

## TEPE REMAINS ACTIVE BUT EXPECTATIONS ARE STABLE

TEPE has continued to increase in June of 2011 and reached a value of 3.6, but is expected to remain stable in the third quarter.

### TEPE's positive trend continues:

TEPE had been in decline since February of 2011 but increased in May and June, reaching a value of 3.6. It has increased by 0.8 points in comparison to the previous month, and 11 points compared to a year ago.

Figure-1. TEPE (June 2010 – June 2011)

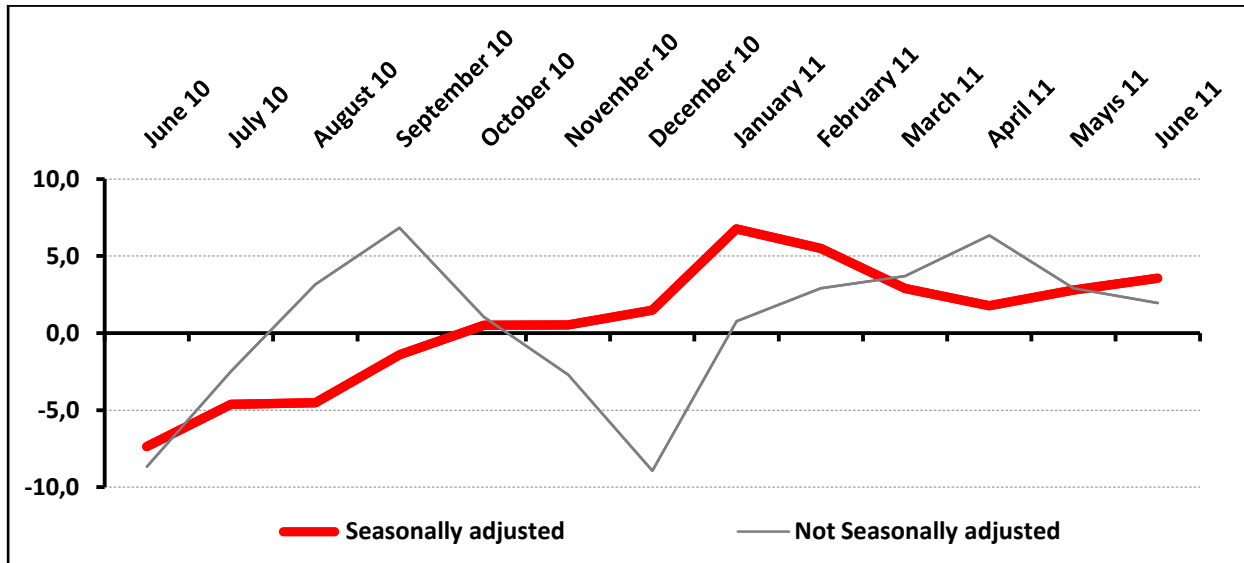


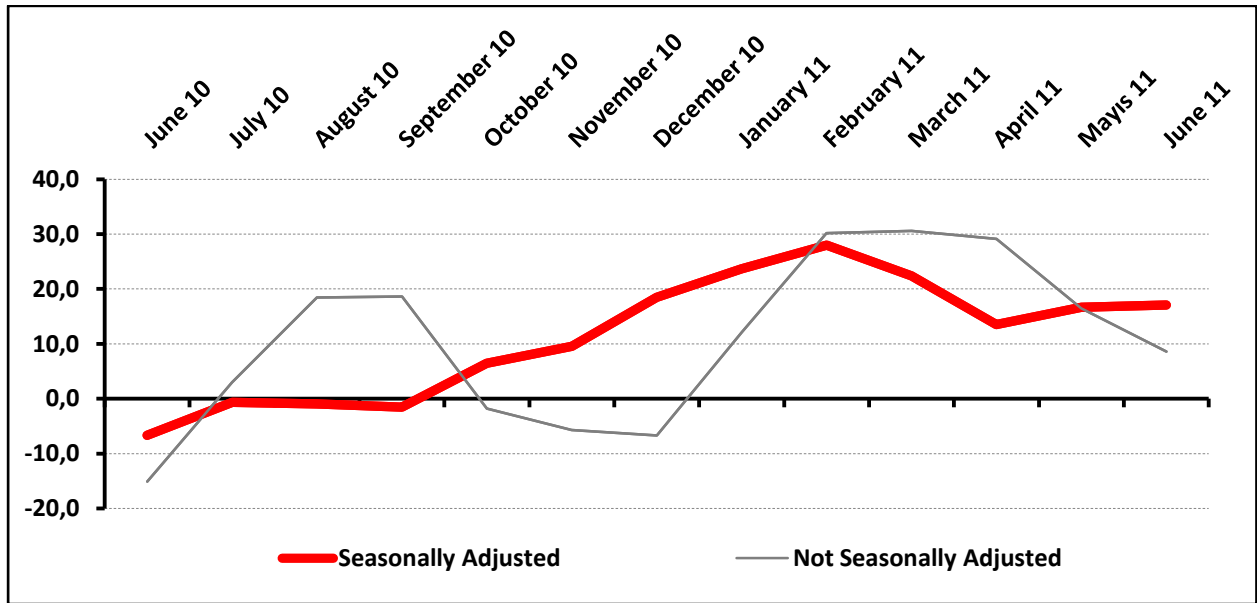
Table-1. TEPE (Seasonally adjusted)

