

## AT - A GLANCE

May 11, 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

**Negative sentiment will likely continue in local equities.** The lack of fresh positive drivers is creating pressure. In technical terms, the index may see a double top formation with the neckline @ ~66,300-66,200. Supports are @ 67,000, 66,300. Resistances are @ 68,000, 68,600.

### Sector News

- PA cancels privatization of Baskent NG DisCo...
- "Selective Buys in a Cautious Climate"...

### Macro News

- Sell in May then Go Away...
- 9% growth in the first quarter...

### Company News

- Akfen REIC <AKFGY TI> to start trading today...
- Anadolu Efes <AEFES TI> 1Q11 Results: Lower-than-expected at the bottom line...
- Kardemir (D) <KRDM D TI>: 1Q11 results considerably exceed market expectations...
- Vakifbank <VAKBN TI> 1Q11 Results: Recoveries helped better than expected NI...
- Yapi Kredi Bank <YKBNK TI> 1Q11 Results: Higher asset but lower loan growth...
- BIM <BIMAS TI> - TL 79.8 mn net profit in 1Q11 financials (higher than expected)...
- Cimsa <CIMS A TI> TL 15.1 mn net profit in 1Q11 (slightly lower than expected)...
- Tav Airports <TAVHL TI> applies for pre-qualification for Zagreb Airport tender...
- Hurriyet <HURGZ TI> 1Q11 Results: Lower-than-expected...
- Petrol Ofisi <PTOFS TI> 1Q11: PO reports TL 102 mn net loss...

### Agenda

- 11.05 • Balance of Payments for March  
Ata Est.: US\$ -7.8 bn
- 12.05 • Tekfen <TKFEN TI> 1Q11 Earnings  
Ata Est. 1Q11E: TL 60 mn (- 10% y/y)
- Tupras <TUPRS TI> 1Q11 Earnings  
Ata Est. 1Q11E: TL 302 mn (198% y/y)
- TEB <TEBNK TI> 1Q11 Earnings
- 13.05 • Isbank <ISCTR TI> 1Q11 Earnings  
Ata Est. 1Q11E: TL 717 mn (19% y/y)
- Unconsolidated 1Q11 Financials Deadline for Banks
- Consolidated 1Q11 Financials Deadline for Industrials
- FDI for March
- 16.05 • Consumer Confidence Index for April  
Labor Force Statistics for February

### Market Data

Indices	Last	Daily	Weekly	YTD	Vol. *	Mcap *
ISE 100	67,260	-1.0%	-4.0%	1.9%	2.5	351
ISE 30	82,182	-1.1%	-4.4%	1.0%	1.6	274
Financials	99,700	-1.0%	-4.1%	0.1%	1.5	228
Industrials	59,049	-0.9%	-4.3%	12.5%	1.1	100
Banking	137,853	-1.4%	-4.9%	4.1%	0.8	171

### Most Active

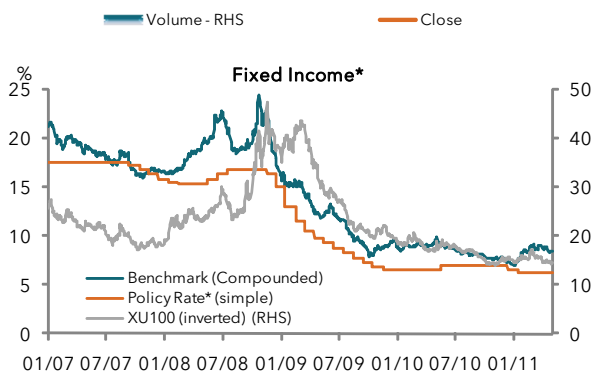
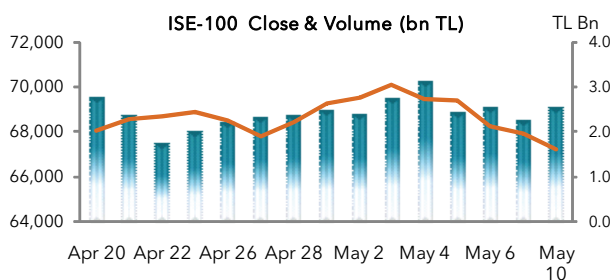
	Perf.	Vol.	Best	Worst
GARAN	-0.8%	318	ITTFH 10.1%	AFYON -11.2%
EKGYO	0.7%	216	NETAS 2.9%	GOLTS -7.0%
ISCTR	-2.2%	190	RHEAG 2.3%	IHEVA -6.4%
ITTFH	10.1%	131	SISE 1.5%	HURGZ -3.6%
AFYON	-11.2%	128	YKSGR 1.4%	TIRE -3.5%

