

AT - A GLANCE

May 12, 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

A very weak positive reaction may be observed on the opening after yesterday's deep impact. Yet sentiment remains fragile and the ISE-100 is trading below the neckline of a bearish double top formation. There is still some way to go on the downside.

Sector News

- Turkish car production up 15.8% y/y in April 2011...

Macro News

- CAD- Well off the expectations...
- Alcohol consumption increases in 2010...

Company News

- Bank Asya <ASYAB TI> 1Q11: Misses estimate on lower net profit sharing income....
- Aksa Enerji AKSEN TI> 1Q11: Below market expectation on non-operational items...
- Coca Cola Icecek <COLA TI> - Increasing stake in Turkmenistan operations... (Neutral)
- Is REIC <ISGYO TI> - TL 10 mn net profit in 1Q11 financials, below estimates...
- Dogan Yayin Holding and Dogan TV Holding to benefit from tax amnesty for TL 1.5 bn portion of tax fine by paying TL 294 mn...
- Tupras <TUPRS TI> - Strong 1Q11 results to be announced today...
- Tekfen Holding <TKFEN TI> to disclose 1Q11 financials today...
- Ford Otosan <FROTO TI> raises expectations for 2011...
- Halkbank <HALKB TI> announces bond issue...
- Isbank ISCTR TI> announces a syndication loan...

Agenda

- 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
- 17.05 • Private Sector External Debt for March
- 18.05 • Short Term External Debt for March

Market Data

Indices	Last	Daily	Weekly	YTD	Vol. *	Mcap *
ISE 100	65,643	-2.4%	-5.5%	-0.5%	2.9	351
ISE 30	79,973	-2.7%	-6.2%	-1.7%	2.0	274
Financials	96,519	-3.2%	-6.2%	-3.1%	1.9	228
Industrials	58,161	-1.5%	-5.1%	10.8%	1.0	100
Banking	132,932	-3.6%	-7.1%	-7.5%	1.3	171

Most Active

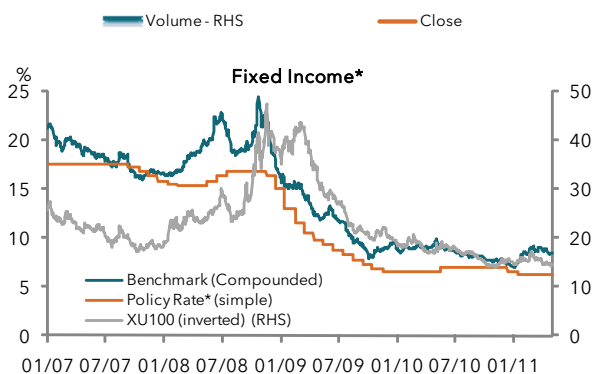
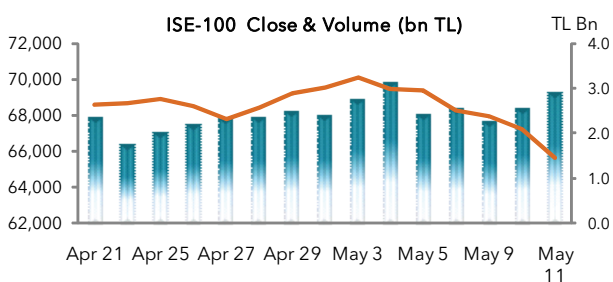
	Perf.	Vol.	Best	Worst
GARAN	3.9%	557	KOZAA 1.5%	BJKAS -7.3%
ISCTR	3.0%	310	BIMAS 1.0%	HURGZ -7.0%
YKBNK	5.4%	150	BANVT 0.8%	MGROS -6.2%
THYAO	1.8%	97	IZMDC 0.7%	DYHOL -5.4%
EKGYO	2.4%	93	TTKOM 0.5%	YKBNK -5.4%

