

Outperform

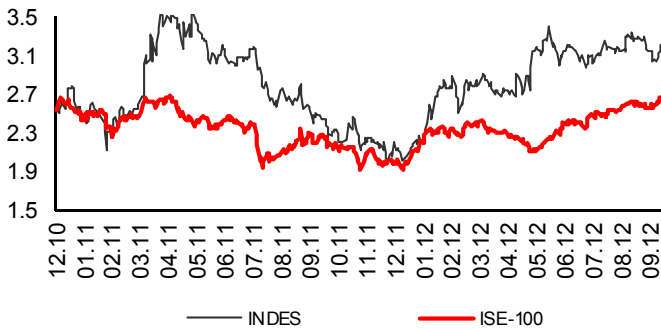
15 October 2012

Current Price / Mcap: TL3.20 / US\$100mn

2013-end TP / Mcap: TL4.74 / US\$142mn

Initiation of Coverage - Small Cap Idea

Price Performance (TL)



Stock Market Data

Bloomberg/Reuters:	INDES.TI / INDES.IS		
Relative Performance:	1 mth	3 mth	12mth
	-4%	-8%	10%
52 Week Range (TL):	2 / 3.39		
Market Cap (TLmn)	179		
Average Daily Vol (TLmn) 3 mth:	0.1		
YTD TL Return:	45%		
Shares Outstanding (mn):	56		
Free Float (%):	28.3		
Foreign Ownership in Free Float (%):	20.4		
Shareholders:	Nevres Erol Bilecik 69.3%, Others 2.4%		

The Company in Brief: Established in 1989, INDES, with its wide range of product line, is the largest distributor company operating in the computer field in Turkey. The Company mainly operates in selling computers, computer hardware and data transfer equipment in Turkey. Its products include PC peripherals, PC side products and substitutes, software products and consumer electronic products.

Financials and Ratios	2011	2012E	2013E	2014E
Net Sales (TLmn)	1,514	1,529	1,758	1,903
EBITDA (TLmn)	58	46	53	58
Net Profit (TLmn)	18	20	28	33
EBITDA Margin (%)	3.82%	3.02%	3.03%	3.05%
P/E (x)	9.7	8.9	6.5	5.4
EV/EBITDA (x)	2.9	3.6	3.1	2.9
EV/Sales (x)	0.11	0.11	0.09	0.09
EPS (TL)	0.33	0.36	0.50	0.60
DPS (TL)	0.00	0.11	0.15	0.18

Source: Garanti Securities estimates, Company data

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A growing business with an embedded asset...

We initiate our coverage of Indeks Computer (Indeks) with an Outperform recommendation and a 2013-end target price of TL4.74, denoting 48% upside potential. Indeks carries out distribution of more than 200 worldwide brands, operating with more than 7,500 business partners, and has commanded the leadership position in the Turkish IT sector since 2001. Indeks signed a distributorship agreement with Apple on October 10, 2012 to become Apple's 2nd distributor of the products such as iPad, Mac and iPod (but not mobile phones) in Turkey, a development likely to support revenue generation in 2013. Indeks trades at 2013E EV/EBITDA of 3.1x and P/E of 6.5x, suggesting respective discounts of 42% and 20% to its international peers. As well as its fair valuation, the relocation of its head office in the near future and the initiation of a real estate project on its 40,000sqm land could also provide further value to Indeks.

- Potential sale of land not reflected to current Mcap.** Indeks has 40,000sqm of land at the site of its head office located in Ayazaga, at the heart of Istanbul. With the area now emerging as a prime business district, we expect the Company to sell the valuable plot and move its logistics operations to a cheaper area, adding around TL100mn value.
- Poised for growth in more profitable business segments.** Logistics and services are Indeks's key revenue segments. Indeks differentiates itself with an established distribution network and higher revenues in the logistics segment. The company plans to expand its business in the more lucrative service sector. The service segment accounts for 15% of Turkey's IT sector, compared to a significant 70-75% for the hardware segment. In developed countries, the hardware, software and service segments tend command equal shares.
- High growth potential in the IT sector.** The relative youth of Turkey's population, along with an increasing presence of local and retail stores selling computers and declining computer prices have set the stage for tremendous growth in the IT market in Turkey. The company commands a 27% market share in the hardware segment. Indeks expects some modest improvement in market share and a stable profit margin in its current operations.

