

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.
ISTANBUL-TURKEY

Consolidated Financial Statements
for the year ended 31 December 2007
and the Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors and Shareholders
Akkök Sanayi Yatırım ve Geliştirme A.Ş.
İstanbul**

1. We have audited the accompanying consolidated financial statements of Akkök Sanayi Yatırım ve Geliştirme A.Ş. (Akkök) which comprise the consolidated balance sheet as at December 31, 2007, and the consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş., Ak-Tem Uluslararası Mümessillik ve Ticaret A.Ş., Dinkal Sigorta Acenteliği A.Ş., Akmeltem Poliüretan Sanayi ve Ticaret A.Ş., Otakçılar Turizm ve Ticaret A.Ş., Zeytinliada Turizm ve Ticaret A.Ş., İstasyon Tekstil ve Sanayi Ticaret A.Ş., Çerkezköy Tekstil Sanayi ve Ticaret A.Ş. and Ariş Sanayi ve Ticaret A.Ş. which are included in the consolidation have not been audited (note 3 (a)). Total assets and total net sales of these companies respectively constitute 0,9% and 1% of total assets and total net sales in the consolidated financial statements as of 31 December 2007 and for the year then ended.
2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.
3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of Akkök Sanayi Yatırım ve Geliştirme A.Ş. as of 31 December 2007 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.
5. As stated in Note 3(a), instead of the current market value, the positive goodwill in the accompanying consolidated financial statements has been recognised by Akkök with regard to the balance sheet of the related subsidiary as of 31 December 2007 prepared in accordance with IFRS.

Denet A.Ş.

İstanbul,
11 April 2008

**Denet Bağımsız Denetim
Yeminli Mali Müşavirlik A.Ş.**
Member firm of BDO International

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Consolidated Balance Sheets as of 31 December 2007 and 2006 (TRY)

	Notes	31 December 2007	31 December 2006
Current Assets			
Cash and cash equivalents	3, 4	251,193,752	282,833,134
Trade receivables, net	3, 5	421,787,358	490,302,728
Due from related parties	3, 6	4,912,065	730,535
Inventories, net	3, 7	201,097,230	190,976,744
Other current assets	8	86,727,524	123,854,999
Total Current Assets		965,717,929	1,088,698,140
Non-Current Assets			
Financial assets, net	3, 9	99,213,031	98,502,289
Positive goodwill	3, 13	48,382,391	22,548,997
Tangible Assets, (less of accumulated depreciation)	3, 12	995,731,829	1,043,136,889
Intangible assets, (less of accumulated amortisation)	3, 11	39,836,439	41,085,743
Other non-current assets	10	283,349	10,194,952
Total Non-Current Assets		1,183,447,039	1,215,468,870
Total Assets		2,149,164,968	2,304,167,010

The accompanying notes are an integral part of these consolidated financial statements.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Consolidated Balance Sheets as of 31 December 2007 and 2006 (TRY)

	Notes	31 December 2007	31 December 2006
Current Liabilities			
Short term financial liabilities, net	3, 14	132,187,686	187,852,493
Trade payables, net	3, 15	168,216,409	164,879,079
Due to related parties	3, 16	2,496,682	408,441
Taxes payable	17	932,049	3,435,494
Other payables	18	36,813,300	97,045,104
Total Current Liabilities		340,646,126	453,620,611
Non-Current Liabilities			
Long term financial liabilities	3, 20	211,249,477	140,548,888
Provision for termination indemnities	3	21,318,583	19,756,101
Deferred taxes	3, 17, 19	50,292,162	104,381,370
Other non-current liabilities		2,885,312	10,070,626
Total Non-Current Liabilities		285,745,534	274,756,985
Contingent Liabilities	26	-	-
Equity			
Share capital	21	13,097,521	13,097,521
Adjustment to share capital	21	163,143,243	163,143,243
Share premium		75,702,549	51,816,446
Increase in value of financial assets		45,041,136	39,600,358
Retained earnings	22	404,781,157	316,838,874
Equity attributable to Equity Holders of the Parent Company		701,765,606	584,496,442
Minority Interest	3, 23	821,007,702	991,292,972
Total Equity		1,522,773,308	1,575,789,414
Total Liabilities and Equity		2,149,164,968	2,304,167,010

The accompanying notes are an integral part of these consolidated financial statements.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Consolidated Statements of Income for the years ended 31 December 2007 and 2006 (TRY)

	Notes	31 December 2007	31 December 2006
Net sales	3	1,604,311,298	1,604,051,479
Cost of sales (-)		(1,493,185,619)	(1,439,172,996)
Gross profit		111,125,679	164,878,483
Research and development expenses (-)		(6,618,700)	(6,805,793)
Marketing and selling expenses (-)		(17,294,029)	(24,966,408)
General and administrative expenses (-)		(86,126,636)	(96,323,540)
Operating profit		1,086,314	36,782,742
Financial expenses/income, (net)	29	(34,391,808)	26,742,812
Other expenses, (net)	30	(91,341,754)	(74,954,280)
Net (loss) before tax		(124,647,248)	(11,428,726)
Taxes on income (-)	17	(4,159,063)	(23,922,441)
Deferred tax income	3, 17, 19	55,485,955	67,917,044
Net (loss)/profit		(73,320,356)	32,565,877
(Loss)/Profit attributable to Equity Holders of the Parent Company		(20,673,654)	13,277,721
Minority interest	3, 23	(52,646,702)	19,288,156
Net (loss)/profit		(73,320,356)	32,565,877
Earnings/(loss) per share of the Parent Company*	3, 24	(1.58)	1.01

* TRY 1 nominal value

The accompanying notes are an integral part of these consolidated financial statements.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Consolidated Statements of Changes in Equity for the years ended 31 December 2007 and 2006 (TRY)

	Share Capital	Adjustment to Share Capital	Share Premium	Value Increase/ (Decrease) in Financial Assets	Retained Earnings	Equity Attributable to Equity Holders of the Parent Company	Minority Interest	Total Equity
Balances as of 1 January 2006	13,097,521	163,143,243	51,816,446	48,030,968	308,304,346	584,392,524	975,443,559	1,559,836,083
Value increase/decrease in financial assets, (net)	-	-	-	(8,430,610)	-	(8,430,610)	346,448	(8,084,162)
Capital increase (cash)	-	-	-	-	-	-	531,650	531,650
Effect of rate change	-	-	-	-	(2,985)	(2,985)	2,985	-
Effect of consolidation by equity method	-	-	-	-	(3,566,834)	(3,566,834)	-	(3,566,834)
Effect of subsidiaries included in the consolidation	-	-	-	-	(21,919)	(21,919)	(108,842)	(130,761)
Effect of subsidiaries excluded from consolidation	-	-	-	-	(14,440)	(14,440)	(130,569)	(145,009)
Effect of capital increase in affiliates	-	-	-	-	(14,861)	(14,861)	-	(14,861)
Change in minority interest	-	-	-	-	-	-	1,060,463	1,060,463
Dividend payments	-	-	-	-	-	-	(2,614,218)	(2,614,218)
Translation difference	-	-	-	-	(1,122,154)	(1,122,154)	(2,526,660)	(3,648,814)
Net profit for the period	-	-	-	-	13,277,721	13,277,721	19,288,156	32,565,877
Balances as of 31 December 2006	13,097,521	163,143,243	51,816,446	39,600,358	316,838,874	584,496,442	991,292,972	1,575,789,414
Capital increase (cash)	-	-	-	-	-	-	745,224	745,224
Value increase/decrease in financial assets, (net)	-	-	-	5,440,778	-	5,440,778	146,210	5,586,988
Effect of rate change	-	-	23,886,103	-	91,660,372	115,546,475	(115,546,475)	-
Effect of consolidation by equity method	-	-	-	-	2,318,269	2,318,269	-	2,318,269
Effect of subsidiaries included in the consolidation	-	-	-	-	(9,211)	(9,211)	2,655,849	2,646,638
Effect of subsidiaries excluded from consolidation	-	-	-	-	14,614,288	14,614,288	8,659,240	23,273,528
Dividend payments	-	-	-	-	-	-	(14,343,108)	(14,343,108)
Translation difference	-	-	-	-	32,219	32,219	44,492	76,711
Net (loss) for the period	-	-	-	-	(20,673,654)	(20,673,654)	(52,646,702)	(73,320,356)
Balances as of 31 December 2007	13,097,521	163,143,243	75,702,549	45,041,136	404,781,157	701,765,606	821,007,702	1,522,773,308