* in TLbn

Key Valuation Parametrics

Multiples *	2010E	2011E	2012E	Growth	2011E
P/E	11.4	10.4	9.6	Net Earnings	9%
EV/EBITDA	8.5	7.2	6.5	EBITDA	18%
EV/Sales	1.2	1.0	0.9	Sales	22%
P/BV(Banks)	1.6	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

CAD- Well off the expectations... Turkey's current account deficit (CAD) registered at US\$ 9.8 bn in March, well off our call of US\$ 7.8 bn and market expectation of US\$ 8.0 bn. The reading represented deterioration from a deficit of US\$ 4.3 bn compared to the same period of last year. Furthermore, CAD amounted to US\$ 22.1bn in the January-March period; the deficit was at US\$ 10.0 bn in the same period of 2010.

Exports gained ground in January-March to US\$ 33.1 bn from US\$ 27.9 bn in the same period of 2010. The main culprit of CAD deterioration was the rise in trade deficit triggered by strong domestic demand recovery. The trade deficit amounted to US\$ 20.6 bn in January-March, compared to a deficit of US\$ 8.8 bn in the same period of the previous year. And the main reason here was a sharp rise in oil prices from US\$ 100 per barrel at end January to US\$ 126 at end-April.

On the capital account front, inflows to equities declined by US\$ 0.1 bn in March, while inflow to debt securities amounted to US\$ 4.9 bn. Furthermore, in 1Q11, inflows to equities declined by US\$ 1.3 bn, while inflows to debt securities rose US\$ 9.9 bn. Meanwhile, net errors and omissions posted a significant 1Q11 inflow of US\$ 4.3 bn.

Comment:

Sixty four percent of the current account deficit was financed by fund inflows through debt securities and net errors and omissions in the first quarter of 2011. Obviously inflows continued in March, as the Lira appreciated from 1.61 levels at

end-January to 1.51 levels at end-April. Economic vulnerability due to the current account deficit is considerable, which is not yet priced into market valuations. In the event of US dollar strengthening - which is happening recently- equities are likely to be impacted. (See our Macro Note: Balance of Payments - March 2011, of May 11).

Alcohol consumption increases in 2010... According to official figures of the Tobacco and Alcohol Market Regulatory Authority, consumption of alcoholic spirits in Turkey was up 1.5% in 2010 compared to 2009 figures. Local drink raki drove the upward move on its 3.8 % rise in the same period, while beer consumption fell 0.2%. Turkey consumed 1.7 million more liters of raki in 2010 in comparison to 2009. Indeed, raki consumption hit a record high of the past four years in 2010 at 46.4 million liters. Furthermore, in 2010, wine sales rose by 13.3 million liters, vodka by 1.4 million liters and gin by 236,700 liters. On average, Turks consumed 2.87 million liters of alcohol per day in 2010. Whisky consumption also fell by 2.98%.

Turkish car production up 15.8% y/y in April 2011... According to OSD (Automotive Manufacturers' Association) data, automotive production rose by 15.8% y/y in April 2011 to 104,005 units, while exports displayed a y/y growth of 15% to 69,942 units. The inclusion of April figures brought YtD growth to 17.6% in production to 408,424 units and 7.3% in exports to 283,627 units as of 4M11.

Company News

Bank Asya	MARKETPERFORM	Share Price: TL 2.68
ASYAB TI	P/E: 8.1x	Target Share Price: TL 3.48
Banking	P/B: 1.2x	Upside Potential: 30%

Bank Asya <ASYAB TI> 1Q11 Results: Misses estimate on lower net profit sharing income....

Bank Asya reported TL 48 mn net earnings, below the Ata estimate of TL 78 mn and market consensus of TL71mn in 1Q11. Reported NI is also lower by 32% q/q and 19% y/y. The lower-than-expected net profit sharing income and other income are the two key reasons behind the downside surprise.

Total assets remained unchanged q/q, while funds collected marked a 1% contraction, mainly on the TL side, while the FC side recorded a small increase. This shift enabled the bank to reduce the negative impact of RRR hikes by reducing the amount of non-interest earning assets. In the absence of new fund collections, placements also contracted by around 3%.