\* in TLbn

### Key Valuation Parametrics

Multiples *	2010E	2011E	2012E	Growth	2011E
P/E	11.7	10.6	9.8	Net Earnings	10%
EV/EBITDA	8.6	7.2	6.5	EBITDA	19%
EV/Sales	1.2	1.0	0.9	Sales	22%
P/BV(Banks)	1.7	1.5	1.3	BV	8%

\* 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

**PA cancels privatization of Baskent NG DisCo...** The Privatization Administration (PA) in a written statement has cancelling the privatization of an 80% stake in Baskent Dogalgaz Dagitim-Ankara gas distribution network after MMEKA - the winning consortium - failed to pay the bid amount of US\$ 1.21 bn. Ahmet Aksu, the president of the PA stated that the second highest bid for the Baskent NG DisCo had been ruled out as too low. On the other hand, Finance Minister Mehmet Simsek revealed plans to re-initiate the privatization process.

### Sell in May then Go Away...

#### April choc-full of historic events on international soil:

Firstly, the FED's Bernanke spoke, but did not say anything about QE3. QE1 and QE2 were bullish for EM equity markets, inflating asset prices.

Secondly, Britain saw a Royal Wedding.

Thirdly, Sept 11. Mastermind, Osama Bin Laden, was apparently killed.

Fourthly, we asked ourselves if the Dollar was back, or if in fact its Bubble Had Burst?

And lastly, the world of monetary theory was upside-down.

In summary; things are still bad in the United States, and look worse in Europe and Japan, making the yen, euro and dollar risky propositions. The Chinese Yuan should be stronger as Beijing fights inflation.

**And on the domestic front:** Low interest rates against a backdrop of strong growth provided robust support for credit growth in 1Q11 close to last year's 34%. With recent RRR hikes the Central bank's monetary policy is no longer 'accommodative' of growth.

On the inflation front, a stronger USD is likely to deflate oil prices, benefiting Turkey's current account deficit and inflation outlook. In addition, the relationship between lagged credit growth and inflation is likely to reflect positively on inflation dynamics as long as the Central Bank can control credit growth at around 20-25% levels from 2Q11 onwards.

The macro backdrop in Turkey looks benign, with various economic indicators painting a picture of stable/improving economic health. But the economic vulnerability due to current account deficit is considerably high which is not priced into the market valuations. In case of a US Dollar strengthening, equities are likely to get hit.

**The markets and metaphors:** The ISE set new records in April, testing year highs of 70,000 as we had expected and outlined in our April 11 report "Market Views". We have had a 'Buy' call on Turkish equities since March 15, when the ISE closed at 64,214. Since then, the ISE has climbed by more than 6%. In May, a further rise in the US Dollar index is likely to bring a carry trade-related sell-off to all EMs, including the Turkish stock market. Despite our short term negative views on the ISE due to global factors, we stick to our positive long term view with domestic reasons.

Although commodity prices were the most affected, equities across the world have been hit in recent days. Turkey has been more resilient, despite the weakening Lira in recent days.