The accompanying notes are an integral part of these consolidated financial statements.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Statements of Cash Flows for the years ended 31 December 2007 and 2006 (TRY)

	Notes	31 December 2007	31 December 2006
Cash flows from operating activities:			
Net (Loss) before taxation		(124,647,248)	(11,428,726)
Adjustments to reconcile net (loss) to net cash provided by operating activities:			
Minority interest		52,646,702	(19,288,156)
Depreciation and amortisation		102,382,953	112,567,338
Provision for debt and expenses		73,721,743	17,487,422
Net profit before working capital changes		104,104,150	99,337,878
Decrease/(increase) in trade receivables		68,515,370	(102,821,774)
(Increase)/decrease in due from related parties		(4,181,530)	4,263,437
(Increase) in inventories		(8,691,871)	(51,093,142)
(Increase) in other current assets		(35,031,786)	(91,047,753)
Increase in trade payables		3,337,330	37,109,104
Increase/(decrease) in due to related parties		2,088,241	(119,075)
Tax payments		(6,662,508)	(24,150,752)
(Decrease)/increase in other current liabilities		(60,231,804)	23,941,966
Net cash provided by/(used in) operating activities		63,245,592	(104,580,111)
Cash flows from investing activities:			
(Increase)/decrease in marketable securities		-	33,587,545
(Increase)/decrease in financial assets		(710,742)	54,895,075
Decrease in non-current assets		9,911,603	2,757,302
(Increase) in intangible assets		(1,808,352)	(3,032,679)
Tangible assets acquisition		(53,348,852)	(64,552,922)
Positive goodwill		(25,833,394)	(22,548,997)
Net cash (used in)/provided by investment activities		(71,789,737)	1,105,324
Cash flows from financing activities:			
Increase in bank loans		15,035,782	144,782,513
(Decrease)/increase in minority interest		(170,285,270)	15,849,413
Effects of rate change and translation difference		115,578,694	(1,140,000)
(Decrease)/increase in non-current liabilities		(7,185,314)	1,740,747
Effect of consolidation with equity method		2,318,269	(3,566,834)
Increase/(decrease) in financial assets		6,837,525	(18,967,438)
Effect of subsidiaries excluded from consolidation		14,614,288	(14,440)
Effect of subsidiaries included in consolidation		(9,211)	(21,919)
Net cash (used in)/provided by financing activities		(23,095,237)	138,662,042
(Decrease)/increase in cash and cash equivalents		(31,639,382)	35,187,255
Cash and cash equivalents at the beginning of the period	3, 4	282,833,134	247,645,879
Cash and cash equivalents at the end of the period	3, 4	251,193,752	282,833,134

The accompanying notes are an integral part of these consolidated financial statements.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

1. Organisation and Principal Activity

Akkök Sanayi Yatırım ve Geliştirme A.Ş. (Akkök) has been incorporated in Turkey as at 27 June 1979 and its principal activities are participating in the share capital and management of established companies as well as companies to be newly established, intermediation, trading, purchasing, selling and exchanging shares without having the objective to manage a portfolio of marketable securities, increasing, decreasing and terminating their participations.

The address of Akkök is as follows:

Gümüşsuyu, Miralay Şefikbey Sokak, Akhan No:15-17 Beyoğlu-Istanbul-TURKEY

The companies in which Akkök has interest are altogether referred to as "Akkök Group". The countries in which Akkök Group companies operate as of 31 December 2007 and their principal areas of activity are stated below:

	Principal Activity
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.-Turkey	Air Shipping
Ak-AI Tekstil Sanayii A.Ş.*-Turkey	Textile
Ak-EI Yalova Elektrik A.Ş.-Turkey	Energy
Akenerji Elektrik Üretim A.Ş.*-Turkey	Energy
Akhan Bakım Yön. Ser. Hiz. Tic. A.Ş.-Turkey	Service
Ak-Kim Kimya Sanayi ve Ticaret A.Ş.-Turkey	Chemicals
Akmetem Poliüretan Sanayi ve Ticaret A.Ş.-Turkey	Chemicals
Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş.*-Turkey	Real estate development
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş.-Turkey	Restaurant management
Ak-Pa Tekstil İhracat Pazarlama A.Ş.-Turkey	Foreign Trade
Akport Tekirdağ Liman İşletmeleri A.Ş.-Turkey	Port Management
Aksa Akrilik Kimya Sanayii A.Ş.*-Turkey	Chemicals
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.*-Turkey	Textile
Aksu Textiles E.A.D.-Bulgaria	Textile
Ak-Tem Uluslararası Mümessillik ve Ticaret A.Ş.-Turkey	Chemicals
Ak-Tops Tekstil Sanayi A.Ş.-Turkey	Textile
Ak Enerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret A.Ş.-Turkey	Energy
Akrom Ak-AI Textile Romania SRL**-Romania	Textile
Ariş Sanayi ve Ticaret A.Ş.-Turkey	Trade
Bozüyük Orman Ürünleri A.Ş.-Turkey	Forestry
Dinkal Sigorta Acenteliği A.Ş.-Turkey	Insurance Agency
Akkur Enerji Üretim Tic. ve San. A.Ş.-Turkey	Energy

* Public company quoted in the Istanbul Stock Exchange (ISE).

** Fully consolidated as at 31 December 2006 and carried at cost as at 31 December 2007 due to the start of liquidation process.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

	Principal Activity
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.-Turkey	Service
Otakçılar Turizm ve Ticaret A.Ş.-Turkey	Tourism
Zeytinliada Turizm ve Ticaret A.Ş.-Turkey	Tourism
Çerkezköy Tekstil Sanayi ve Ticaret A.Ş.-Turkey	Textile
İstasyon Tekstil ve Sanayi Ticaret A.Ş.-Turkey	Textile
Aken BV-The Netherlands	Investment
Aksa Egypt Acrylic Fiber Industrie SAE-Egypt	Textile
Fitco BV-The Netherlands	Investment
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. *-Turkey	Energy
Akiş Gayrimenkul Yatırımı A.Ş. **-Turkey	Real estate development
Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş. ***-Turkey	Real estate development
GAC Gayrimenkul Yatırımı A.Ş. ****-Turkey	Real estate development
Garanti Koza-Akiş Adi Ortaklığı *****-Turkey	Real estate development
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş. ****-Turkey	Information Technologies
Akgirişim Kimya ve Ticaret A.Ş. ****-Turkey	Chemicals

* Acquired in 2007.

** Participated in 2007.

*** Participated indirectly in 2007 (Note 9).

**** Established as at 29 November 2006.

***** Established in 2007.

The principal activities of Akkök Group comprise of chemicals, energy, textile, real estate development and port management. Aksa Akrilik Kimya Sanayii A.Ş. is the largest acrylic fiber manufacturer in the world which is established under a single roof. Ak-Kim Kimya Sanayi ve Ticaret A.Ş. is a company that produces organic and inorganic chemicals used as raw material in various sectors. Furthermore, the company develops and sells technologies of its own and retains globally competitive know-how. Akenerji Elektrik Üretim A.Ş. is the first and foremost private sector power manufacturer in Turkey with a power generation capacity of 541,3 MW per annum. Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş. is a company whose activities are mainly concentrated in production and export of woolen fabric and it is the leading company of Akkök Group that operates in textile sector. With its quality and know-how, the company is recognised as a significant brand in the textile sector. Real estate development activities are carried out at Akmerkez Mall within the management structure of Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş., at Akkoza Mall within the management structure of GAC Gayrimenkul Yatırımı A.Ş. and through the Acıbadem Project of Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş. and such activities are included among strategic operations of Akkök Group. Akkök Group has taken over Tekirdağ Port from Türkiye Denizcilik İşletmeleri (Turkish Marine Administration) in 1997 and started port operations upon establishing Akport Tekirdağ Liman İşletmeleri A.Ş.. This is the only port on the European region other than Ambarlı.

In addition to its principal activities, Akkök Group also operates in restaurant management, marketing, air shipping, insurance, and tourism sectors. The management of the Istanbul branch of Papermoon Restaurant, a restaurant that has only three branches with the other two being in New York and Milano, is carried out by Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş..

2. Basis of Presentation

(a) Akkök Group maintains its books of account and prepares its statutory financial statements in accordance with commercial practices and tax legislation (for the companies listed in the ISE and their subsidiaries included in their consolidated financial statements, accounting principles issued by the Turkish Capital Markets Board). The accompanying consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Committee, including IAS No.29 as discussed in the following paragraphs. The adjustments reflected in the accompanying consolidated financial statements are summarized in Note 2(b).