Loan loss provisions are higher, both q/q and y/y, but opex is lower than both our estimate and 4Q10.

Balance Sheet	1Q11	1Q10	y/y	4Q10	q/q
Loans	11,332	8,741	30%	10,955	3%
Total Assets	14,506	11,892	22%	14,513	0%
Deposits	11,048	9,357	18%	11,167	-1%
SHE	1,981	1,737	14%	1,942	2%
Income Statement	1Q11	1Q10	y/y	4Q10	q/q
Net Interest Inc.	144	134	7%	170	-15%
Net Fee Inc.	67	65	4%	67	1%

Aksa Enerji	N/R	Share Price: TL 4.65
AKSEN TI	P/E: -	Target Share Price: U.R.
Utilities	EV/EBITDA: -	Upside Potential: -

Aksa Enerji AKSEN TI > 1Q11 results: Below market expectation on non-operational items...

Aksa Enerji disclosed TL 10mn net earnings in 1Q11, trailing behind the CNBC-e consensus estimate of TL 14mn. Note that the bottom-line deviation stemmed from non-operational items, as the company's EBITDA in the underlying quarter was TL 6mn above the consensus estimate.

At the top-line the company reached TL 221mn, slightly less than the TL 236mn consensus estimate. The result marked a 37% rise y/y, thanks to better pricing conditions in the electricity market, while it remained flat over the 4Q10 figure.

On the operational front, we observe TL 56mn EBITDA in 1Q11, beating the TL 50 mn consensus estimate. The 25% EBITDA margin was 4pps stronger than the market's expectation, yet trailed behind the 30% level of the previous quarter, while remaining 5.9pps above the 1Q10 level, thanks to higher electricity prices and lower natural gas prices on the costs side.

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	221	161	37%	223	-1%
EBITDA	56	31	79%	67	-16%
Net Earnings	10	5	84%	-29	n.m.
Margins					
EBITDA Margin	25.3%	19.4%		29.8%	
Net Margin	4.4%	3.3%		n.m.	

Coca Cola Icecek	MARKETPERFORM	Share Price: TL 21.9
CCOLA TI	P/E: 20.8x	Target Share Price: TL 21.16
Beverage	EV/EBITDA: 12.6x	Upside Potential: -3%

Coca Cola Icecek <CCOLA TI> - Increasing its stake in Turkmenistan operations... (Neutral)

In return for US\$ 2.3 mn, Coca Cola Icecek (CCI) has signed a deal to acquire a 12% share in Turkmenistan operations from Day Investments Ltd., which will increase its stake in the business to 71.5% from the current 59.5%. The deal is a part of the previous one between the parties concerning the exercising of the option.

Turkmenistan operations contributed 1.7% to CCI's consolidated sales volume in 2010.

Is REIC	OUTPERFORM	Share Price: TL 1.79
ISGYO TI	P/E: 13.7x	Target Share Price: TL 2.19
REIC	EV/EBITDA: 7.7x	Upside Potential: 23%

Is REIC <ISGYO TI> discloses TL 10 mn net profit in 1Q11 financials, below estimates...

Is REIC has released its 1Q11 financials with a net income of TL 10 mn indicating a 10% y/y and 60% q/q decline. The company's 1Q11 bottom line is lower than both our estimate of TL 13 mn and CNBC-E consensus estimate of TL 14 mn. The difference mostly stemmed from the higher than expected net financial expense in the period. The y/y contraction at the bottom-line is due to lower profit margins, despite the improvement in net sales.

On the other hand, the high q/q decline at the bottom-line was mostly due to the sizeable reversal of impairment provision written in 4Q10.

On the operational front, Is REIC generated TL 27 mn revenues in 1Q11, up 14% from TL 24 mn in 1Q10, and also up by 9% q/q. Rental income rose from TL 19 mn in 1Q10 to TL 21 mn in 1Q11 indicating a 13% y/y increase, while service and other income rose from TL 5 mn to TL 6 mn in the same period on a 17% y/y rise.