Recent developments bring to mind the idea of "Sell in May then Go Away" for good reason: The dollar rebound, commodity price volatility, uptick in the VIX, and sell-off in global equities suggest that there is more to come. So our call for Turkish equities is a 'sell' as of today.

Turkey's macro fundamentals remain positive on continued fiscal discipline and lower oil prices. This benefited both the current account deficit and inflation dynamics, and we issued a 'buy' call on the benchmark bond. Since then bond yields moved down 5% from 8.79% to 8.35% as we write this report. Our call on the benchmark bond as of today is a 'sell' based on our US Dollar outlook. Although we do not expect a sharp sell-off on fixed income given the supportive macro backdrop, we believe that US dollar-related risks may pressure yields in the short term.

On the Lira front, we expect the currency to weaken initially above 1.60 levels, before strengthening back in the upcoming period. (See our Macro Note: Market Views - May 2011, of may 10).

### "Selective Buys in a Cautious Climate"...

For the upcoming elections our simulations indicate AKP receiving 45-48%, CHP 20-25%, and MHP 13-15%, while BDP secures 18-24 seats. Should the AKP secure 330-366 seats, they would be in a strong position to repeat their earlier reform phase, passing constitution amendment in a floor vote.

And should the AKP get more than 366 seats, it could amend the constitution independently of other parties. Yet should the AKP win less than 330 seats, it could not pass the constitutional proposal alone. In that case, constitutional change would depend on co-operation with opposition parties, thus necessitating a period of political horse-trading. Therefore, the size of opposition parties post-election will play a substantial role.

This Friday (May 13) is the deadline for the announcement of 1Q11 results. For banks, we estimate 1Q11 earnings contraction of 17% y/y, but nevertheless, 11% growth compared to 4Q10. Three of the large banks have so far announced their results, and duly, while Garanti <GARAN TI> and Halkbank <HALKB TI> have exceeded the estimates, Akbank's <AKBNK TI> net earnings have lagged analyst expectations.

For the non-financials we were generally optimistic as industrial production and capacity utilization figures suggest another strong quarter for macro growth. Overall, we expect 30% top line and +20% EBITDA growth for the non-financials under our coverage, leading to +14% y/y expected net earnings growth in aggregate terms.

Koza Gold <KOZAL TI>, Ford Otosan <FROTO TI>, Turk Traktor <TTRAK TI>, Sise Cam <SISE TI> and Tupras <TUPRS TI> were among the companies for which we were expecting strong results, and indeed the first 3 have even exceeded our estimates, while the latter have yet to disclose their results.

Since we published our April Strategy piece, we have included Arcelik <ARCLK TI> and Sise Cam <SISE TI> to our top picks portfolio, while removing BIM <BIMAS TI> and Turk Traktor <TTRAK TI>. (See our *Monthly Strategy Update of May 10*).

**9% growth in the first quarter...** Finance Minister Mehmet Simsek said yesterday that the GDP growth expectation for the first quarter of 2011 is at 9%. This is in line with our expectation of 9.1%.

## Company News

**Akfen REIC <AKFGY TI> to start trading today...** Akfen REIC commences trading today with an initial price of TL 2.28. The company sold 54.1 mn shares corresponding to a 29.4% stake, increasing its capital by 46 mn shares to a total of 184 mn via a restricted rights issue. Its portion of the IPO funds, totaling TL 105 mn, will go towards ongoing and new projects. Akfen REIC has a total portfolio value of TL 672 mn and a NAV of TL 542 mn.