IAS 29 requires that an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. Comparative figures for prior period(s) should be restated into the same current measuring unit. One characteristic that necessitates the application of IAS No.29 is a cumulative three year inflation rate approaching or exceeding 100%. As of 31 December 2005 and 2004, the last three years' cumulative rates in Turkey have stayed below but close to 100% (35.6% and 69.7%, respectively). As of 31 December 2007 and 2006, the last three years' cumulative rates are%23.58 and 32.79%, respectively. Hence the accompanying consolidated financial statements are restated at the purchasing value of the New Turkish Lira as at 31 December 2005. On the other hand, the regulatory authorities in Turkey such as the Capital Markets Board and the Ministry of Finance have declared that the application of restatement in financial statements has been terminated as of 1 January 2005.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

The restatement of the accompanying consolidated financial statements in Turkish Lira as at 31 December 2005 is calculated by means of conversion factors derived from the countrywide wholesale price index published by the Turkish Statistical Institution (TSI). Such indices and conversion factors are as follows:

Date	Index	Conversion Factor
31 December 2002	6,478.80	1.356
31 December 2003	7,382.10	1.190
31 December 2004	8,403.80	1.045
31 December 2005	8,785.74	1.000

The following principles have been applied in the preparation of the restated financial statements:

- Non-monetary assets and liabilities and equity items including share capital stated in the balance sheets as of 31 December 2007 and 2006 are calculated such that the entries until 31 December 2005 are restated until 31 December 2005, and the subsequent entries are recognised at their nominal values.
- With the exception of depreciation and amortisation expenses calculated over the sum of gross book value of tangible and intangible assets restated until 31 December 2005 and the nominal values of entries subsequent to 1 January 2006 as well as the profit and loss originating from sales of such assets, the calculations for the statement of income for the periods ended 31 December 2007 and 2006 are presented at historical values.

Balance sheet items denominated in foreign currency are translated into TRY at the foreign exchange rate prevailing at the balance sheet date and the income and expense items denominated in foreign currency are translated into TRY at the yearly average rate. Profits or losses from transactions are stated in the translation differences under the equity account group.

(b) Adjustments

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, and include the following adjustments which are not recorded in the statutory books of account:

- Adjustments related to advances,
- Adjustments related to interest accruals on marketable securities,
- Adjustments related to provisions for doubtful receivables,
- Adjustments related to provisions for termination indemnity,
- Adjustments of accrued loan interest expenses,
- Adjustments related to rediscount on notes receivable and trade receivables,
- Adjustments related to rediscount on notes payable and trade payables,
- Adjustments related to establishment and organization expenses,
- Adjustments related to deferred taxes,
- Adjustments of gain on disposal of investment,
- Adjustment of rent provision computed,
- Elimination of inter-company balances and transactions in accordance with the consolidation procedures,
- Calculation of goodwill.

(c) Offsetting:

Offsetting financial assets and liabilities can only be made under the conditions where the offsetting transaction is legally allowed and the company has an intention in this respect or where the acquisition of assets and fulfillment of liabilities are realized simultaneously.

(d) Comparative Information:

Balance sheets as of 31 December 2007 and 2006 and notes to these balance sheets and the statements of income, cash flows and changes in equity for the years then ended and the related notes have been presented comparatively. For the purpose of consistent presentation with the current period financial statements, the comparative information is reclassified when deemed necessary. The reverse repo amounting to TRY 5,601,428 has been reclassified to cash and cash equivalents from marketable securities, the prepaid expenses and funds amounting to TRY 20,486,947 has been reclassified to taxes payable from other current assets. Decrease in value for the fixed assets held for sale amounting to TRY 17,288,880, which was presented in general and administrative expenses in the statement of income for the year ended 31 December 2006 has been reclassified to other expenses.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

3. Significant Accounting Policies

(a) Principles of Consolidation:

The subsidiaries are fully consolidated to the parent company, Akkök Yatırım ve Geliştirme A.Ş., of which the indirect shareholding interests in such subsidiaries are presented below:

	2007	2006
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	100.00%	100.00%
Akkök Group Companies		
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	99.99%	82.97%
Ak-AI Tekstil Sanayii A.Ş. *	45.29%	39.58%
Ak-EI Yalova Elektrik A.Ş.*	36.76%	14.93%
Akenerji Elektrik Üretim A.Ş. *	40.87%	27.82%
Ak-Kim Kimya Sanayi ve Ticaret A.Ş. *	42.00%	42.00%
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	50.00%	50.00%
Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. **	13.12%	13.12%
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş. *	43.75%	43.75%
Ak-Pa Tekstil İhracat Pazarlama A.Ş.	65.35%	63.40%
Akhan Bakım Yön. Ser. Hiz. Tic. A.Ş. ****	48.11%	37.85%
Akport Tekirdağ Liman İşletmeleri A.Ş.	76.19%	76.19%
Akrom Ak-AI Textile Romania Srl *****	-	30.83%
Aksa Akrilik Kimya Sanayii A.Ş. *	39.59%	39.59%
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	71.88%	71.88%
Aksu Textiles E.A.D. ****	71.55%	71.55%
Ak-Tem Uluslararası Mümessillik ve Ticaret A.Ş. *	31.52%	31.52%
Ak-Tops Tekstil Sanayi A.Ş. *	23.75%	47.04%
Ak Enerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret A.Ş. *	36.78%	25.04%
Akkur Enerji Üretim Tic. ve San. A.Ş. *	40.46%	16.43%
Ariş Sanayi ve Ticaret A.Ş.*	43.37%	43.37%
Bozüyük Orman Ürünleri A.Ş. ****	45.05%	30.66%
Dinkal Sigorta Acenteliği A.Ş.	95.53%	96.55%
Otakçılar Turizm ve Ticaret A.Ş.	89.61%	89.61%
Zeytinliada Turizm ve Ticaret A.Ş.	89.61%	89.61%
Çerkezköy Tekstil Sanayi ve Ticaret A.Ş. *	43.37%	43.37%
İstasyon Tekstil ve Sanayi Ticaret A.Ş. *	43.37%	43.37%
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. *****	40.46%	-
Akiş Gayrimenkul Yatırımı A.Ş. *****	20.00%	-
Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş. ****	1.40%	-
GAC Gayrimenkul Yatırımı A.Ş. ****	5.00%	-
Garanti Koza-Akiş Adi Ortaklığı ****	5.00%	-
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş. *****	20.00%	-
Üçgen Bakım ve Yönetim Hizmetleri A.Ş. ***	43.75%	43.75%
Fitco BV ****	39.59%	39.59%
Aken BV ****	40.87%	13.91%
Aksa Egypt Acrylic Fiber Industrie SAE ****	39.19%	39.71%
Akgirişim Kimya ve Ticaret A.Ş. ****	39.76%	-

Since Akkök has power to exercise control over its subsidiaries in which it holds an interest of less than 50%, (companies stated with *), these subsidiaries are fully consolidated in the accompanying financial statements.

Akmerkez Gayrimenkul Yatırımı A.Ş., (stated with **) is accounted for using the equity method of accounting in the accompanying consolidated financial statements.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

The total assets of Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (stated with ***) as of 31 December 2007 and 2006 and the net sales for the years then ended amount to 0.1% (2006-0.1%) and 0.2% (2006-1%) of the total consolidated assets and net sales respectively. Hence it is carried at cost restated to the measuring unit current at 31 December 2005 in the consolidated financial statements.

As of 31 December 2007 and 2006, Akhan Bakım Yön. Ser. Hiz. Tic. A.Ş., Aksu Textiles E.A.D, Bozüyük Orman Ürünleri A.Ş., Aken BV, Aksa Egypt Acrylic Fiber Industrie SAE, Fitco BV, GAC Gayrimenkul Yatırımı A.Ş., Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş., Garanti Koza-Akiş Adi Ortaklığı and Akgirişim Kimya ve Ticaret A.Ş. (companies stated with ****) are carried at cost in the consolidated financial statements as they do not have significant volume of activities and significant impact on the consolidated financial statements.

Since Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş. and Akiş Gayrimenkul Yatırımı A.Ş. (stated with *****) have been participated and Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. has been acquired in 2007; these subsidiaries are fully consolidated as of 31 December 2007.