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INVESTMENT SUMMARY

We initiate our coverage of Indeks Computer (Indeks) with an Outperform recommendation and a 2013-end target price of TL4.74, denoting 48% upside potential. Indeks carries out distribution of more than 200 worldwide brands, operating with more than 7,500 business partners, and has commanded the leadership position in the Turkish IT sector since 2001. Indeks signed a distributorship agreement with Apple on October 10, 2012 to become Apple's 2nd distributor of the products such as iPad, Mac and iPod (but not mobile phones) in Turkey, a development likely to support revenue generation in 2013. Indeks trades at 2013E EV/EBITDA of 3.1x and P/E of 6.5x, suggesting respective discounts of 42% and 20% to its international peers. As well as its fair valuation, the relocation of its head office in the near future and the initiation of a real estate project on its 40,000sqm land could also provide further value to Indeks.

Distributorship agreement with Apple will increase competitiveness and revenues

Indeks signed a distributorship agreement with Apple on October 10, 2012 to distribute Apple products such as iPad, Mac and iPod (excluding mobile phone). Having distributing agreement with more than 200 worldwide brands, realization of the prestigious distributorship agreement with Apple will strengthen company's positioning at the sector.

With Apple deal, the management expects around TL250mn contribution to top line and around 0.5pp to EBITDA margin. Note that, Bilkom Bilişim Hizmetleri A.S. which is 69.94% subsidiary of Koc Holding (KCHOL) was the sole distributor of Apple products.

The real estate project will be the game changer in 2013

Indeks has 40,000sqm of land at the site of its head office located in Ayazaga, at the heart of Istanbul. The attraction of the location has been increasing in the last couple of years due to its proximity to key business centres.

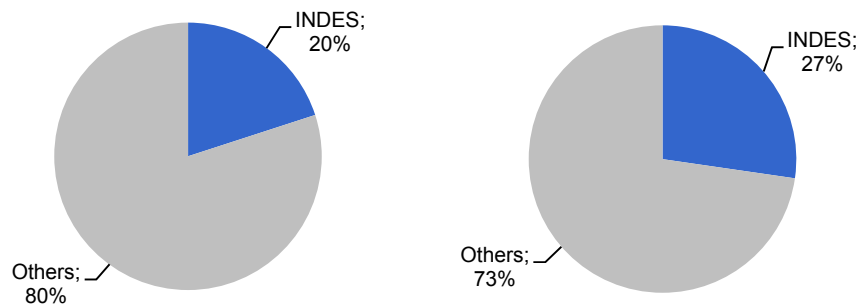
The management is currently in talks with contractor companies in a bid to develop a project based on revenue sharing model on the land. In the revenue sharing model, the contractor would be responsible for the entire process, including project financing, design, construction, pricing, marketing and selling activities. The contractor would guarantee the payment of estimated amount to Indeks; if the total revenue of the project exceeded estimates, Indeks would collect further revenues from the project. Under the revenue sharing model, the contractor would assume all of the risk associated with the project.

The company is still in the process of hammering out the details of the revenue sharing agreement, so the final shape of the deal is not yet clear. Under conservative assumptions, we calculate around TL108mn in revenues from the project, corresponding to around 62% of the current market capitalization.

The market leader in the IT distribution segment

The Company is principally involved in the sale of computers, computer hardware and data transfer equipment in Turkey. Its products include PC peripherals, PC side products and substitutes, software products and consumer electronic products. Indeks commands a 27.2% market share in Turkey's IT hardware sector and a 20% share in the overall IT sector in Turkey. Other listed companies involved in the same business area are Armada Bilgisayar (ARMDA) and Arena Bilgisayar (ARENA).