%	January	February	March	April	May	June	July	August	Sept.	October	November	Dec.
2008	---	---	---	---	-21,3	-23,1	-22,9	-17,0	-18,2	-20,8	-23,0	-19,9
2009	-21,5	-21,6	-17,7	-15,1	-11,5	-8,4	-9,4	-13,4	-13,3	-10,7	-6,5	-8,6
2010	-10,3	-7,0	-6,3	-5,7	-7,9	-7,4	-4,6	-4,5	-1,4	0,5	0,5	1,5
2011	6,8	5,5	2,9	1,8	2,8	3,6						

### Expectations remain stable:

The June 2011 TEPE balance value for the next three months is 17.1. A total of 40.3 percent of TEPE survey participants expect their businesses to do better in the next three months, while 31.7 percent expect to do worse. This indicates a rise of 23.8 points compared to June 2010, and 0.4 points compared to May 2011.

**Figure-2.** TEPE – Expectations for the next three months (% increase – % decrease)



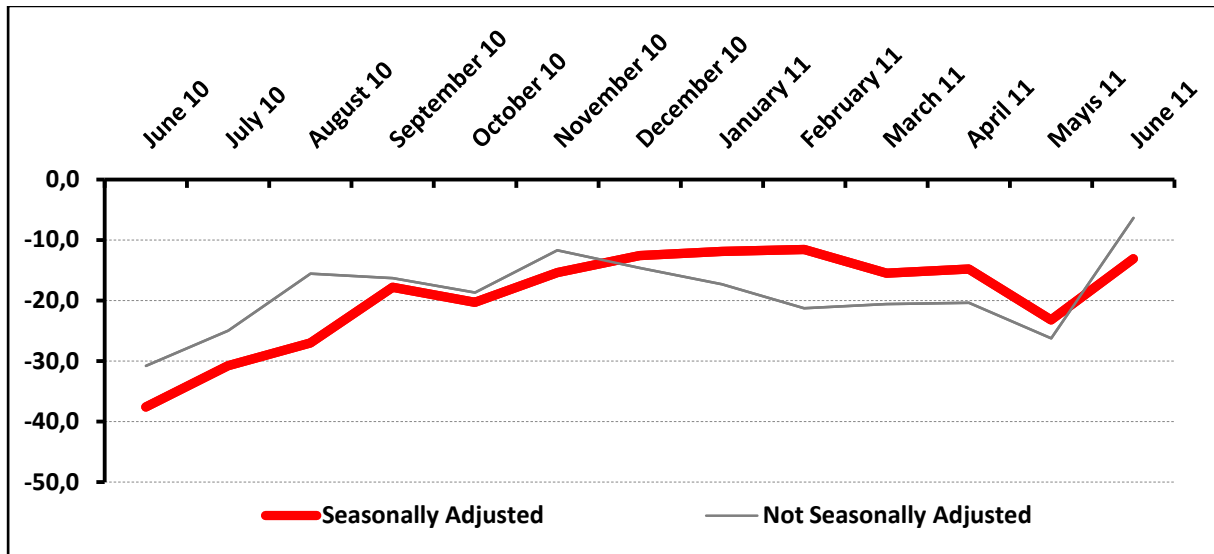
**Table-2.** TEPE – Expectations for the next three months (% increase–% decrease) (Seasonally adjusted)

%	January	February	March	April	May	June	July	August	Sept.	October	November	Dec.
2008	---	---	---	---	-26,1	-30,6	-25,3	-14,6	-19,3	-23,3	-28,7	-27,8
2009	-28,4	-29,7	-32,1	-16,9	-11,7	0,9	-6,9	-13,7	-5,0	-5,5	0,3	-6,0
2010	-7,1	-6,6	4,9	2,2	-2,8	-6,7	-0,7	-1,0	-1,5	6,4	9,6	18,5
2011	23,7	28,0	22,4	13,5	16,7	17,1						

**The market is more active in June 2011 compared to a year ago:**

The percentage of survey participants who report year-on-year improvement in their businesses has gone up by 24.5 points compared to June 2010, and 10.1 points compared to May 2011.