Akrom Ak-AI Textile Romania SRL (stated with *****) has not been consolidated as of 31 December 2007 due to the start of liquidation process.

As of the date of acquisition, the acquisition cost of the shares in the subsidiaries owned by the parent company is offset against the fair value of these shares. The difference in favor of the acquisition cost is presented as positive goodwill, as a separate item, in the consolidated balance sheet.

The subsidiary Akenerji Elektrik Üretim A.Ş. has acquired 99% of the shares of Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. with a share capital of TRY 2,000,000 on 11 May 2007 at a total price of USD 10,642,500. The installed capacity of the Bulam Regulator and Hydroelectric Power Plant of the acquired company, Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş., which are planned to be established in Adıyaman is 7.90 MWm/7,11 MWe. Furthermore, Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. has applied to make a Water Consumption contract with Public Waterworks Administration in order to receive production license for Yamanlı III power plant planned to be established in Adana with an installed capacity of 30 MW. The term of license for the said power plant is 49 years.

The subsidiary Akiş Gayrimenkul Yatırımı A.Ş. has acquired 7% of the shares of Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş., with a share capital of TRY 50,000, with regard to the expertise report dated 10 April 2007 nr. 2007/2566 at a total price of TRY 11,627,000 as at 17 April 2007.

The subsidiary Akenerji Elektrik Üretim A.Ş. has acquired 99% of the shares of Akkur Enerji Üretim Ticaret ve Sanayi A.Ş., with a share capital of TRY 5,000,000 capital (of which TRY 4,541,600 is unpaid), for a total price of USD 15,592,500 at 20 November 2006. The installed capacities of the hydroelectric power plants of the acquired company, Akkur Enerji Üretim Ticaret ve Sanayi A.Ş., owning manufacturing licenses are as follows:

Burç Bendi and Hydroelectric Power Plant (planned to be established in Adıyaman)	:	18.86 MWm/17,54 MWe
FEKE-I HES (planned to be established in Adana)	:	25.64 MWm/24,61 MWe
FEKE-II HES (planned to be established in Adana)	:	149.57 MWm/143,58 MWe

Furthermore, the said power plants have Water Consumption contracts entered into with Public Waterworks Administration within the scope of application for manufacturing license. The license term for each of the three power plants is 49 years.

As the acquisition cost of the shares is higher than the value of the shares in the subsidiaries' equity as of 31 December 2007 based on the balance sheet prepared in accordance with IFRS, positive goodwill in the amount of TRY 48,382,391 has been recognised (Note 13). Where there is impairment in value of positive goodwill, the effect is recognised in the statement of income. Goodwill is tested for impairment annually.

If Akkök Group's share of the losses of the associate accounted for using the equity method of accounting equals or exceeds its interest in the associate, recognition of the share of further losses is discontinued. If the associate subsequently reports profit, recognition of the share of those profits is resumed only after the share of the profits equals the share of losses not recognised.

All significant transactions and balances between the subsidiaries have been eliminated and removed from the financial statements. The shares of minority shareholders in the net assets and the results of operations of the subsidiaries are stated as "minority share" in the consolidated balance sheet within equity and the consolidated statement of income.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

(b) Accounting Convention:

The consolidated financial statements are prepared based on the measuring unit current as of 31 December 2005.

(c) Revenue Recognition:

Revenues and expenses are recorded on accrual basis. Accordingly, revenues are recognised when services are rendered or when products are delivered and invoiced to the customers.

Revenues and costs resulting from the construction contracts are recognised by reference to the stage of completion method. According to this method, costs incurred in relation with the completed stages and the contract revenue accruals are recognised in the same period (IAS 11). Contract costs include all direct materials, labour and those indirect costs relating to construction performance, such as indirect labour, supplies, tools, repair and depreciation costs.

(d) Financial Instruments:

Akkök Group classifies its financial assets as held for trading and available for sale.

Financial assets held for trading are those that are acquired for the purpose of generating profit from the fluctuations in prices and other similar factors or those that are part of a portfolio directed towards generating profit in short term, independent of the reason of acquisition. Financial assets held for trading are initially recognised at cost in the balance sheet including the transaction costs and are valued at their fair values in the succeeding periods. It is acknowledged that the fair value can not be determined reliably in the event that the prices are not determined in the active market conditions. Hence the values calculated through using the indicator prices announced by the Central Bank of the Republic of Turkey are accepted as fair value. Realized or unrealized gains and losses are recognised in the consolidated statement of income.

Financial assets available for sale are those assets other than the loans and receivables, held-to-maturity investments and held for trading investments. Financial assets available for sale are valued at their fair value in the periods subsequent to the initial recognition.

Available for sale financial assets, in which Akkök Group has controlling interest below 20% or interest above 20% where Akkök Group does not have a significant influence or which are immaterial to the consolidated financial statements and do not have a quoted market price in an active market and whose fair value cannot be readily measured are carried at cost restated to the measuring unit current at 31 December 2005 less any provision for diminution in value. In addition to this, available for sale financial assets that are actively traded in organized financial markets and whose fair value can be measured reliably are measured at fair value in the consolidated financial statements.

Gains and losses, net of deferred tax, arising from change in fair value is recognised in the consolidated statement of changes in equity.

Akkök Group reviews the classification related to financial assets during the time of acquisition for the related assets on a regular basis.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

Financial instruments consist of the financial assets and liabilities stated below:

i. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, banks and cheques received.

Cash is composed of New Turkish Lira and foreign currency balances. New Turkish Lira balances are stated at cost and the foreign currency balances are measured into New Turkish Lira at the buying rate announced by the Central Bank of the Republic of Turkey, prevailing at the balance sheet date.

Bank balances consist of demand and time deposits. New Turkish Lira demand deposits are stated at cost and foreign currency accounts are measured into New Turkish Lira at the buying rate announced by the Central Bank of the Republic of Turkey, prevailing at the balance sheet date. New Turkish Lira time deposits are stated at cost plus the accrued interest calculated at the effective interest rate at the balance sheet date.

The money deposited directly to bank accounts by Akkök Group is classified as cash and cash equivalents in the accompanying financial statements. As such accounts have fixed maturity date, they are stated at the values accrued as of the balance sheet date.

The cheques received with maturity dates exceeding the balance sheet date are stated in trade receivables and are rediscounted at a rate equivalent to the interest rate of government bonds constituted in stock markets or other organized markets.

Fair Value

Fair value is the amount for which a financial instrument could be exchanged between two willing parties in an arm's length transaction. Fair value is determined by reference to quoted market bid prices. However where there is no quoted market bid prices, the purchase or sale price of another instrument, which is substantially the same, is accepted to be the fair value of the financial instrument.

As the foreign currency cash and cash equivalents are measured into New Turkish Lira at the buying rates prevailing at the balance sheet date, it is assumed that the fair values of these assets approximate to their carrying values.

Cash and cash equivalents, time and demand deposits are considered to approximate their respective carrying values, due to their short term nature and negligible credit losses.

ii. Trade Receivables

Trade receivables are financial assets generated through selling goods and services directly to the customers by Akkök Group. Trade receivables of Akkök Group are carried in the financial statements at their discounted values in accordance with their maturities.

Fair Value

The carrying amount of trade receivables along with the related allowance for unearned income and uncollectibility is estimated to be their fair values.

iii. Short and Long Term Bank Loans and Trade Payables

The short and long term bank loans of Akkök Group are denominated in foreign currencies and New Turkish Lira. The foreign currency loans are measured into New Turkish Lira at the rates announced by the Central Bank of the Republic of Turkey prevailing at the balance sheet date. The loans are carried at the value including principal amount plus interest expenses accrued as of the balance sheet date. Trade payables are financial instruments arising from Akkök Group's direct purchases of goods and services and are carried in the financial statements at their discounted values in accordance with their maturities.

Fair Value

The fair value of the short and long term bank loans are considered to state their respective carrying values, which is computed by adding the accrued interest liabilities as of the balance sheet dates calculated over the effective interest rate to the cost of the financial debts. Similarly, the carrying value of trade payables along with the related allowance for unrealized cost is estimated to be their fair values.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

(e) Financial Instruments and Financial Risk Management:

Interest Risk

91% of the bank loans of Akkök Group comprise of foreign currency long and short term bank loans. These loans are exposed to interest rate risk through the impact of changes in the interest rates. As of 31 December 2007, 62% of Akkök Group's bank loans is composed of variable rate debts and the interest rates of these loans are calculated with the premium rates added to the Libor and Euribor rates. The interest rate risk is managed by offsetting interest rate sensitive assets and liabilities.