Indeks's market share in the overall IT sector (left) and IT Hardware sector (right)



Source: The Company

Comparison of listed IT distribution companies

Company	Mcap	SALES		EBITDA		Net Profit		EBITDA Margin	
		2011/12	2012/06	2011/12	2012/06	2011/12	2012/06	2011/12	2012/06
INDEKS	179	1,514	651	58	19	18	10	3.8%	2.9%
ARENA	70	845	413	29	14	10	7	3.4%	3.5%
ARMDA	42	438	247	14	7	7	5	3.3%	2.9%

Differentiating itself with logistics and service businesses

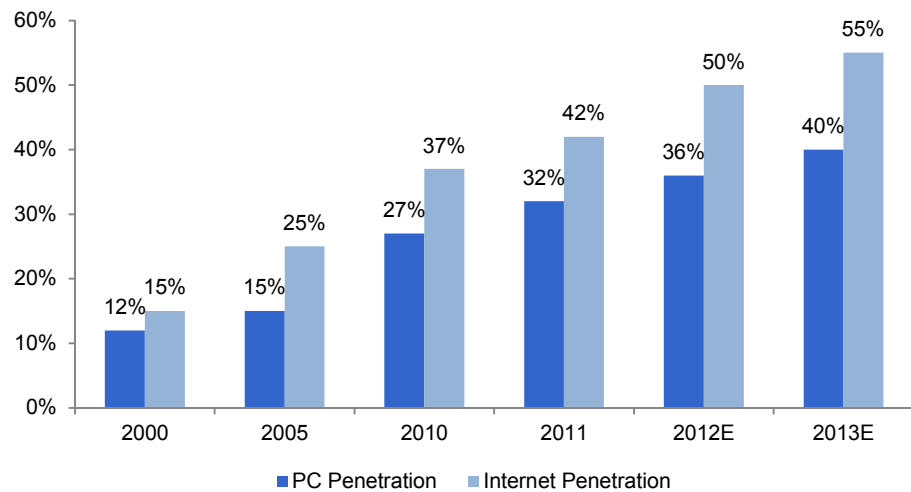
Due to the nature of the distribution business, the sector is characterised by slimmer profit margins when compared to other business lines (typically, gross margins of 6-9% and EBITDA margins of 3-5%). Therefore, the creation of value through value added business is crucial for distributor companies in order to increase and maintain the profitability. We welcome Indeks's moves to differentiate itself through its logistics and services businesses. Teklos, Indeks's wholly owned subsidiary, operates in the logistics sector and provides logistics services to group companies as well as third parties, such as Turk Telekom (TTKOM, MP) and Vodafone. Teklos only contributed a mere 1% to the overall top line; however, its contribution to operating profit was higher at 8% in 1H12.

Apart from the logistics business, Indeks will also be involved in the service and maintenance business through its 51% subsidiary, Alkim, which was established in 1996 as an IT service company, which provides value added services and maintenance services to an array of brands, notably HP. Indeks acquired Alkim's 51% stake in May 2012 with the aim of creating a competitive advantage and improving profit margins in a sector known for its intense competitive and wafer-thin margins.

High growth potential in the IT sector

According to the International Data Corporation, PC ownership penetration in Turkey stood at around 32% in Turkey in 2011, and this is forecasted to increase to 36% in 2012. The table below indicates the tremendous growth in PC penetration in Turkey on the back of the relatively young average age of Turkey's population, increasing presence of local and retail stores selling computers and declining prices of computers. As the largest distributor, commanding a 27% market share in the hardware segment, we believe Indeks will reap the fruits.

PC and Internet penetration in Turkey



Source: The Company, IDC 2012

Risks

Low trading volume

The average 3-month daily volume of Indeks stands at approximately TL150,000 corresponding to just 0.008% of the 3-month average daily volume of the ISE-100. The low trading volume presents a liquidity risk. On the other hand, we believe any concrete steps and announcements regarding the real estate project would increase daily trading volume.