Gross profit rose by 11% y/y to TL 14 mn in 1Q11. The gross profit margin shed 1.6 pp from 52.9% in 1Q10 to 51.3% in 1Q11. Is REIC's operating expenses rose slightly from TL 2.1 mn in 1Q10 to TL 2.4 mn in 1Q11, and accordingly EBITDA was up by 8% at TL 18 mn in 1Q11.

On the non-operational side, a TL 1.1 mn FX loss in 1Q10 increased to TL 2 mn in 1Q11. Accordingly, the company's net financial income of TL 1 mn in 1Q10 turned to a net financial loss of TL 2 mn in 1Q11. As a footnote, Is REIC has a short term financial debt of TL 5 mn and long-term financial debt of TL 48 mn, and had a net cash position of TL 21 mn at the end of 1Q11, declining from TL 36 mn at the end of the previous quarter.

Is REIC currently trades at a 42% discount to its NAV, and thus at a deeper discount than its historical average of 31% since 2003.

TL mn	1Q11	1Q10	y/y	4Q10	q/q
Sales	27	24	14%	25	9%
EBITDA	18	16	8%	29	-40%
Net Earnings	10	11	-10%	25	-60%
Margins					
EBITDA Margin	65.5%	69.4%		118.0%	
Net Margin	36.5%	46.0%		99.9%	

Dogan Yayin Holding	NEUTRAL	Share Price: TL 1.57
DYHOL TI	P/E: 64.6x	Target Share Price: -
Media	EV/EBITDA: 9.7x	Upside Potential: -

Dogan Yayin Holding and Dogan TV Holding to benefit from tax amnesty for TL 1.5 bn portion of tax fine by paying TL 294 mn...

Dogan Yayin Holding and its affiliate Dogan TV Holding have opted to benefit from the tax amnesty law. Reportedly, the TL 1.5 bn portion of "disputed tax debts being at the stage of action and not having become final" amounting to TL 2.9 bn has been restructured, and the conglomerate will make a payment of TL 294 mn, corresponding 10% of the initial amount.

Accordingly;

Dogan Yayin Holding is to make an TL 18 mn payment, computed for a TL 90 portion of the 862 mn fine. The restructured amount will be paid by June 30, 2011, while the has company is conducting studies into the remaining TL 773 mn portion of the fine.

Dogan TV Holding will pay TL 276 mn for the TL 1.4 bn portion of the TL 2 bn disputed tax liability. Accordingly, the company will make a TL 0.7 mn immediate payment, while the remainder will be paid in 18 equal installments over 36 months. It is also stated that further studies are in progress for the remaining TL 589 mn portion.

Separately, Dogan TV Holding and D Yapim Reklamcilik have applied for a tax base increase amounting to TL 12.7 mn, which will be paid until June 30, 2011.

The company announced that studies within the context of the tax amnesty law were expected to continue until the May 31, 2011 application deadline.

Comment: This removes uncertainty over a certain portion of the tax liability, which totals TL 4.8 bn, while there may be further announcements on restructuring until the deadline. Most recently, the Council of State had ruled TL 4.1 bn in favor of the company and TL 13 mn against the company, with a TL 763 mn portion still in progress.

Tupras	MARKETPERFORM	Share Price: TL 45.4
TUPRS TI	P/E: 10.6x	Target Share Price: TL 51.68
Oil	EV/EBITDA: 6.3x	Upside Potential: 14%

Tupras <TUPRS TI> - Strong 1Q11 results to be announced today...

Tupras is set to report its 1Q11 results today during trading hours, and then conduct a conference call at 5:30 pm local time. Our bottom line estimate stands at TL 302 mn, substantially above the TL 101 mn net profit of 1Q10. Meanwhile, market consensus compiled by CNBC-e for 1Q11 is at TL 263 mn.

Crude prices were sensitive to unrest in the oil-rich region, and reacted by rising sharply from US\$94/bbl at the beginning of the year to close the quarter at US\$117/bbl (Brent crude), which will lead to inventory gains for refineries. In 1Q11, Brent crude prices averaged at US\$105/bbl, which suggests a 37% y/y rise.