Foreign Currency Risk

The foreign currency balances of Akkök Group are disclosed in Note 25. The Group is exposed to the foreign currency risk through the impact of rate changes at the translation of foreign currency denominated assets and liabilities. These risks are monitored and limited by the analysis of foreign currency position.

Doubtful Receivables Risk

Akkök Group has made necessary provisions for the doubtful receivables as of the reporting period.

Liquidity Risk

The ability to fund the existing and prospective debt requirements is managed by maintaining long term relationships with lenders and by maintaining the availability of adequate committed funding lines from the large number of prime financial institutions. As of 31 December 2007 and 2006, the amount of short term assets of Akkök Group exceeding its short term liabilities is as follows:

31 December 2007	423,974,573
31 December 2006	444,100,785

(f) Inventories:

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

(g) Financial Assets:

Akkök Group has classified its financial assets as available for sale financial assets. Available for sale financial assets, in which Akkök Group has controlling interest below 20% or interest above 20% where Akkök Group does not have a significant influence or which are immaterial to the consolidated financial statements and do not have a quoted market price in an active market and whose fair value cannot be readily measured are carried at cost restated to the measuring unit current at 31 December 2005 less any provision for diminution in value. In addition to this, available for sale financial assets that are actively traded in organized financial markets and whose fair value can be measured reliably are measured at fair value in the consolidated financial statements. Gains and losses, net of deferred tax, arising from change in fair value is recognised in the consolidated statement of changes in equity. In the event that the negative differences between the acquisition cost and fair value of the available for sale financial assets are permanent, they are recognised in the consolidated statement of income.

(h) Intangible Assets:

Intangible assets are measured at cost restated to the measuring unit current at 31 December 2005 less accumulated amortization and any impairment losses, if any. Amortisation period for intangible assets is 3-49 years.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

(i) Tangible Assets:

Tangible assets are measured at cost restated to the measuring unit current at 31 December 2005 less accumulated depreciation and any impairment losses, if any.

The cost of depreciable assets is depreciated using the straight-line method at rates based on the estimated useful lives of assets. The depreciation rates are as follows:

	%
Land improvements	4-20
Buildings	2-4
Machinery, plant and equipment	5-20
Motor vehicles	10-20
Furniture and fixtures	10-20

(j) Provision for Termination Indemnity:

Under Turkish Labour Law Article 25/II, the Company is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service. This entitlement is limited to TRY 2,030.19 in respect of each year of service as of 31 December 2007 (31 December 2006-TRY 1,857.44).

In the accompanying consolidated financial statements, Akkök Group has reflected a liability in accordance with the recognition and valuation principles stated in IAS 19-“Employee Benefits” (As Akrom Ak-AI Textile Romania SRL has no liability for termination indemnity per the legislation of Romania, no liability for termination indemnity has been reflected in the consolidated financial statements as of 31 December 2006). As the characteristics of the termination indemnity liabilities are similar to the “Post Employment Benefit Plans” stated in this Standard, these liabilities are calculated and stated in the financial statements on the basis of below mentioned “Proposed Unit Loan Method” and other various assumptions.

- The dates that the employees will gain their pension rights are determined with respect to the prevailing social security laws with consideration to their past employment durations.
- In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the lower of the current salaries/wages and the value of the termination indemnity upper limit determined by the Labour Law for 31 December 2007 and 2006 to remain constant for restatement purposes, and later on, this value is reduced by the actual discount rate of 5.71% (31 December 2006-5.71%) calculated upon the assumption that the expected annual inflation rate will be 5% (31 December 2006-5%) and the expected discount rate will be 11% (31 December 2006-11%), which represents the proposed average interest rate per annum of the government bonds, in order to determine the current net value of the termination indemnity liability at the balance sheet date.
- Actuarial calculation is required to determine the effect of quitters that have not received termination indemnity payment on the provision for termination indemnity. This calculation is made through determining the ratio of the number of quitters without termination indemnity in the past to the total number of personnel.

As of 31 December 2007 and 2006 actuarial assumptions used for calculating termination indemnity liability are as follows:

	31 December 2007	31 December 2006
Discount rate	5.71%	5.71%
The ratio of the number of employees who have gained the right to receive termination indemnity in the prior years to the total number of employees	100%	100%

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

As of 31 December 2007 and 2006 provisions for termination indemnity consist of the following (TRY):

	31 December 2007	31 December 2006
Beginning of the period	19,756,101	19,557,559
Charge for the current year	1,562,482	198,542
Provision for long term termination indemnity at the end of the period	21,318,583	19,756,101

(k) Earnings/(Loss) Per Share:

Earnings/(loss) per share has been calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

(l) Foreign Currency Transactions:

Foreign currency assets and liabilities are translated into New Turkish Lira at the rates prevailing as of the balance sheet dates. Foreign currency transactions are translated into New Turkish Lira at the exchange rates prevailing at transaction dates. Gains and losses resulting from such translations are included in the consolidated statements of income.

(m) Deferred Taxes:

Deferred taxes are recognised in respect of timing differences arising from different treatment of items for accounting and taxation purposes.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated based on the assumption that Akkök Group will have taxable income during the future periods.

(n) Related Parties:

The shareholders, members of Board of Directors, management such as the general manager, their families and the companies controlled or participated by them are referred to as related parties.

(o) Mergers:

The provisions stated in IFRS 3 (Business Combinations) are not applied to the legal mergers realized between the subsidiaries of Akkök. Therefore, no negative or positive goodwill is calculated in such mergers. The mergers within the scope of IFRS 3 are accounted for using the purchase method. The excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities is recognised as goodwill in the consolidated financial statements. The goodwill recognised as a result of business combination is not subject to amortization. Instead, goodwill is tested for impairment annually and when circumstances indicate that the carrying amount may be impaired. Where the recoverable amount of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of business combination, the difference is recognised in the consolidated statement of income.

(p) Impairment of Assets:

Where the carrying amount of an asset exceeds its recoverable amount, the carrying value of asset is written down to its recoverable amount and impairment loss is recognised in the statement of income.

On the other hand, the recoverable amount of cash generating units is the higher of an asset's net selling price and the value in use. The value in use of those assets represents the net present value of net future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, discounted by a reasonable discount rate.

(r) Accounting Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

(s) Subsequent Events:

Post year-end events that provide additional information about the Group's position at the balance sheet date (adjusting event) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

(t) Contingent Assets and Liabilities:

Assets and liabilities that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity are not included in the financial statements and are evaluated as contingent liabilities and assets.

(u) Assets Held for Sale:

The carrying values of assets held for sale are classified as other current assets if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and the depreciation on such assets is ceased. The assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

(v) Borrowing Costs:

Borrowing costs are recognised as expense. Borrowing costs that are directly attributable to the qualifying assets are capitalised as part of the cost of that asset. Capitalisation of borrowing costs cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. As of 31 December 2007, net amount of TRY (8,019,558) (31 December 2006-TRY (6,308,376)), is deducted from the cost of the related asset, which is calculated by deducting interest expenses from the foreign exchange gains that are directly attributable to the construction in progress.

(y) Segment Reporting:

The activities of Akkök Group are classified under six sectors, namely, investment (holding), chemistry, textile, energy, investment properties and others. The other sector includes port management, restaurant management, insurance agency, marketing and foreign trade operations. As the volumes of the companies within this group are low, they are not considered as separate reportable sectors.

(z) Government Incentives and Aids:

The government incentives utilized by Akkök Group includes government incentives related to income and are recognised in the statement of income.

4. Cash and Cash Equivalents

Cash and cash equivalents are as follows (TRY):

	2007	2006
Cash	506,078	473,747
Cheques received	19,888,055	16,516,335
Banks		
- TRY demand deposit	9,093,490	6,134,996
- Foreign currency demand deposit	6,542,963	5,166,900
- TRY time deposit *	67,939,499	94,495,248
- Foreign currency time deposit **	147,223,667	160,045,908
	251,193,752	282,833,134

* As of 31 December 2007, the net interest rates on TRY time deposits at banks vary between 16.0% and 19.0% (31 December 2006: net 21.5%-14.8%).

** As of 31 December 2007, the net interest rates on Euro time deposits at banks vary between 4.9% and 5.3% and USD deposits vary between 4.5% and 5.9%. The net interest rate on GBP deposits is 5.6% (31 December 2006: Euro net 3.1%-4.0%, USD net 4.3%-5.8%, GBP 5.8%).