**Figure-3.** TEPE – Year-on-year change in business activities (% increase – % decrease)



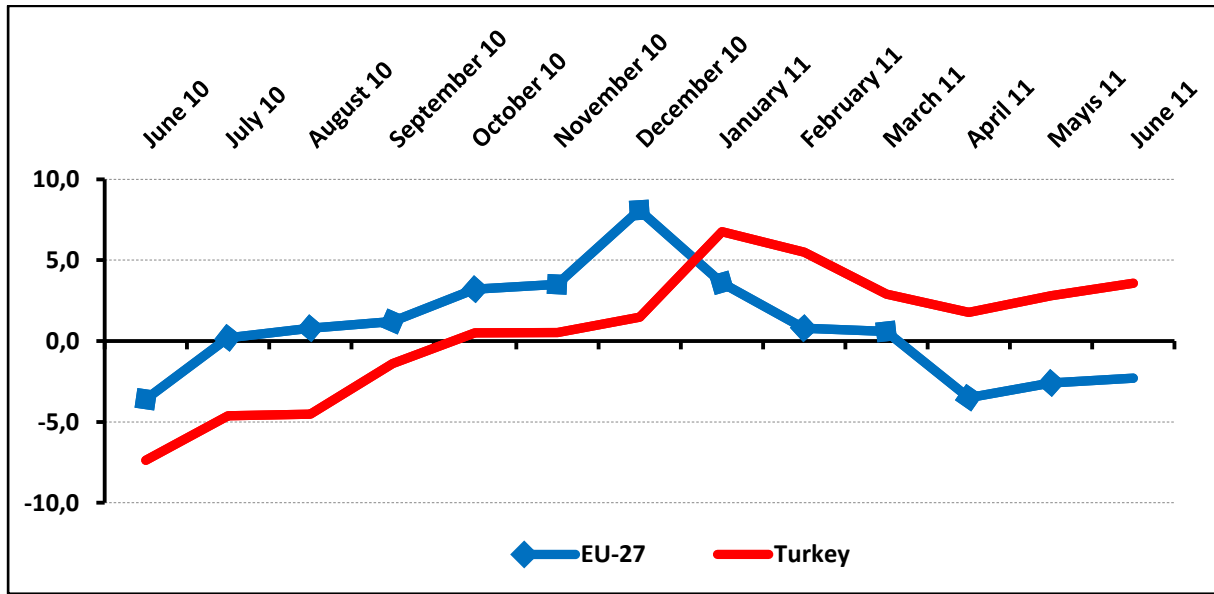
**Table-3.** TEPE – Year-on-year change in business activities (% increase – % decrease)  
(Seasonally adjusted)

%	January	February	March	April	May	June	July	August	Sept.	October	November	Dec.
2008	---	---	---	---	-57,1	-67,5	-67,3	-59,0	-57,0	-58,7	-66,4	-66,1
2009	-68,0	-63,5	-59,5	-60,8	-53,8	-42,1	-45,4	-53,9	-61,6	-53,7	-47,3	-46,9
2010	-42,3	-43,4	-40,0	-35,8	-30,8	-37,6	-30,8	-27,0	-17,8	-20,3	-15,4	-12,6
2011	-11,9	-11,6	-15,5	-14,8	-23,2	-13,1						

### Closing the gap with the EU:

The EU-27 Retail Confidence Indicator was at a value of -2.3 in June of 2011. It has therefore gone up by 0.3 since the previous month, and 1.3 compared to the same time a year ago. The EU-27 Retail Confidence Index has, as it has in the previous five months of the year, appeared below TEPE, in the negatives.

Şekil-4. Retail index comparison between TEPE and AB-27 (June 2010 – June 2011)



