

TEPE JUNE 2010 RESULTS ANNOUNCED

A. Trend of recovery observed since the beginning of the year turned downwards over the last two months. In June 2010 TEPE decreased by 1.2 points compared to the previous month. TEPE in June 2010 is quite close to the level in June 2009. The deterioration in expectations plays a major role in the drop.

Figure-1. TEPE (June 2009-June 2010)

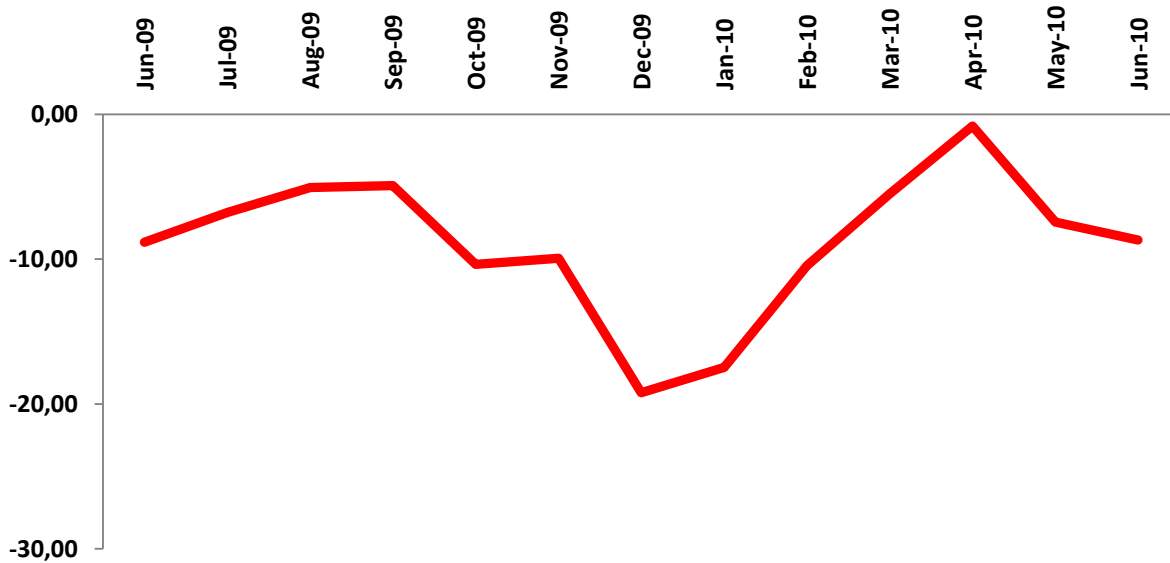


Table-1. TEPE

	January	February	March	April	May	June	July	August	September	October	November	December
2008					-19,6	-23,8	-20,6	-7,8	-9,4	-20,7	-27,2	-30,8
2009	-29,5	-26,0	-17,1	-9,8	10,1	-8,8	-6,8	-5,1	-4,9	-10,3	-9,9	-19,2
2010	-17,5	-10,4	-5,5	-0,8	-7,4	-8,7						

B. Rapid deterioration in expectations attracted attention. In June 2010, 28.8 percent of the survey participants in June 2010 expect an improvement in their business activities over the next three months while 43.9 percent expect a fall. This implies a deterioration by 12 points compared to May 2010 and by 7.6 points compared to June 2009.

Figure-2: Expectations for the three months ahead (%increased- %decreased)