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

5. Trade Receivables

Trade receivables are as follows (TRY):

	2007	2006
Trade receivables	225,022,080	261,813,850
Notes receivable and post dated cheques	202,619,674	237,528,669
Doubtful receivables	5,164,039	7,138,730
Other trade receivables	104,907	98,520
Provision for doubtful receivables	(5,164,039)	(7,138,730)
Rediscount on receivables	(5,959,303)	(9,138,311)
	421,787,358	490,302,728

6. Due from Related Parties

Due from related parties are as follows (TRY):

	2007	2006
GAC Gayrimenkul Yatırımı A.Ş.	4,045,724	-
Garanti Koza Akiş Adi Ortaklığı	552,051	-
Üçgen Bakım ve Yönetim Hizmetleri A.Ş.	281,608	462,201
Bozüyük Orman Ürünleri A.Ş.	-	172,954
Other	32,682	95,380
	4,912,065	730,535

7. Inventories

Inventories are as follows (TRY):

	2007	2006
Raw materials and supplies	128,261,315	97,577,613
Work in process	16,857,784	17,803,943
Finished goods	36,682,874	40,700,965
Trade goods	372,207	573,524
Goods sent for contract manufacturing	-	9,267,708
Other inventories	276,643	2,266,518
Advances given	18,646,407	23,910,930
Allowance for net realizable value of inventories (-)	-	(1,124,457)
	201,097,230	190,976,744

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

8. Other Current Assets

Other current assets are as follows (TRY):

	2007	2006
Fixed assets held for sale	116,818,591	29,697,517
VAT subject to export restrictions	20,660,726	27,516,956
Deferred VAT	18,308,346	17,478,667
Other VAT	8,598,391	49,441,937
Deductible VAT	-	8,434
Prepaid taxes and funds	5,445,891	3,580,842
Prepaid expenses related to future months	2,281,710	2,798,287
Personnel advances	1,912,012	1,286,932
Other current assets	2,149,998	9,334,307
Decrease in value for the fixed assets held for sale (-)	(89,448,141)	(17,288,880)
	86,727,524	123,854,999

9. Financial Assets

Financial assets available for sale are as follows (TRY):

	2007	2006
Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. (1)	61,284,775	56,377,207
T. Sınai Kalkınma Bankası A.Ş. (2)	102,301	101,770
T. Vakıflar Bankası Anonim Ortaklığı (2)	386	386
Yapı Kredi Bankası A.Ş. (2)	16,853,063	13,971,948
Akçansa A.Ş. (2)	322,277	385,737
Toplu Konut Holding A.Ş. (2)	313	313
Akhan Bakım Yön. Ser. Hiz. Tic. A.Ş. (1)	121,268	121,268
Aksu Textiles E.A.D. (1)	754,391	754,391
S.S.Yeşil Çevre Arıtma Tesisi Kooperatifi (2)	-	9,812
Üçgen Bakım ve Yönetim Hizmetleri A.Ş. (1)	106,767	104,151
Fitco BV (1)	7,898,232	7,898,232
Bozüyük Orman Ürünleri A.Ş. (1)	8,880,389	8,880,389
Akgirişim Kimya ve Ticaret A.Ş. (1)	98,000	-
Akrom Ak-Al Textile Romania SRL (1)	20,567,508	-
Aken BV (1)	2,079,342	2,079,342
Aksa Egypt Acrylic Fiber Industrie SAE (1)	80,527	56,674
Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş. (1) (3)	3,500	11,623,750
GAC Gayrimenkul Yatırımı A.Ş. (1)	625,000	-
Garanti Koza-Akiş Adi Ortaklığı(1)	2,500	-
	119,780,539	102,365,370
Less: Provision for impairment (-)	(20,567,508)	(3,863,081)
	99,213,031	98,502,289

(1) Indirect participation rates are stated in Note 3(a).

(2) Participation rate is below 1%.

(3) Akkök has acquired 3,500 shares of Saf Gayrimenkul A.Ş. as at 5 October 2006 at a total price of USD 7,700,000, building a 7% interest in the said subsidiary. This subsidiary has subsequently been sold to Akiş Gayrimenkul Yatırımı A.Ş. at a total price of TRY 11,627,000 with respect to the expertise report dated 10 April 2007 nr. 2007/2566.

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

10. Other Non-Current Assets

Other non-current assets are as follows (TRY):

	2007	2006
Long term notes receivable and post dated cheques	-	10,679,749
Prepaid expenses for the future years	221,014	137,557
Deposits and guarantees given	62,196	360,255
Other long term assets	139	58,069
Rediscount on long term notes receivable and post dated cheques	-	(1,040,678)
	283,349	10,194,952

11. Intangible Assets

Intangible assets consist of the following (TRY):

	Opening 1 January 2007	Effect of subsidiaries included in the consolidation*	Effect of change in investments**	Assets ready for sale	Additions	Transfers and Disposals	31 December 2007
Rights	42,680,094	111,337	-	(131,292)	223,986	354,928	43,239,053
Leasehold improvements	14,315,294	-	-	(267,172)	509,288	518,598	15,076,008
Other	3,153,286	75,368	(105,420)	-	33,475	17,934	3,174,643
Accumulated amortisation (-)	(19,062,931)	(33,053)	89,958	374,693	(3,024,603)	2,671	(21,653,265)
	41,085,743	153,652	(15,462)	(23,771)	(2,257,854)	894,131	39,836,439

	Opening 1 January 2007	Effect of subsidiaries included in the consolidation*	Effect of change in investments**	Assets ready for sale	Additions	Transfers and Disposals	31 December 2007
Rights	42,337,988	-	(182,694)	-	165,627	359,173	42,680,094
Leasehold improvements	12,464,599	-	(506,711)	-	21,422	2,335,984	14,315,294
Other	2,865,488	-	12,425	-	195,835	79,539	3,153,287
Accumulated amortisation (-)	(16,144,842)	-	(14,209)	-	(3,470,169)	566,288	(19,062,932)
	41,523,233	(691,189)	(3,087,285)	3,340,984	41,085,743		

* Represents the net effect of intangible assets of Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş. included in the consolidation as of 31 December 2007.

** Represents the net effect of Akrom Ak-AI Textile Romania S.R.L. (in liquidation), which is not included in the consolidation as of 31 December 2007.

*** Represents the net effect of the intangible assets and the translation differences of the financial statements denominated in foreign currency related to Akkur Enerji Üretim Tic. ve San. A.Ş. included in the consolidation as of 31 December 2006, and the net effect of Tasfiye Halinde Ak-AI Dış Ticaret A.Ş. (in liquidation) and Tasfiye Halinde Ak-AI Tekstil Pazarlama A.Ş. (in liquidation) which are not included in the consolidation as of 31 December 2006.

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

12. Tangible Assets

Tangible assets consist of the following (TRY):

	Opening 1 January 2007	Effect of subsidiaries included in the consolidation *	Effect of change in investments **	Assets ready for sale	Additions	Transfer and Disposals	Consolidation eliminations	31 December 2007
Land	79,184,578	-	(544,770)	(3,508,849)	765,728	(47,460)	-	75,849,227
Land improvements	138,432,143	-	-	(22,093,865)	1,584,642	1,017,969	-	118,940,889
Buildings	169,213,834	-	(1,712,623)	(326,248)	146,490	1,445,656	-	168,767,109
Machinery, plant and equipment	1,639,207,895	42,829	(614,756)	(137,128,641)	13,516,642	(41,372,495)	(1,084,984)	1,472,566,490
Motor vehicles	73,962,269	28,423	(1,757,070)	(144,083)	484,222	(1,340,224)	-	71,233,537
Furniture and fixtures	49,543,470	369,307	(44,126)	(2,787,628)	1,549,003	(435,194)	-	48,194,832
Other tangible assets	275,598	-	-	-	-	(265,982)	-	9,616
Construction in progress	83,780,678	1,175,336	-	-	173,029,342	(30,858,383)	-	227,126,973
Advances given	42,285,173	235,509	-	-	51,043,641	(46,011,442)	-	47,552,881
Sub total	2,275,885,638	1,851,404	(4,673,345)	(165,989,314)	242,119,710	(117,867,555)	(1,084,984)	2,230,241,554
Accumulated depreciation (-)	(1,200,543,114)	(55,082)	1,997,127	49,194,494	(100,698,830)	45,105,404	1,893,313	(1,203,106,688)
Total	1,075,342,524	1,796,322	(2,676,218)	(116,794,820)	141,420,880	(72,762,151)	808,329	1,027,134,866
Provision for impairment (-)	(32,205,635)	-	802,598	-	-	-	-	(31,403,037)
Total	1,043,136,889	1,796,322	(1,873,620)	(116,794,820)	141,420,880	(72,762,151)	808,329	995,731,829

* Represents the net effect of the tangible assets of Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş., Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. and Akiş Gayrimenkul Yatırımı A.Ş. as of 31 December 2007.