Any sharp fall in the TRY against the US\$

Indeks and other distributor companies purchase IT and other hardware products in US\$ terms. A sharp depreciation of the TL against US\$ would pose a major risk to the Company's operations and margins. In this case, the cost of products would increase, and the higher costs would have to be reflected to end-users, risking demand for IT products. We project stable TL/US\$ rate in 2013.

Slowing GDP growth

Mounting uncertainties or any sharp downturn in GDP growth would slow the rate of growth in the IT sector. In this case, consumers would defer their purchases, putting pressure on Indeks's operating performance. We project 3% GDP growth in 2013.

VALUATION

We valued Indeks using a combination of DCF and peer group comparison methods, attaching a 50% weighting to each. We also included the real estate project in our valuation. Due to its lower trading volume, we applied a 40% small cap discount to our target value. Thus, we determined a target Mcap of TL266mn for Indeks, corresponding to a 2013-year end target share price of TL4.74, implying 48% upside potential.

Valuation Summary	Value (TLmn)	Weight	Contribution (TL mn)
DCF Analysis	393	50%	197
Peer Comparison	276	50%	138
Company Value			335
NPV of the real estate project			108
Target Value			443
- Small Cap Discount		40%	177
Target Value after Small Cap Discount			266
Target Share Price (TL)			4.74
Current Share Price (TL)			3.20
Upside potential			48%

Source: Garanti Securities

DCF Valuation

We calculate a target value of TL393mn for Indeks based on DCF analysis. Our valuation assumes no terminal growth, a Beta of 1.00 and an equity risk premium of 6%, while applying the yield of the 10-year Eurobond as the risk free rate. Under our assumptions, the implied WACC for Indeks fluctuates between 13.0% and 13.4% during our projection period of 2013-2022.

INDEKS - Free Cash Flow Projections (TLmn)

	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E
Net Sales	1,758	1,903	2,060	2,230	2,397	2,595	2,790	2,999	3,224	3,466
Operating Profit	52	57	62	68	73	80	86	93	101	109
Taxes	-7	-9	-10	-12	-14	-16	-17	-19	-21	-23
NOPLAT	45	48	52	55	59	64	69	74	80	86
Depreciation	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3
Gross Cash Flow	46	49	53	57	61	65	70	75	81	87
Change in WCR	-26	-19	-20	-20	-20	-21	-21	-21	-21	-21
Capex	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
Free Cash Flow	18	28	31	34	38	42	47	52	57	64
EBITDA	53	58	63	69	74	81	87	95	102	111
EBITDA Margin	3.03%	3.05%	3.06%	3.08%	3.10%	3.12%	3.13%	3.15%	3.17%	3.19%

Assumptions and Results (US\$m) - 2013E

Weight of equity	75%	PV of FCF	224
Cost of Equity	14%	PV of Terminal Value	157
Beta	1.00	Implied Firm Value	381
Risk free rate	8.0%	Net Cash	12
Market Risk Premium	6.0%	Target Mcap	393
Cost of Debt after tax	10.0%		
Tax rate	20.0%		
WACC	13.0%		
Terminal Value Growth	0.0%		

Source: Garanti Securities

Peer Group Comparison

We compared Indeks with other global players in the IT sector and based our comparison on 2013 and 2014 forecasts. Accordingly, we obtain a fair equity value of US\$148mn (TL276mn) with equal weighting given to valuations derived from average EV/EBITDA and P/E multiples of global peers.

