and Global Yatirim.

IDO is wholly-owned by the Istanbul Metropolitan Municipality and operates on 19 lines with 25 sea busses, 10 vehicle fast ferries and 17 conventional vehicle-passenger ferries.

Akfen Holding	N/R	Share Price: TL 10.7
AKFEN TI	P/E: -	Target Share Price: -
Conglomerates	EV/EBITDA: -	Upside Potential: -

***Akfen Holding <AKFEN TI> forms consortium for IDO privatization...***

Akfen Holding has signed a consortium agreement with Tepe Insaat, Souter Investments and Sera Gayrimenkul in order to submit a bid for the privatization tender of IDO (Istanbul ferry-bus company). Accordingly, Akfen Holding, Tepe Insaat and Souter Investments each hold 30% stakes in the consortium, while the remainder belongs to Sera Gayrimenkul.

Comment: Neutral at this stage, as Akfen Holding's appetite for IDO privatization is already known by the investor community.

Tav Airports	OUTPERFORM	Share Price: TL 7.12
TAVHL TI	P/E: 19.3x	Target Share Price: TL 8.62
Aviation	EV/EBITDA: 9.3x	Upside Potential: 21%

***TAV Airports announces purchase of certain stakes in its three subsidiaries...***

Accordingly, the company acquired i) 10% of TAV Urban Georgia LLC for US\$ 8.58 mn, ii) 16% of TAV Batumi Operations LLC for US\$ 4.17 mn, and iii) 33% of TAV Security for TL 6 mn. Following the share purchases, TAV Airport's shares in these companies will rise to 76% in TAV Urban Georgia and TAVa Batumi Airports, and to 100% in TAV Security.

<b>Size Cam</b>	<b>MARKETPERFORM</b>	Share Price: TL 3.38
SISE TI	P/E: 10.8x	Target Share Price: TL 3.46
Glass	EV/EBITDA: 4.3x	Upside Potential: 2%

#### *Solid operating performance in 4Q10...*

**Size Cam has announced a TL 144 mn net profit in its 4Q10 financials**, compared to TL 33 mn a year ago. The company's better top line performance, in tandem with higher operating margins led to improvement at the bottom line.

This was also above our TL 57 mn call and CNBC-E consensus of TL 82 mn.

The consolidated net earnings accumulated to TL 412 mn in 2010, marking a 2.7-fold y/y increase.

In addition, the company is to propose to its AGM the payment of a TL 45.76 mn cash dividend on May 31. This corresponds to a TL 0.04 gross per share dividend, yielding 1.2%.

Size Cam's consolidated revenues rose by 18% y/y to TL 1.1 bn in 4Q10, largely driven by strong top line performance of the glass packaging segment. The full year top line emerged at TL 3.65 bn, on a 15% y/y increase.

In the meantime, consolidated EBITDA rose by 65% y/y to TL 251 mn in 4Q10 (Ata Est: 194 mn and consensus: TL 228 mn), with a 22.8% EBITDA margin, compared to 16.3% a year ago. Improvement at the operating level was largely driven by a 10-pp y/y increase in the glassware segment's EBITDA margin. Also, the 6-pp y/y improvement in the glass packaging segment's EBITDA margin was helpful for margin expansion on a consolidated basis.

TL mn	4Q10	4Q09	y/y	3Q10	q/q	2010	2009	y/y
Sales	1,101	932	18%	1,063	4%	4,206	3,656	15%
EBITDA	251	152	65%	247	2%	983	656	50%
Net Earnings	144	33	336%	69	110%	412	112	268%
<b>Margins</b>								
EBITDA Margin	22.8%	16.3%		23.3%		23.4%	17.9%	
Net Margin	13.1%	3.6%		6.5%		9.8%	3.1%	

<b>Koza Gold</b>	<b>OUTPERFORM</b>	Share Price: TL 20.2
KOZAL TI	P/E: 10.8x	Target Share Price: TL 24.94
Mining	EV/EBITDA: 6x	Upside Potential: 23%

<b>Ipek Matbaacilik</b>	<b>UNDERPERFORM</b>	Share Price: TL 3.6
IPMAT TI	P/E: 1.8x	Target Share Price: TL 3.65
Mining	EV/EBITDA: -	Upside Potential: 1%