<b>Anadolu Efes</b>	<b>UNDERPERFORM</b>	Share Price: TL 22.35
AEFES TI	P/E: 18.6x	Target Share Price: TL 21.85
Beverage	EV/EBITDA: 9.7x	Upside Potential: -2%

### **Anadolu Efes <AEFES TI> 1Q11 Results: Lower-than-expected at the bottom line...**

*Anadolu Efes disclosed TL 53.7 mn net earnings for the first quarter of the year, down by 25% y/y compared to TL 71.5 mn a year ago, also lagging behind our TL 62 mn call and TL 59 mn consensus estimate. This was due to lower-than-expected operating margins in the quarter, plus FX losses.*

Looking at the operating results, revenues were up by 14% y/y to TL 858 mn in 1Q11, mainly driven by 9.3% volume growth to 8.4 mhl. This was achieved through a 21.8% rise in soft drink sales volume as beer sales volume growth was almost flat in the underlying quarter.

At the operating profitability level, consolidated EBITDA was almost unchanged y/y at TL 158 mn (lower-than-expected) implying 18.4% EBITDA margin for 1Q11, vs. 21.1% a year ago due to higher input prices in international beer and soft drink operations.

#### **Domestic beer operations:**

On the back of higher beer prices, domestic beer sales volume fell 4.5% y/y. On the other hand, political unrest in some export markets also took its toll in the quarter, and as a result beer sales volume in Turkish beer operations lost 5.1% y/y to 1.7 mhl in 1Q11. Yet operational revenues still rose by 3.6% y/y to TL 282 mn due to higher per unit sales prices, as the company introduced price increases to reflect the excise tax hike.

Thanks to moderate increases in input prices, Anadolu Efes was able to increase its gross margin by 175 bps to 70.4% in 1Q11. However, a higher opex-to-sales ratio due to volume contraction led to an almost unchanged EBITDA margin at 38.1% when compared to 38.2% in 1Q10, resulting in 3.4% y/y EBITDA growth parallel to top-line growth.

#### **International beer operations:**

EBI, which runs Anadolu Efes' international beer operations, recorded 4.2% y/y volume growth to 2.8 mhl in the first quarter of the year, despite severe winter conditions in its region and flat volumes in Russia (due to higher prices) thanks to strong sales performances in operating territories other than Russia. Volume growth resulted in 6.2% revenue growth to US\$ 176.4 mn in 1Q11 over 1Q10. However, EBI's operating margins were pressured in the quarter due to i) higher barley prices, ii) change in sales mix and iii) higher transportation costs on the back of rising oil prices and increased sales volumes, the major culprits behind margin contraction. Accordingly, EBI recorded a 10.9% EBITDA margin in 1Q11, vs. 15.4% a year ago.

**Soft drink operations:**

CCI's operational revenues were up by 32% y/y at TL 587 mn in 1Q11, driven by solid volume growth to a large extent. Favorable weather conditions in Turkey and a low base effect contributed to volume growth, while a better category mix and increased average prices also supported revenue growth.

Sales volume reached 137.1 mn unit cases for the quarter, up by 22% over 112.5 mn unit cases a year ago, with solid growth in both domestic and international operations. Accordingly, Turkish and international soft drink sales volumes rose by 21% and 26%, respectively, leading to 30% and 33% y/y revenue growth.

EBITDA was up by 15% y/y to TL 61.5 mn in a seasonally weak quarter. EBITDA margins felt cost side pressure in both domestic and international operations, while strong top line growth still led to positive EBITDA growth. The consolidated EBITDA margin fell to 10.5% in the quarter, vs. 12% in 1Q10. Domestic soft drink EBITDA reached TL 54.6 mn in 1Q11 (up by 13.5% y/y) implying an 11.9% margin, vs. 13.6% in 1Q10, due to increased resin and can costs, this despite favorable sugar prices. In international soft drink operations, we see a 4.2% EBITDA margin, vs. 6.2% in 1Q10 on increased input costs such as resin, can and sugar.

**Conclusion...**

Overall, the results were lower-than-expected at the bottom line due to margin compression on a consolidated basis, despite better-than-expected top-line growth. Volume growth in soft drinks was particularly strong, while beer volumes were affected by the price increases on tax hikes.