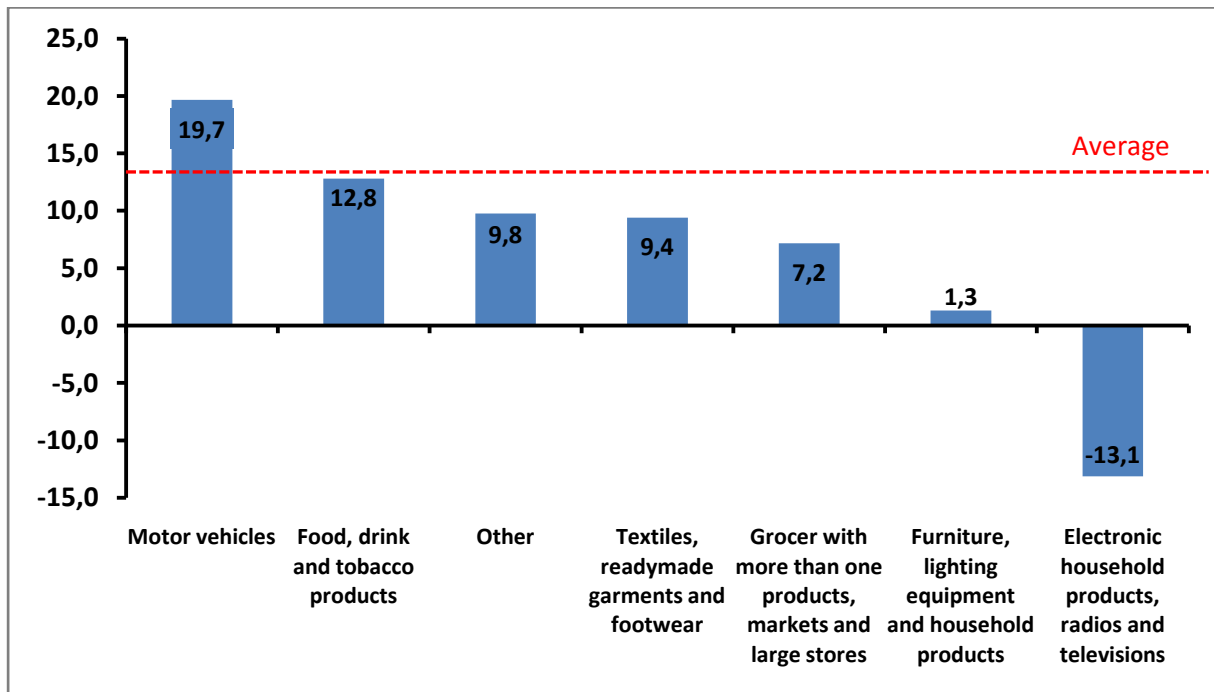
Tablo-4. AB-27 (Seasonally adjusted)

%	January	February	March	April	May	June	July	August	Sept.	October	Nov.	Dec.
2008	-0,9	-0,1	0,9	-6,1	-4,5	-7,2	-13,4	-14,0	-15,2	-20,0	-20,7	-27,4
2009	-27,3	-25,7	-23,4	-23,5	-16,1	-15,4	-13,4	-10,9	-7,9	-8,7	-4,5	-3,5
2010	-3,7	-3,8	-5,2	0,5	-4,2	-3,6	0,2	0,8	1,2	3,2	3,5	8,1
2011	3,6	0,8	0,6	-3,5	-2,6	-2,3						

**Automotive was the most dynamic sector:**

Looking at the sub-sectors, motor vehicles displayed the best performance in June 2011 in comparison to the same period a year ago. While the sectors of food, drink and tobacco products performed above average, the textiles, readymade garments, footwear, grocers selling more than one product, market and large store sectors, as well as the “other” sectors performed below average value. The furniture and lighting equipment sectors performed poorly, appearing close to their value of a year ago. The electronic house appliances, radio and television sectors dropped in TEPE compared to last year.

**Figure-5.** June 2011 Year-on-year change in TEPE (points)  
(Seasonally adjusted)



### The pressure on prices is increasing:

On a question-based reading of the TEPE poll, June 2011 saw some limited recovery in employment expectations in the next three months and store number expectations next year. The same period displays strong recovery in all other areas. In comparison to last year, expected sale prices for the next three months and expected orders from suppliers made significant recoveries since May of 2011, while employment expectations for the next three months have declined considerably.

**Table-5.** Detailed results to TEPE questions (%) (Seasonally adjusted)

Questions	Index 06/2010	Index 05/2011	Index 06/2011	Change compared to a month ago 06/2011	Year-to-year change 06/2011
How has your business activity developed over the past three months? It has...	-36,1	-19,8	<b>-17,8</b>	2,0	18,3
Do you consider the volume of inventories you currently hold to be...? <sup>1</sup>	24,3	16,7	<b>13,9</b>	-2,8	-10,4
How do you expect your orders placed with suppliers to change over the next 3 months? They will...	-12,0	3,3	<b>7,3</b>	4,0	19,3
How do you expect your sales to change over the next 3 months? It will..	-6,7	16,7	<b>17,1</b>	0,4	23,8
How do you expect your firm's total employment to change over the next 3 months? It will..	0,4	10,7	<b>4,2</b>	-6,5	3,8
How do you expect the prices you charge to change over the next 3 months? They will...	-3,6	8,2	<b>16,5</b>	8,3	20,1

<sup>1</sup> Positive inventory level indicates that current level of inventory stands below the normal. The (-) values in Table-5 implies that negative expectations are more dominant than positive expectations.

How has your business activity developed this year compared to the same period in the last year? It has...

Do you expect an increase in the number of your stores next year?

-37,6	-23,2	<b>-13,1</b>	10,1	24,5
7,0	8,3	<b>11,9</b>	3,6	4,9