Company Name	MCAp US\$mn	EV/EBITDA		EV/SALES		P/E	
		2013E	2014E	2013E	2014E	2013E	2014E
Esprinet Spa	217	4.0	4.3	0.09	0.09	7.0	7.4
Also-Actebis Holding Ag-Reg	607	5.8	5.3	0.10	0.09	11.4	10.1
Ab Sa	102	6.3	5.6	0.11	0.10	6.3	5.5
Action Sa	109	5.7	5.2	0.13	0.11	6.5	6.0
Datatec Ltd	1,160	5.5	4.9	0.22	0.19	11.3	9.6
Abc Data Sa	77	5.1	4.8	0.10	0.09	5.9	5.4
Average	379	5.4	5.0	0.12	0.11	8.1	7.3
INDEKS		3.1	2.9	0.09	0.09	6.5	5.4
Implied Value (USD mn)	148						

Source: Garanti Securities Estimates, Bloomberg

Valuation of Real Estate Project

We also included the company's 40,000sqm plot of land into our valuation. Indeks plans to initiate a real estate project on the land based on the revenue sharing model. Talks are currently ongoing and details have not yet been clarified, but Indeks considers a revenue sharing agreement (45% to Indeks, 55% to the contractor company) to develop a real estate project on the land.

In our valuation, we assumed that the 40,000sqm land plot could turn into a real estate project with 60,000sqm sellable area to be completed in 3 year. We assumed an average sales price of US\$3,000 per sqm to reach a TL108mn valuation for Indeks. Note that our real estate valuation is conservative considering the increasing attractiveness of the location, and the management believes that the average sales price of the project could reach US\$3,750 per sqm.

TL mn	2013E	2014E	2015E
Cash Proceeds	99	140	111
Indeks's Share 45%	45	63	50
Opex	2	3	3
Taxes			32
Cash Flow	42	60	16
Discount Factor	1.00	1.13	1.28
PV CF	42	53	13
Sum of PV CF (TL)	108		

Source: The Company & Garanti Securities Estimates,

FINANCIAL ANALYSIS

2012-2013 Expectations in Brief

Revenues

Indeks's revenues increased by 23% YoY in 2011 to be realized at TL1,514mn. We expect revenues to barely grow (by 1% YoY) in 2012 to TL1,529mn. On the other hand, thanks to the prestigious Apple deal, 2013 appears more promising with revenues on course to grow by 15%. Recall that the management expects the Apple deal to provide a contribution of around TL250mn to Indeks's top line.

Margins

Indeks recorded TL58mn of EBITDA in 2011, up by 22% YoY and indicating an EBITDA margin of 3.8%. In the first half of 2012, however, the Company's EBITDA declined by 8% YoY, coming in at TL19mn, with a slim 2.9% EBITDA margin in 1H12. The management expects the Apple deal to add 0.5pp to the EBITDA margin in 2013. Meanwhile, the logistics, service and maintenance businesses will also support company's profitability in the coming years. However, in the interests of adopting a conservative approach, our EBITDA margin forecasts hover between 3.0-3.2% throughout our 2012-2022 projection period. We forecast TL46mn of EBITDA in 2012, rising to TL53mn in 2013.

Dividends

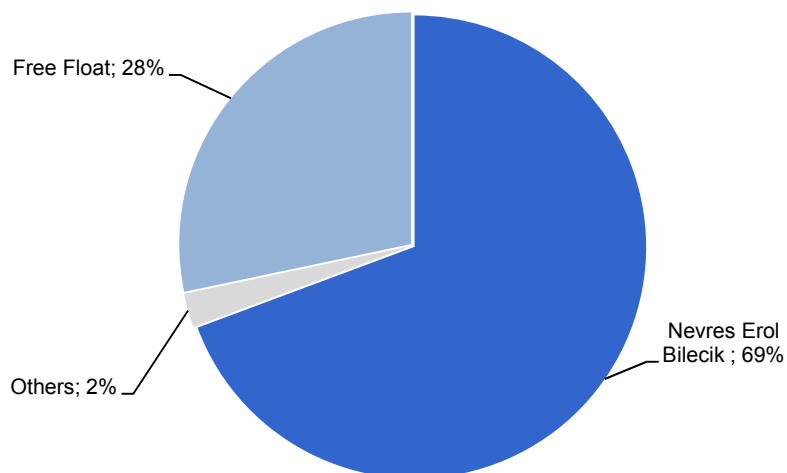
Indeks distributed a gross cash dividend of TL7.4mn from its 2011 earnings in May 2012. The Company has been a regular dividend payer since 2007 with an average pay out ratio of 41%. In our valuation, we assumed an average dividend pay out ratio of 30% beyond 2012. We expect the company to distribute a TL6mn gross dividend from its 2012 earnings, which would correspond to a dividend yield of 3.4%.