*The company will hold a webcast today at 17:30 local time to discuss the results.*

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	858	754	14%	875	-2%
EBITDA	158	159	-1%	174	-9%
Net Earnings	54	72	-25%	21	155%
<b>Margins</b>					
EBITDA Margin	18.4%	21.1%		19.9%	
Net Margin	6.3%	9.5%		2.4%	

Kardemir (D)	MARKETPERFORM	Share Price: TL 0.96
KRDMD TI	P/E: 14x	Target Share Price: U.R.
Iron & Steel	EV/EBITDA: 8.3x	Upside Potential: n.a.

**Kardemir (D) <KRDMD TI>: 1Q11 results considerably exceed market expectations...**

**(\* Please note that the results we are analyzing are adjusted financials for (D) Group shares parallel to their 68.4% stake in the paid-in capital.**

Kardemir (D) disclosed TL 32mn net earnings in its 1Q11 financials, considerably exceeding the CNBC-e consensus estimate of TL 7mn.

The TL 202mn top-line figure (up by 29% y/y & 6% q/q on higher steel prices) was below the consensus TL 251mn estimate. Yet thanks to lower procurement costs and a flat OPEX figure over the same period of the previous year, Kardemir (D) realized TL 41mn EBITDA (implying 20.5% EBITDA margin) in the underlying quarter, exceeding the TL 28mn consensus estimate (implying 11% EBITDA margin).

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	202	156	29%	190	6%
EBITDA	41	13	214%	4	983%
Net Earnings	32	5	589%	-10	n.m.
<b>Margins</b>					
EBITDA Margin	20.5%	8.4%		2.0%	
Net Margin	15.8%	3.0%		n.m.	

<b>Vakif Bank</b>	<b>OUTPERFORM</b>	Share Price: TL 3.88
VAKBN TI	P/E: 7.5x	Target Share Price: TL 5.08
Banking	P/B: 1.1x	Upside Potential: 31%

**Vakifbank <VAKBN TI> 1Q11 Results: Recoveries helped better than expected NI...**

Higher than our TL 344 mn call and market consensus estimate of TL338 mn, Vakifbank reported TL 409 mn net earnings for 1Q11. The reported NI is also 4% higher q/q and 34% higher y/y, and marks the bank's highest ever quarterly income. Slightly better NII and dividend income, but significantly higher other income are the main reasons behind the deviation.

3% asset and 2% deposit growth is very much in line with sector averages, while 5% loan growth is slightly below the average, and funded partially through switches from securities.

On the asset side, similar to the general sector trend, Vakifbank shifted some of its securities to loans, which in turn increased the share of loans in assets to 61%, while that of securities declined to 22%.

Quarterly NIM declined by just 10 bps thanks to volume growth, the change in the composition of loans in favor of higher-yielding segments, and a lower cost of deposits.

The bank has been constantly reducing the cost of risk, and for the first time collections exceeded new NPLs.

Balance Sheet	1Q11	1Q10	y/y	4Q10	q/q
Loans	46,962	36,540	29%	44,861	5%
Securities	17,318	21,921	-21%	18,096	-4%
Total Assets	76,291	69,582	10%	73,962	3%
Deposits	48,652	48,420	0%	47,701	2%
SHE	8,778	7,660	15%	8,559	3%
Income Statement	1Q11	1Q10	y/y	4Q10	q/q
Net Interest Inc.	700	707	-1%	706	-1%
Net Fee Inc.	118	103	15%	135	-12%

Yapi Kredi Bank	MARKETPERFORM	Share Price: TL 4.64
YKBNK TI	P/E: 9.8x	Target Share Price: TL 5.45
Banking	P/B: 1.9x	Upside Potential: 17%

**Yapi Kredi Bank <YKBNK TI> 1Q11 Results: Higher asset but lower loan growth...**

Slightly higher than our estimate and in line with the consensus, Yapi Kredi reported TL 535 mn net earnings for 1Q11, down 16% y/y, but almost doubled from the 4Q10 reading, which was low on high provision expenses. Both other income and provisions exceeded our estimates, but almost net-off one another.