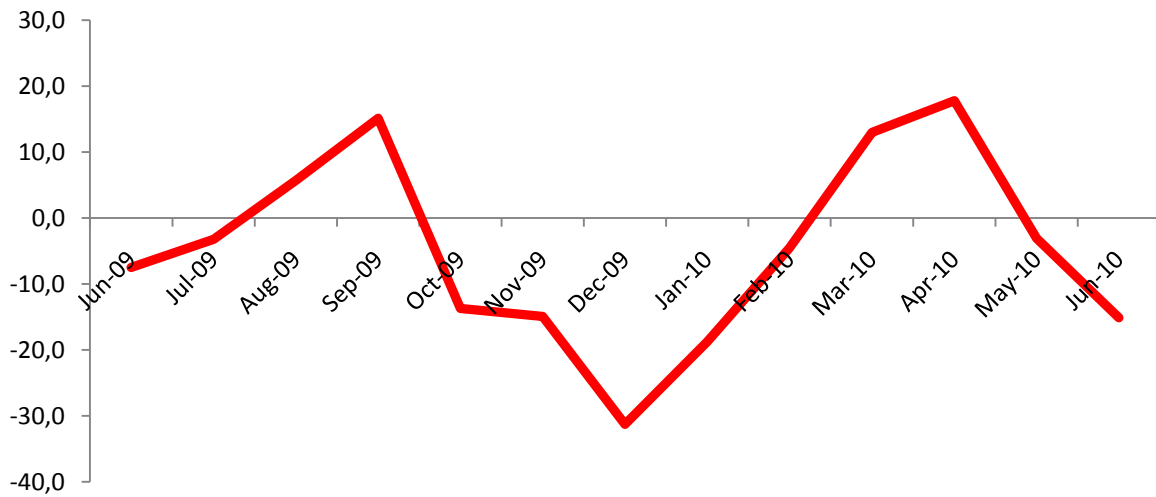


Table 2: Expectations for the three months ahead (%increased- %decreased)

%	January	February	March	April	May	June	July	August	September	October	November	December
2008					-26,3	-39,0	-21,6	4,9	0,9	-31,5	-44,0	-53,2
2009	-40,1	-27,6	-24,0	-1,3	-11,9	-7,5	-3,2	5,7	15,1	-13,7	-14,9	-31,3
2010	-18,7	-4,5	13,0	17,8	-3,1	-15,1						

C. A similar drop is also observed in the retail index for EU countries over the last two months. However, EU-27 average still stands 4.3 points above the TEPE. It is observed that Eurozone countries, which go through challenging times, stand 1.6 points below the EU-27 average.

Figure-3. Comparison of TEPE and EU-27 Retail Index (June-2009, June-2010)