THE COMPANY

Established in 1989, Indeks Computer, with its wide range of product line, is the largest distributor company operating in the IT sector in Turkey. The Company's main areas of activity are the sale of computers, computer hardware and data transfer equipment in Turkey. Its products include PC peripherals, PC side products and substitutes, software products and consumer electronic products. Indeks commands a 27.2% market share in the IT hardware sector and 20% in the overall IT sector in Turkey thanks to its strong positioning with 200 contracted worldwide brands and a wide distribution network with over 7,500 dealers and business partners.

The initial public offering of Indeks took place in June 2004 and 15.34% of the shares were offered to the public. In May 2012, 35.56% shares were taken over by Nevres Erol Bilecik, adding to his existing shares in the company, as a result of the failure of the former main shareholder, Pouladis Associates Corpto, to meet a financial obligation. At present, Nevres Erol Bilecik holds a 66.20% stake in the Company with the remaining 31.43% of Indeks' shares quoted on the Istanbul Stock Exchange (ISE).

Shareholder Structure



Source: The Company

Partnership issue now resolved

Pouliadis and Associates S.A. had acquired 50% of Indeks in August 2000; after the IPO, Pouliadis Group's stake declined to 35.6%. However due to the financial difficulties in the repayment of loans, Pouliadis Group's Indeks shares were collateralized to Eurobank. Erol Bilecik, the founder and main shareholder, acquired the 35.6% of the shares in Indeks that were held by Eurobank for TL 47.2mn (TL2.37 per share) on May 18, 2012. With this transaction, Erol Bilecik's share in Indeks increased to 69.4%, resolving the uncertainties surrounding the ownership and ending the overhang over the collateralized shares.

Indeks acts as a holding company, with 7 affiliates and subsidiaries, each of which operate in different fields of technology products.

Datagate, in which Indeks holds a 59.24% stake, was founded in 1992. Datagate was established for the representation, sales, marketing and logistics of many IT producer supplying IT components such as microprocessors, hard disks, memory units and various hardware supporting software. The Company has been quoted on the Istanbul Stock Exchange (DGATE; NR) since February 2006.

Neteks, founded in 1996, is engaged in providing network and communication products such as corporate network systems, network security solutions and ADSL and SME communication solutions to the market through retailers and business partners. Indeks acquired 70% of Neteks and Datagate acquired 24% of the company in 2001. At present, Indeks and Westcon Group each hold 50% stakes in Neteks.

Neotech was established in 2005 with a capital of TL100,000 to operate in the wholesale marketing of consumer electronics and communication devices. The company increased its capital from TL100,000 to TL 1mn in 2007. Currently, Indeks holds an 80% stake in the company.

Artım, a distributor for Oracle Sun server, database and storage products, was established in 2003 and Indeks acquired a majority stake (51%) in the company in 2011 in order to offer distribution of value added solutions and supply spare parts in the IT sector. Artım has a capital of TL1.21mn.

Teklos provides logistic services to IT companies. The Company was founded as Karadeniz Örne Sanayi A.Ş. in 1973 on a 39,761sqm plot of land with a 18,969sqm indoor area, which was acquired by Indeks to be used as a logistics headquarter in 2006. Teklos, with a capital of TL5mn, is a wholly-owned subsidiary of Indeks.

Alkim was established in 1996 as an IT service company providing after sales services for the world's leading IT brands. The company provides value added service and maintenance to an array of brands, notably HP. Indeks purchased a 51% stake in Alkim in 2012 with the aim of creating competitive advantage and improving profit margins in the highly competitive, low-margin IT distribution sector.