** Represents the net effect of the translation differences in financial statements denominated in foreign currency and the net effect of Tasfiye Halinde Akrom Ak-AI Textile Romania S.R.L. (in liquidation) which is not included in the consolidation as of 31 December 2007.

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	1 January 2006	Effect of Changes in Investments*	Additions	Transfers and Disposals	Consolidation Eliminations	31 December 2006
Land	79,216,860	-	34,262	(66,544)	-	79,184,578
Land improvements	136,865,283	-	48,507	1,518,353	-	138,432,143
Buildings	178,131,737	3,953,476	1,099,461	(13,970,840)	-	169,213,834
Machinery, plant and equipment	1,649,362,537	6,372,495	2,360,652	(18,887,789)	-	1,639,207,895
Motor vehicles	75,701,658	664,812	349,688	(2,753,889)	-	73,962,269
Furniture and fixtures	42,563,127	361	1,769,002	5,210,980	-	49,543,470
Other tangible assets	275,598	-	-	-	-	275,598
Construction in progress	72,154,768	(227,962)	85,252,472	(73,398,600)	-	83,780,678
Advances given	18,475,734	-	68,315,833	(44,506,394)	-	42,285,173
	2,252,747,302	10,763,182	159,229,877	(146,854,723)	-	2,275,885,638
Accumulated depreciation (-)	(1,130,685,644)	(3,504,672)	(110,761,160)	44,340,297	68,065	(1,200,543,114)
	1,122,061,658	7,258,510	48,468,717	(102,514,426)	68,065	1,075,342,524
Provision for Impairment**	(32,716,531) **	510,896	-	-	-	*** (32,205,635)
Total	1,089,345,127	7,769,406	48,468,717	(102,514,426)	68,065	1,043,136,889

* Represents the net effect of the translation differences in financial statements denominated in foreign currency and the net effect of Akkur Enerji Üretim Tic. ve San. A.Ş., which is included in the consolidation as of 31 December 2006 and the net effect of Tasfiye Halinde Ak-AI Dış Ticaret A.Ş. (in liquidation) and Tasfiye Halinde Ak-AI Tekstil Pazarlama A.Ş. (in liquidation), which are not included in the consolidation as of 31 December 2006.

** As of 31 December 2005 provision for impairment in tangible assets is made for the subsidiaries Ak-AI Tekstil Sanayii A.Ş., Akenerji Elektrik Üretim A.Ş. and Akrom Ak-AI Textile Romania S.R.L in the amount of TRY 12,898,274, TRY 16,917,698, and TRY 2,900,559, respectively.

*** As of 31 December 2006, provision has been made for impairment in tangible assets in the subsidiaries Akenerji Elektrik Üretim A.Ş. and Akrom Ak-AI Textile Romania S.R.L in the amount of TRY 31,403,037 and TRY 802,598, respectively.

13. Positive Goodwill

Positive goodwill consist of the following (TRY):

	Opening 1 January 2007	Additions	Disposals	Closing 31 December 2007
Positive goodwill				
Akkur Enerji Üretim Ticaret ve Sanayi A.Ş.	22,548,997	-	-	22,548,997
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	-	14,209,894	-	14,209,894
Saf Gayrimenkul Geliştirme İnşaat ve Ticaret A.Ş.	-	11,623,500	-	11,623,500
	22,548,997	25,833,394	-	48,382,391

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

	Opening 1 January 2006	Additions	Disposals	Closing 31 December 2006
Positive goodwill Akkur Enerji Üretim Tic. ve San. A.Ş.	-	22,548,997	-	22,548,997
	-	22,548,997	-	22,548,997

14. Short Term Financial Liabilities

Short term financial liabilities consist of the following:

	Foreign Currency	2007		2006	
		Currency Amount	TRY	Currency Amount	TRY
Loans in foreign currency	USD	80,540,648	94,256,721	98,534,761	139,170,497
Loans in New Turkish Liras			20,734,805		29,492,821
Short term portion of long term loans (Note 20)			14,202,472		16,149,986
Interest accrual of short term loans			1,932,825		2,561,932
Interest accrual of long term loans			1,060,863		477,257
			132,187,686		187,852,493

15. Trade Payables

Trade payables are as follows (TRY):

	2007	2006
Trade payables	169,602,183	165,310,587
Notes payable	-	1,565,892
Other trade payables	154,252	4,450
Precount on payables	(1,540,026)	(2,001,850)
	168,216,409	164,879,079

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16. Due to Related Parties

Due to related parties are as follows (TRY):

	2007	2006
Akhan Bakım Yön. Ser.Hiz.Tic. A.Ş.	612,199	244,549
Bozüyük Orman Ürünleri A.Ş.	242,843	-
Expert Contab SRL Suceava	-	4,217
Aksa Egypt Acrylic Fiber Industry SAE	-	69,920
Due to shareholders	1,641,640	89,755
	2,496,682	408,441

17. Income Taxes

Corporate earnings are subject to corporation tax at a rate of 20%. If the investment allowance is deducted from corporate tax base, same as with other corporate tax exempt income, no withholding tax is required in cases where such earnings are not distributed. However in case the investment allowance used is based on the supplementary articles 1 and 6 of the Income Tax Law (ITL) which have been annulled by Law nr 4842, income tax withholding, whether distributed or not, is calculated at a rate of 19.8% according to the Provisional Articles 61 and 69 of ITL. Whether exempted or not, dividends paid in cash to real persons with full liability and real persons and entities with limited liability (non-residents) are subject to income tax withholding at a rate of 15%. However, income tax withholding is not applicable to the dividends arising from 1998 and prior years' profits and from the exempt profits relating to the years 1999, 2000, 2001 and 2002 as well as income and profits corresponding to the above mentioned investment allowance taxed at the rate of 19.8%. Addition of current year and prior year profits (retained earnings) to share capital has not been regarded as distribution of profits and therefore no withholding tax is applicable to these earnings. On the other hand, no withholding tax is applicable to entities with full liability in profit distributions.

Further, temporary tax is paid at a rate of 20% over the tax bases declared for interim periods during the year to be deducted from the corporation tax.

For those benefiting from investment allowance according to the provisional article 69 of the Income Tax Law, the corporation tax and temporary tax rate is 30%.

With respect to the article 298 (bis) of the Tax Law amended by Law 5024, the application of inflation accounting which started in 2004 has ended as the increase in the wholesale price indices for the last 36 months and the last 12 months period ended March 2005 are below 100% and 10%, respectively. As the criteria of meeting the requirements 100% and 10% in Producer Price Index (PPI) have not been met, the application of inflation accounting has been ceased.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for a maximum period of five years. Tax losses cannot be carried back to offset against profits from previous periods.

As of 31 December 2007 and 2006, income tax provisions have been made in accordance with the prevailing tax legislation.