Higher than the sector average, YKB achieved 6% asset growth, while 4% loan growth remained below the sector average. Asset growth is funded mainly through money markets with just 1% deposit growth.

On the asset side, the securities portfolio expanded by 4%, while placements at other banks also saw a remarkable increase. This is a different composition change compared to the sector in 1Q11. The share of loans and securities remained almost unchanged, and in fact loans saw a minor decline, while the performing loans to customer deposits ratio reached 118%.

For the first time since the beginning of 2010, collections exceeded new NPL inflows, and thus the cost of risk was negative during the quarter.

The Cost/Income ratio remained flat q/q with a slight retreat in opex over 4Q10, although the fees/opex coverage remained almost flat as quarterly fee income also declined.

Overall, we observe cautious balance sheet management with a focus on commercial effectiveness and further improvement in asset quality.

Balance Sheet	1Q11	1Q10	y/y	4Q10	q/q
Loans	54,947	41,025	34%	52,615	4%
Securities	19,114	14,144	35%	18,346	4%
Total Assets	89,615	66,740	34%	84,776	6%
Deposits	53,242	42,263	26%	52,725	1%
SHE	10,777	8,874	21%	10,318	4%
Income Statement	1Q11	1Q10	y/y	4Q10	q/q
Net Interest Inc.	791	896	-12%	785	1%
Net Fee Inc.	417	364	15%	431	-3%

BIM	MARKETPERFORM	Share Price: TL 50.5
BIMAS TI	P/E: 28.5x	Target Share Price: TL 54.52
Retail	EV/EBITDA: 18.5x	Upside Potential: 8%

**BIM <BIMAS TI> discloses TL 79.8 mn net profit in 1Q11 financials (higher than expected)...**

BIM has disclosed TL 79.8 mn net profit in its 1Q11 financials compared to TL 66 mn net income in 1Q10. Operating revenues rose 19% to TL 1.88 bn in 1Q11, and the EBITDA margin was almost flat at 5.94%, on a y/y comparison, resulting in 18% y/y EBITDA growth.

BIM holds a conference call today at 16:30 local time.

The bottom line figure exceeds our TL 71 mn call and the CNBC-e consensus estimate of TL 72 mn. And while the top line was in line with estimates, a higher-than-expected EBITDA margin led to a deviation.

**Top Line Performance**

BIM's net sales improved to TL 1.88 bn in 1Q11, on a 19.1% y/y rise, on a combination of 8% y/y L-F-L growth, as well as inorganic growth through new store openings. As a footnote, BIM's store number in Turkey reached 3,054, with 103 stores opening during 1Q11. Also the company has 49 stores in Morocco as of 1Q11-end.

**Operating Performance**

BIM's gross margin eased slightly to 16.7% from 17% a year ago, which is attributable to the rise in processed food prices. On the other hand, the opex-to-sales ratio eased by 0.2-pp y/y to 11.7% thanks to a 17% y/y rise in S & M expenses, vs. 19% top-line growth. All in all, the EBITDA margin was almost flat at 5.94% in 1Q11, on a y/y comparison.

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	1,878	1,576	19%	1,724	9%
EBITDA	112	95	18%	101	11%
Net Earnings	80	66	21%	70	14%
<b>Margins</b>					
EBITDA Margin	5.9%	6.0%		5.8%	
Net Margin	4.3%	4.2%		4.0%	

<b>Cimsa</b>	<b>OUTPERFORM</b>	Share Price: TL 9.92
CIMSA TI	P/E: 11x	Target Share Price: TL 12.41
Cement	EV/EBITDA: 7.2x	Upside Potential: 25%

**Cimsa <CIMSA TI> posts TL 15.1 mn net profit in 1Q11 (slightly lower than expected)..**

Cimsa announced TL 15.1 mn net profit in its 1Q11 financials, which declined by 13.7% on a y/y comparison. While the company displayed better top-line performance, weakening operating performance coupled with lower non-financial income were the main reasons behind the bottom line contraction.