Product Range of INDEKS Companies

INDEKS	DATAGATE	NETEKS	ARTIM
PC	Micro processor	Corporate Network Systems	Software
Notebooks	Hard disk	Network Equipment	Computer Spare Parts
Printers	Main board	Structured Cabling	
Servers	Display card	Private Exchange Systems	NEOTECH
Peripherals	Monitor	Network Security Solutions	Consumer Electronics
Software	Optical Products	ADSL & SME Communication Solutions	Communication Equipment
	Server Products		Alternative Electronic Products
	Memory Products		
	Notebooks		ALKIM
	Desktops		Service
	Backup Units		
	Network Products		TEKLOS
	Accessories		Logistics and Transportation
	Security Products		
	Laser Printers		

Source: The Company, Garanti Securities Estimates

Major Distributorships by product range

PC Products	OEM*	Printer & Peripherals	Network Products	Software Products	Household Electronics	Memory & Medium Sized Systems
APPLE	ALPS	APC	3COM	IBM	AIRTIES	HP
ASUS	INTEL	CANON	ALIED TL	LOTUS	APPLE	IBM
FSC	KINGSTON	EPSON	CHECKP	MICROSOFT	HITACHI	LACIE
HP	LITE-ON	HP	CISCO	NOVELL	LG	SEAGATE
LENOVO	NEC	IBM	HCS	SYMANTEC	PANASONIC	WD
LG	PHILIPS	OKI	HP	TIVOLI	SAMSUNG	
MSI	SEAGATE	PANASONIC	NEWBRIDGE		SONY	
SONY VAIO	VIEWSONIC	XEROX	NORTELL		VIEWSONIC	
TOSHIBA	WD		TREND M.		CANON	
	BELKIN		PANDUIT		HTC	
	SAMSUNG		AVAYA			
	FSJ		IBM SS			

*:Original Equipment Manufacturer

Source: The Company, Garanti Securities Estimates

APPENDIX - 2Q12 Financial Results

İNDEKS disclosed a net profit of TL2.5mn in 2Q12, down by 3% YoY and 67% QoQ. The lower revenue generation, an increased cost of sales and steeper net financial loss of TL 7mn were the main reasons behind the declines. İNDEKS's 2Q12 net profit brought its aggregate 1H12 net income to TL10mn, marking an increase of 72% YoY.

At the top line, İNDEKS disclosed TL315mn revenues in 2Q12, down by 5.6% YoY and 6% QoQ. With the inclusion of the 2Q12 revenues, the Company's 1H12 consolidated revenues came in at TL651mn, a 6%YoY decline.

İNDEKS recorded TL10mn of EBITDA in 2Q12, up 10% QoQ but unchanged on YoY terms. The company notched up a 3.1% EBITDA margin in 2Q12, up by 0.2pp YoY and 0.4pp QoQ. With the inclusion of the 2Q12 results, the company wrote TL19mn of EBITDA in 1H12, down by 8% YoY with an EBITDA margin of 2.9%, down 0.1pp.

İndeks Bilgisayar Summary Financials (mn TL)							Change			
	2Q11	3Q11	4Q11	1Q12	2Q12	6M11	6M12	2Q12/2Q11	2Q12/1Q12	6M12/6M11
Net Sales	334	371	450	335	315	692	651	-5.6%	-6.0%	-6%
Gross Profit	18	34	23	19	17	36	36	-2%	-7%	1%
Operating Profit	9	25	12	9	10	20	18	1%	11%	-8%
EBITDA	10	26	12	9	10	20	19	0.4%	10%	-8%
Net Other Income/Expense	0	0	0	0	0	0	0	n.m.	n.m.	n.m.
Financial Inc./ Exp. (net)	-6	-14	-3	1	-7	-11	-6	n.m.	n.m.	n.m.
Tax	-1	-2	-3	-1	0	-2	-1	n.m.	n.m.	n.m.
Net Income	3	8	5	8	2.5	6	10	-3%	-67%	72%
Net Cash	-52	-40	19	-1	12	-52	12			
Working Capital	127	136	112	119	89	127	89			
Shareholders Equity	124	133	138	139	137	124	137			
Ratios										
Gross Margin	5.3%	9.3%	5.0%	5.6%	5.5%	5.2%	5.6%	0.2 pp	-0.1 pp	0.4 pp
Operating Margin	2.8%	6.8%	2.6%	2.6%	3.0%	2.9%	2.8%	0.2 pp	0.5 pp	-0.1 pp
EBITDA Margin	2.9%	6.9%	2.6%	2.7%	3.1%	2.9%	2.9%	0.2 pp	0.4 pp	-0.1 pp
Net Profit Margin	0.8%	2.1%	1.0%	2.3%	0.8%	0.9%	1.6%	0 pp	-1.5 pp	0.7 pp