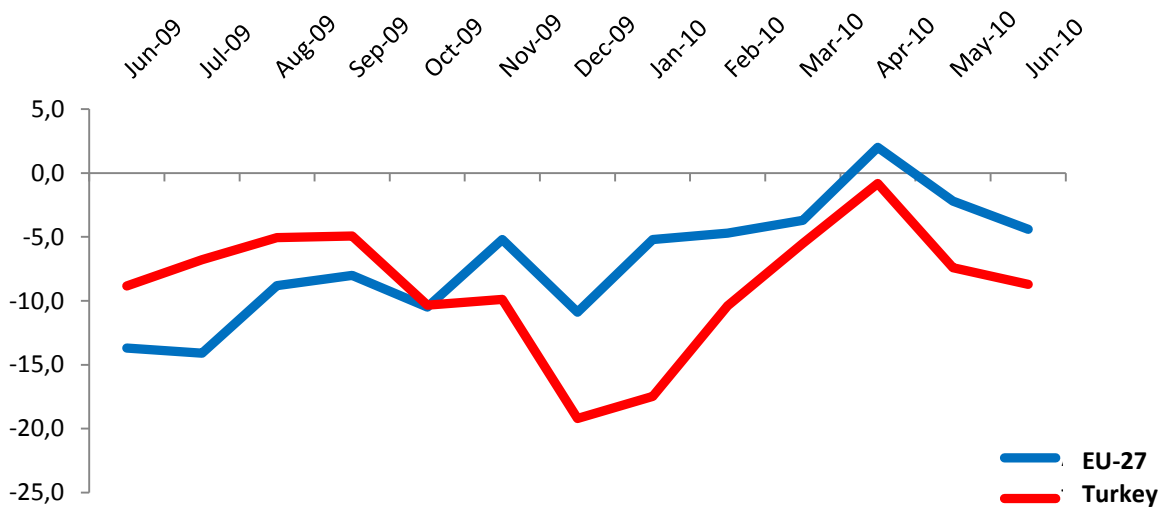


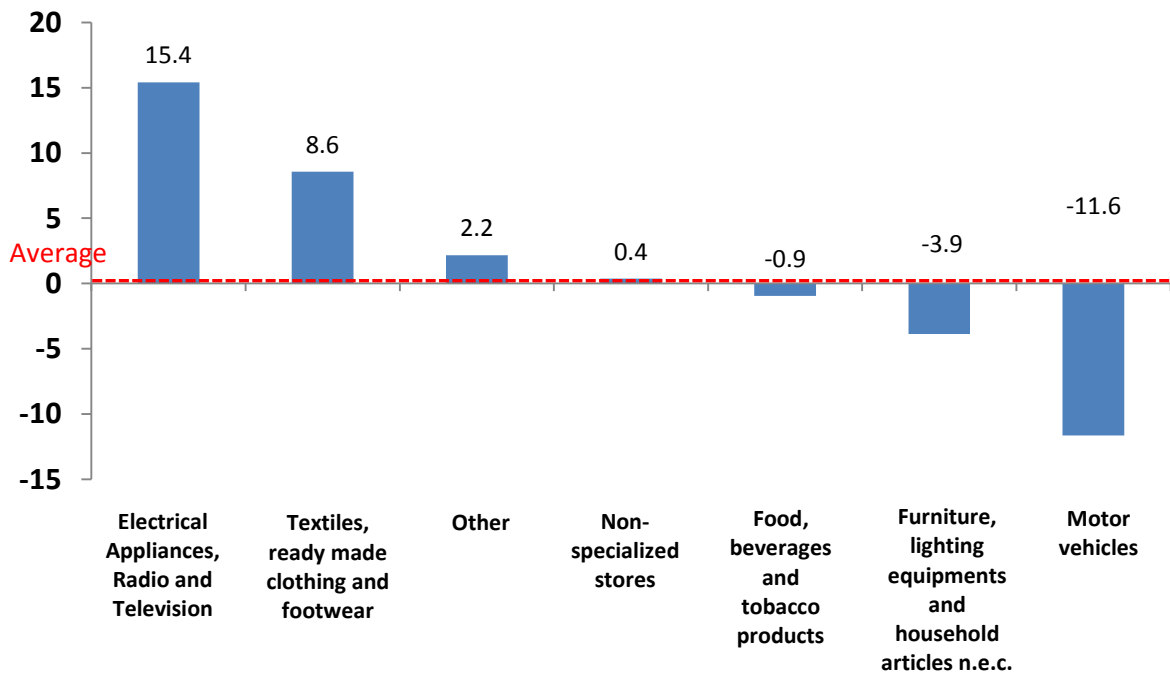
Table-3. EU-27

%	January	February	March	April	May	June	July	August	September	October	November	December
2008					-1,7	-4,8	-13,9	-13,2	-12,4	-16,3	-18,8	-29,0
2009	-25,9	-22,1	-18,8	-17,1	-11,9	-13,7	-14,1	-8,8	-8,0	-10,5	-5,2	-10,9
2010	-5,2	-4,7	-3,7	2,0	-2,2	-4,4						

* EU-27 uses NACE Rev 2.2. classification since May 2010.

D. Considering sub-sectors it is seen that in June 2010 electrical appliances and textiles and ready-made clothing sectors performed better. On the other hand, furniture and motor vehicles sectors suffered drops by 3.9 and 11.6 points compared to the same period in the year before.

Figure-4. Change in TEPE in May-2010 compared to the same period in the last year (points)



E. A comprehensive analysis of TEPE questions reveals that expectations in June 2010 decreased. On the other hand, employment expectations demonstrate a recovery in comparison with May 2010. Expectations for price increases do not reflect an inflationary pressure.

Table-4. Detailed TEPE results by questions (%)

Questions	Index 06/2009	Index 05/2010	Index 06/2010	Change compared to the month before 06/2010	Change compared to the same month in the year before 06/2010
How has your business activity developed over the past three months ? It has...	-31,0	-36,6	-28,5	8,1	2,5
Do you consider the volume of inventories you currently hold to be...? ¹	11,9	17,4	17,6	0,2	5,6
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	-20,6	-9,7	-17,0	-7,4	3,6
How do you expect your business activity (sales) to change over the next 3 months? It will...	-7,5	-3,1	-15,1	-12,0	-7,6
How do you expect your firm's total employment to change over the next 3 months? It will...	-5,3	-4,0	1,3	5,2	6,5
How do you expect the prices you charge to change over the next 3 months? They will...	5,7	-4,3	-5,1	-0,7	-10,8
How has your business activity developed this year compared to the same period in the last year ? It has...	-35,3	-33,8	-30,8	3,0	4,5
Do you expect an increase in the number of your stores next year?	9,4	8,9	11,9	3,0	2,5

¹ Positive inventory level indicates that current level of inventory stand below the normal.