The bottom line also came in below our call and the consensus estimate of TL 18 mn.

Cimsa's operating revenues rose by 14% y/y to TL 149 mn in 1Q11, fueled by 16% y/y improvement in domestic sales in the underlying quarter, largely thanks to continuing infrastructure investments.

On the operating front, EBITDA eased by 2.2% y/y to TL 33.5 mn in 1Q11, on a 22.5% EBITDA margin, compared to 26.1% a year ago. This is attributable to higher fuel costs, reflecting 5.45-pp y/y contraction in gross margin y/y to 22.6% in 1Q11.

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	149	131	14%	182	-18%
EBITDA	34	34	-2%	37	-10%
Net Earnings	15	17	-14%	18	-16%
<b>Margins</b>					
EBITDA Margin	22.5%	26.1%		20.3%	
Net Margin	10.1%	13.3%		9.9%	

<b>Tav Airports</b>	<b>OUTPERFORM</b>	Share Price: TL 7.74
TAVHL TI	P/E: 21x	Target Share Price: TL 8.62
Aviation	EV/EBITDA: 9.7x	Upside Potential: 11%

**Tav Airports <TAVHL TI> applies for pre-qualification for Zagreb Airport tender...**

TAV Airports' CEO Mr. Sener said that they had only applied for pre-qualification. According to local dailies, the tender amount is expected to hover at around € 220 mn, with construction anticipated to start in 2H12 and the airport to be operational within three years.

<b>Hurriyet</b>	<b>MARKETPERFORM</b>	Share Price: TL 1.86
HURGZ TI	P/E: 20.1x	Target Share Price: TL 2.26
Media	EV/EBITDA: 7.3x	Upside Potential: 21%

**Hurriyet <HURGZ TI> 1Q11 Results: Lower-than-expected...**

Worse than our TL 18 mn net loss in-house call and market consensus of TL 14 mn, Hurriyet reported a TL 26.1 mn net loss in the first quarter of the year, also below the TL 1.3 mn net loss of a year ago. The operational performance was weaker on a y/y basis. The company recorded a TL 19 mn loss for provisional expenses registered for the tax base increase within the framework of the tax amnesty law, as well as TL 3 mn for the fine imposed by the Competition Board, which resulted in a higher net loss compared to 1Q10.

The consolidated top line rose by 7% to TL 190 mn (Ata estimate: TL 196 mn), where both domestic operations and TME increased their revenues by 7% y/y.

On the domestic side, the Turkish ad market showed a strong performance, rising 20% to TL 981 mn where the outdoor and TV ad market were the major beneficiaries of the growth on their 83% and 20% y/y, respectively. Newspapers lagged behind the market in terms of ad revenue growth at 13% y/y. Hurriyet underperformed the newspaper market in terms of ad revenue generation, recording 10% y/y growth.

Below our TL 25 mn estimate, Hurriyet recorded TL 20.8 mn consolidated EBITDA on the back of a 10.9% margin in the underlying quarter compared to 13.2% a year ago. Domestic operation EBITDA for the quarter was at TL 19 mn, slightly below TL 20 mn a year ago. The EBITDA margin retreated from 15.3% in 1Q10 to 13.9% in 1Q11 on the back of higher newsprint prices, while TL depreciation in comparison to 1Q10 also impacted the margins. TME generated TL 1.5 mn EBITDA in 1Q11, down from TL 3.6 mn a year ago, where marketing expenses were higher due to realization of some long-delayed marketing projects.

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	190	178	7%	207	-8%
EBITDA	21	23	-11%	24	-13%
Net Earnings	-26	-1	1977%	-61	-57%
<b>Margins</b>					
EBITDA Margin	10.9%	13.2%		11.6%	
Net Margin	n.m.	n.m.		n.m.	