Summary Financials and Estimates (TLmn)

Income Statement	2008	2009	2010	2011	2012E	2013E	2014E	2012/2011
Net Sales	928	1,087	1,228	1,514	1,529	1,758	1,903	1%
Cost Of Sales	-877	-1,023	-1,154	-1,421	-1,441	-1,657	-1,793	1%
Gross Profit (Loss)	51	64	75	93	88	101	110	-5%
Operating Expenses	-25	-24	-28	-36	-43	-49	-53	19%
Operating Profit	26	40	47	57	45	45	52	-20%
Consolidated EBITDA	27	41	47	58	46	53	58	-20%
Net Other Income/ Expense	0	-1	0	-1	0	0	0	-74%
Profit (Loss) from Subsidiaries	0	0	0	0	0	0	0	n.m.
Net financial Income/ Expense	-19	-17	-28	-28	-18	-15	-12	-34%
Profit (Loss) before Tax	7	22	19	28	27	37	44	-6%
Taxation on Continuing Operations	-2	-5	-4	-7	-5	-7	-9	n.m.
Minority Interests	0	2	1	3	1	2	2	-56%
Net Income	5	16	13	18	20	28	33	9%
Ratios								
Gross Profit Margin	5%	6%	6%	6%	6%	6%	6%	-0.4 pp
EBIT Margin	3%	4%	4%	4%	3.0%	2.6%	2.7%	-0.8 pp
EBITDA Margin	3%	4%	3.9%	3.8%	3.0%	3.0%	3.0%	-0.8 pp
Net Income Margin	1%	1%	1%	1%	1.3%	1.6%	1.8%	0.1 pp
Balance Sheet								
Current Assets	305	406	506	599	569	642	704	-5%
Cash and Cash Equivalents	9	2	27	66	68	94	110	3%
Short-Term Trade Receivables	184	229	315	403	364	391	423	-10%
Inventories	80	139	127	104	111	127	138	6%
Other Current Assets	32	35	37	26	26	30	33	1%
Long Term Assets	31	31	32	33	34	35	36	2%
Total Assets	336	437	538	632	603	677	739	-5%
Short Term Liabilities	228	313	408	481	438	497	536	-9%
Short-Term Financial Loans	29	22	11	35	20	21	22	-43%
Short-Term Trade Payables	183	265	366	396	382	439	476	-3%
Other Short-Term Liabilities	17	26	31	50	36	37	39	-29%
Long Term Liabilities	12	11	9	13	8	8	9	-38%
Long-Term Financial Loans	12	10	8	12	7	7	7	-44%
Other Long-Term Liabilities	1	1	1	1	2	2	2	9%
Shareholders Equity	95	113	120	138	157	171	194	13%
T. Liabilities & S.holders Equity	336	437	538	632	603	677	739	-5%

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Definition of Stock Ratings

OUTPERFORM (OP) The stock's return is expected to exceed the return of the ISE-100 by more than 10% by 2013-end.

MARKET PERFORM (MP) The stock's return is expected to be within 10% of the ISE-100 by 2013-end.

UNDERPERFORM (UP) The stock's return is expected to fall below the return of the ISE-100 by more than 10% 2013-end.