We observed lower regional refining margins on y/y terms (1Q11: 0.4/bbl, 1Q10: 3.5/bbl and 4Q10:2.76/bbl), primarily because product cracks failed to keep up with the rise in crude prices. And yet we expect Tupras to post a US\$ 3.5/bbl net refining margin in a seasonally weak quarter, favorable against 1Q10: 1.40/bbl.

Glancing at the main driving forces of Tupras' outperformance we observe; **i)** higher CUR-lowering costs per barrel (1Q11: 66%, vs. 1Q10: 54%), **ii)** widening crude differentials (Brent-Ural: 1Q11: US\$ 2.8, vs. 1Q10: US\$ 1.3/bbl) (Brent-Iran Heavy: 1Q11: US\$ 5.3, vs. 1Q10:US\$ 1.3/bbl), and **iii)** inventory gain (Ata Est: US\$ 135 mn for 1Q11).

Tekfen Holding	OUTPERFORM	Share Price: TL 6.22
TKFEN TI	P/E: 12.2x	Target Share Price: TL 8.33
Conglomerates	EV/EBITDA: 6.5x	Upside Potential: 34%

Tekfen Holding <TKFEN TI> to disclose 1Q11 financials today...

Tekfen Holding is expected to disclose its 1Q11 financials today. We expect the company to generate a TL 60 mn net profit for the quarter (consensus: TL 66 mn), compared to TL 66.8 mn a year ago. We anticipate the top line increasing by 20% y/y to TL 722 mn in 1Q11, with a 13.8% EBITDA margin, compared to 17.9% in 1Q10.

Ford Otosan	OUTPERFORM	Share Price: TL 15.2
FROTO TI	P/E: 8.9x	Target Share Price: TL 16.9
Automotive	EV/EBITDA: 6.3x	Upside Potential: 11%

Ford Otosan <FROTO TI> raises expectations for 2011...

Ford Otosan has raised its domestic sales forecast for 2011 to 130K units from 128K, and its export sales forecast to 214K from 212K. The company expects the domestic market size (PC+LCV+HCV) to reach 831K (previously 821K).

Comment: The company's market size expectation for 2011 exceeds our 823K call, while its 15.7% market share expectation is also higher than our 15.4% call. Hence, our domestic sales forecast for Ford Otosan is currently 121K. On the international front, our 211K unit call is slightly less than the company's.

HALKBANK <HALKB TI>... The bank has decided to initiate the necessary work for a previously announced bond issuance of up to TL 3bn.

IS BANKASI <ISCTR TI>... The bank announced that mandating a consortium of int'l banks to obtain a syndication loan w/ 1 year maturity. The loan will consist two tranches in Euro and USD.

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)		
Adana Cimento	ADANA	32	0.3581	6.5%				31-May	
Adana Cimento (B)	ADBGR	21	0.2547	7.0%				31-May	
Adana Cimento (C)	ADNAC	6	0.0354	4.0%				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	2.2%				27-May	
Bagfas	BAGFS	20	6.5774	3.7%				18-May	
BIM	BIMAS	182	1.2000	2.4%				17-May	
Bizim Toptan	BIZIM	14	0.3380	1.2%				25-May	
Bolu Cimento	BOLUC	11	0.0784	4.5%				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	2.8%				24-May	
Enka Insaat	ENKAI	160	0.0727	1.2%	13.6%		2,500	16-May	
Eregli Demir Celik	EREGL	450	0.2813	5.0%				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	2.9%	20%		600		
Sise Cam	SISE	46	0.0400	1.0%				31-May	
Tekfen Holding	TKFEN	53	0.1430	2.3%				27-May	
Trakya Cam	TRKCM	45	0.0750	2.1%				31-May	
Turcas	TRCAS	11	0.0500	1.2%					
Turk Telekom	TTKOM	2,244	0.6411	8.0%				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	7.4%					
Vakif Bank	VAKBN	34	0.0137	0.4%					



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