<b>Koza Anadolu Metal</b>	<b>OUTPERFORM</b>	Share Price: TL 4.71
KOZAA TI	P/E: 3.6x	Target Share Price: TL 5.83
Mining	EV/EBITDA: -	Upside Potential: 24%

#### *Koza Gold <KOZAL TI> Share sale completed by major stakeholders...*

Koza Gold has announced that its main shareholders, Ipek Matbaacilik <IPMAT TI>, Koza Anadolu Madencilik <KOZAA TI>, Koza Ipek Holding and ATP Insaat have sold TL 16.8 mn nominally-valued Koza Gold shares at the ISE wholesale market to institutional investors. Reportedly, the shares are sold at TL 19.5 per share in accordance with the 1st session closing of a 3.7% discount. Since the shares subject to sale had previously been bought during the IPO and post-IPO price stabilization period, the transactions have not increased the existing free float - which is at 30%.

## Corporate Actions

Company	Ticker	Cash Dividend Distribution			Capital Increase			Date
		Total (TL mn)	Gross per share (TL)	Gross Yield	Bonus Issue	Rights Issue	Post-increase Capital (TL mn)	
Sise Cam	SISE	46	0.040	1.2%				31-May
Turkish Airlines	THYAO				20.0%		1,200	
Adana Cimento	ADANA	32	0.358	6.7%				31-May
Adana Cimento (B)	ADBGR	21	0.255	7.5%				31-May
Adana Cimento (C)	ADNAC	6	0.035	4.5%				31-May
Akbank	AKBNK	570	0.1	1.9%				23-Mar
Akcansa	AKCNS	39	0.2	2.9%				4-Apr
Albaraka Turk	ALBRK	13	0.0	1.1%				5-Apr
Anadolu Hayat	ANHYT	40	0.2	3.2%				30-Mar
Anadolu Sigorta	ANSGR	10	0.0	1.7%				30-Mar
Arcelik	ARCLK	250	0.4	5.0%				29-Mar
Aygaz	AYGAZ	125	0.4	4.5%				4-Apr
Bagfas	BAGFS	20	0.1	3.6%				18-May
Bolu Cimento	BOLUC	11	0.1	4.8%				31-May
Cimsa	CIMSA	95	0.7	7.2%				7-Apr
Emlak REIC	EKGYO	175	0.1	2.7%				31-Mar
Eregli Demir Celik	EREGL	450	0.281	5.2%				31-May
Ford Otosan	FROTO	302	0.9	5.8%				1-Apr
Garanti Bank	GARAN	570	0.14	1.8%				11-Apr
Halk Bank	HALKB	395	0.3	2.6%				27-May
Hektas	HEKTS	12	0.2	9.6%				30-May
Is Bank (C)	ISCTR	691	0.2	3.1%				
Koc Holding	KCHOL	550	0.228	3.2%				14-Apr
Mardin Cimento	MRDIN	71	0.6	8.6%				
Netas	Netas	18	2.8	2.0%				25-May
Sekerbank	SKBNK	13	0.02	1.0%	3%		775	
Tofas	TOASO	250	0.5	6.0%				7-Apr
Trakya Cam	TRKCM	45	0.1	2.3%				31-May
T.S.K.B.	TSKB	42	0.1	2.2%	14.3%		800	31-Mar
Tupras	TUPRS	746	2.978	6.8%				4-Apr
Turk Telekom	TTKOM	2,244	0.6	8.7%				30-May
Turk Traktor	TTRAK	150	2.8	8.6%				1-Apr
Turkcell	TCELL	1,329	0.604	6.3%				16-May
Unye Cimento	UNYEC	45	0.4	8.4%				
Vakif Bank	VAKBN	34	0.0	0.4%				
Yapi Kredi Sigorta	YKSGR	22	0.3	1.8%				28-Mar

**Sise Cam <SISE TI>** is to propose to its AGM the payment of a TL 45.76 mn cash dividend on May 31. This corresponds to a TL 0.04 gross per share dividend, yielding 1.2%.



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