<b>Petrol Ofisi</b>	<b>N/R</b>	Share Price: TL 6.84
PTOFS TI	P/E: 18.7x	Target Share Price: -
Oil	EV/EBITDA: 6.9x	Upside Potential: -

**Petrol Ofisi <PTOFS TI> 1Q11: PO reports TL 102 mn net loss...**

Petrol Ofisi reported a TL 102 mn net loss for the first quarter of the year, comparing unfavourably against the TL 28 mn net earnings of a year ago. Weaker operating margins, as well as higher other expenses were the reasons behind the bottom line deterioration.

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	3,967	3,256	22%	4,024	-1%
EBITDA	110	153	-28%	50	119%
Net Earnings	-102	45	n.m.	-182	-44%
<b>Margins</b>					
EBITDA Margin	2.8%	4.7%		1.2%	
Net Margin	n.m.	1.4%		n.m.	

## Corporate Actions

Company	Ticker	Cash Dividend Distribution			Capital Increase			Date	Ref Price (TL)
		Total (TL mn)	Gross per share (TL)	Gross Yield	Bonus Issue	Rights Issue	Post-increase Capital (TL mn)		
Sabancı Holding	SAHOL	306	0.1500	1.9%				11-May	7.66
Adana Cimento	ADANA	32	0.3581	6.4%				31-May	
Adana Cimento (B)	ADBGR	21	0.2547	6.9%				31-May	
Adana Cimento (C)	ADNAC	6	0.0354	3.8%				31-May	
Alarko Holding	ALARK	5	0.0222	0.6%				31-May	
Anadolu Cam	ANACM	26	0.0750	2.1%				31-May	
Anadolu Efes	AEFES	216	0.4800	2.1%				27-May	
Bagfas	BAGFS	20	6.5774	3.6%				18-May	
BİM	BIMAS	182	1.2000	2.4%				17-May	
Bizim Toptan	BIZIM	14	0.3380	1.1%				25-May	
Bolu Cimento	BOLUC	11	0.0784	4.4%				31-May	
Coca Cola Icecek	CCOLA	70	0.2752	1.3%				26-May	
Dogan Yayin Holding	DYHOL					100.0%	2,000		
Eczacibasi Ilac	ECILC	38	0.0700	2.7%				24-May	
Enka Insaat	ENKAI	160	0.0727	1.2%	13.6%		2,500	16-May	
Eregli Demir Celik	EREGL	450	0.2813	4.9%				31-May	
Halk Bank	HALKB	395	0.3164	2.5%				27-May	
Hektas	HEKTS	12	0.1572	7.7%				30-May	
Koza Gold	KOZAL	25	0.1476	0.6%				30-May	
Mardin Cimento	MRDIN	71	0.6476	8.1%				31-May	
Netas	NETAS	18	2.7500	1.7%				25-May	
Sekerbank	SKBNK	13	0.0167	1.0%	3%		775		
Sinpas REIC	SNGYO	30	0.0600	2.8%	20%		600		
Sise Cam	SISE	46	0.0400	1.0%				31-May	
Tekfen Holding	TKFEN	53	0.1430	2.2%				27-May	
Trakya Cam	TRKCM	45	0.0750	2.0%				31-May	
Turcas	TRCAS	11	0.0500	1.2%					
Turk Telekom	TTKOM	2,244	0.6411	8.1%				30-May	
Turkish Airlines	THYAO				20.0%		1,200		
Ulker Biskuvi	ULKER	13.9	0.0517	0.9%				27-May	
Unye Cimento	UNYEC	45	0.3670	7.3%					
Vakif Bank	VAKBN	34	0.0137	0.4%					

<SAHOL. IS >Sabancı Holding is to pay out a TL 306 mn cash dividend today, with a reference price of TL 7.66.

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