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

As of 31 December 2007 and 2006 taxes payable and tax income and expenses in the balance sheet and statement of income are summarized as follows (TRY):

	31 December 2007	31 December 2006
Statement of Income;		
Current period corporation tax	(4,159,063)	(23,922,441)
Deferred tax income (Note 19)	55,485,955	67,917,044
Total tax income, net	51,326,892	43,994,603
Balance Sheet;		
Current period corporation tax	4,159,063	23,922,441
Prepaid taxes	(3,227,014)	(20,486,947)
Total taxes payable	932,049	3,435,494
Deferred tax liability (Note 19)	50,292,162	104,381,370

18. Other Current Liabilities

Other current liabilities are as follows (TRY):

	2007	2006
Other V.A.T.	8,598,390	49,441,937
Advances received	7,642,429	18,174,900
Taxes and funds payable	5,981,518	5,007,433
Social security premiums payable	2,395,266	3,304,905
Provision for cost expenses	3,178,332	3,338,425
Expense accruals	1,990,828	906,908
Other advances received	585,150	-
Provisions for other debts and expenses	2,664,029	2,609,219
Unearned income	294,401	10,982,997
Due to personnel	407,495	606,163
Provision for TRT share	2,754,469	2,513,794
Other current liabilities	320,993	158,423
	36,813,300	97,045,104

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

19. Deferred Taxes

Deferred tax liabilities are as follows (TRY):

	2007	2006
Adjustments		
Adjustments for rediscount interest expenses	7,432,767	11,233,378
Adjustments for termination indemnity	21,017,285	19,756,101
Provision for vacation pay liabilities	1,042,143	-
Adjustments for provisions for doubtful receivables	960,960	843,508
Accrued expenses	1,691,674	1,016,567
Expensing of investments	36,698	36,698
Consolidation adjustments	-	797,381
Adjustment for valuation of foreign currency balances	1,942,204	2,297,884
Tax loss carried forward *	88,733,743	63,571,0
Sub total of deferred tax assets base	122,857,474	99,552,612
Sub total of deferred tax assets	24,571,495	19,910,522
Provision for impairment in investments	15,849,438	3,863,081
Sub total of deferred tax asset	3,169,888	772,616
Deferred tax assets **	27,741,383	20,683,138
Adjustments		
Adjustments for precount interest income	1,455,968	1,933,428
Consolidation adjustments	186,484	-
Difference between the tax basis and carrying value of tangible and intangible assets	332,036,848	573,884,420
Sub total of deferred tax liability base	333,679,300	575,817,848
Sub total of deferred tax liability	66,735,860	115,163,570
Adjustments on investments	56,488,427	49,504,690
Sub total of deferred tax liability	11,297,685	9,900,938
Deferred tax liability **	78,033,545	125,064,508
Deferred tax liability (net) (Note 17)	50,292,162	104,381,370

* Tax losses of Akenerji Elektrik Üretim A.Ş. for the year 2006 and 2005 are considered in the deferred tax calculation as per Akkök management's assumptions, it is probable that future taxable profit will be available, against which the unused losses and credits may be utilised.

** As of 31 December 2007 and 2006, the tax rate is 20% (Note 17).

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Deferred tax income/(expense) are as follows (TRY):

	2007	2006
Deferred tax liability (net)	(50,292,162)	(104,381,370)
Deferred tax liability associated with the equity	11,297,685	9,900,938
Deferred tax liability associated with the statement of income	(38,994,477)	(94,480,432)
Effect of subsidiary excluded from consolidation	-	(88)
Reversal of prior period deferred tax liability	94,480,432	162,397,564
Deferred tax income/(expense) (Note 17)	55,485,955	67,917,044

20. Long Term Financial Liabilities

Long term financial liabilities are as follows:

	Foreign Currency	2007		2006	
		Currency Amount	TRY	Currency Amount	TRY
Foreign currency loans	USD	109,573,045	128,233,334	54,294,876	76,686,083
	EURO	56,575,078	97,218,615	40,391,525	75,144,393
	GBP	-	-	1,756,720	4,868,398
Short term portion of long term loans (Note 14)			(14,202,472)		(16,149,986)
Total			211,249,477		140,548,888

The maturities of long term bank loans as of 31 December 2007 range between 2008-2014 and as of 31 December 2006 range between 2007 to 2013. The interest rates of long term Euro loans vary between 5.3% and 6.5%; the interest rate of USD loans vary between 5.1% and 6.5%.

21. Share Capital

As of 31 December 2007 and 2006, the structure of share capital, which is composed of 13.097.521.124 shares with a nominal value of Ykr 1 each is as follows (TRY):

Name	Shareholding	Amount	Capital Adjustment	Total
A.R.D. Holding A.Ş.	33.33%	4,365,840	54,381,077	58,746,917
Ö.D. Holding A.Ş.	33.33%	4,365,840	54,381,077	58,746,917
N.D.Ç. Holding A.Ş.	33.33%	4,365,818	54,380,803	58,746,621
Others *	0.01%	23	286	309
Total	100.00%	13,097,521	163,143,243	176,240,764

* Represents shareholdings of less than 10%.

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

22. Retained Earnings and Legal Reserves

Retained earnings include legal reserves. In accordance with the Turkish Trade Law, Akkök Group is required to appropriate a certain percentage of its earnings as legal reserves. Legal reserves, which consist of First and Second Legal Reserves, are appropriated as below:

- (a) First Legal Reserve: Appropriated out of net profits at the rate of 5% per annum until such reserve reaches 20% of the entity's paid in share capital.
- (b) Second Legal Reserve: Appropriated out of net profits to be distributed at the rate of 10% per annum after providing for First Legal Reserve and dividend amount equal to 5% of share capital.

Legal reserves can only be used to offset losses or for purposes of continuity of the business in times of business difficulties and to prevent unemployment or lessen its effects unless they exceed 50% of paid in share capital.

23. Minority Interest

The breakdown of minority interest attributable to the equity items is as follows (TRY):

	2007	2006
Share capital	542,210,699	660,188,598
Share premium	118,501,250	142,387,325
Value increase/(decrease) in financial assets, (net)	149,606	3,395
Retained earnings	212,792,849	169,425,498
Profit/(loss) for the period	(52,646,702)	19,288,156
	821,007,702	991,292,972

24. Earnings/Loss Per Share

As of 31 December 2007, loss per share of TRY 1 nominal value of each, is TRY (1,58) (31 December 2006-earnings per share TRY 1,01).

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

25. Foreign Currency Position

As of 31 December 2007 and 2006, the assets and liabilities denominated in foreign currencies which do not bear guaranteed rates of exchange and foreign currency amounts stated in the assets, together with their corresponding TRY equivalents consist of the following:

	31 December 2007						Total TRY Equivalent
	USD	Euro	GBP	CHF	SEK	JPY	
Assets;							
Cash and cash equivalents;							
Parent Company;	1,090,056	4,908,444	-	-	-	-	9,664,009
Subsidiaries;	98,085,328	25,034,572	170,978	649	1,995	-	157,452,810
	<u>99,175,384</u>	<u>29,943,016</u>	<u>170,978</u>	<u>649</u>	<u>1,995</u>	<u>-</u>	<u>167,116,819</u>
Trade Receivables;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	321,649,739	26,267,689	863,263	-	1,187,198	-	421,769,787
Consolidation Eliminations	(61,018,327)	(10,638,580)	-	-	-	-	(89,262,145)
	<u>260,631,412</u>	<u>15,629,109</u>	<u>863,263</u>	<u>-</u>	<u>1,187,198</u>	<u>-</u>	<u>332,507,642</u>
Non-Trade Receivables;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	924,890	221,129	1,494	-	-	-	1,458,869
	<u>924,890</u>	<u>221,129</u>	<u>1,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,458,869</u>
Advances Given							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	3,358,998	11,746,077	-	-	-	-	24,000,366
	<u>3,358,998</u>	<u>11,746,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,000,366</u>

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Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

	31 December 2007						Total TRY Equivalent
	USD	Euro	GBP	CHF	SEK	JPY	
Liabilities;							
Trade Payables;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(101,388,140)	(1,574,051)	(7,852)	(163,207)	-	(13,213,200)	(121,683,205)
	<u>(101,388,140)</u>	<u>(1,574,051)</u>	<u>(7,852)</u>	<u>(163,207)</u>	<u>-</u>	<u>(13,213,200)</u>	<u>(121,683,205)</u>
Financial Liabilities;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(187,999,415)	(57,411,567)	-	-	-	-	(318,671,753)
	<u>(187,999,415)</u>	<u>(57,411,567)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(318,671,753)</u>
Other Financial Liabilities;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(2,852,726)	-	(4,000)	(475)	-	-	(3,348,389)
	<u>(2,852,726)</u>	<u>-</u>	<u>(4,000)</u>	<u>(475)</u>	<u>-</u>	<u>-</u>	<u>(3,348,389)</u>
Advances Received							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(2,084,113)	-	-	-	-	-	(2,439,037)
	<u>(2,084,113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,439,037)</u>
Non-Trade Payables;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(241,363)	-	-	-	-	-	(282,467)
	<u>(241,363)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(282,467)</u>
Net Foreign Currency Position	69,524,927	(1,446,287)	1,023,883	(163,033)	1,189,193	(13,213,200)	78,658,845

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	31 December 2006						Total TRY Equivalent
	USD	Euro	GBP	CHF	SEK	JPY	
Assets;							
Cash and cash equivalents;							
Parent Company;	22,121,979	4,771,796	-	-	-	-	39,929,634
Subsidiaries;	36,824,064	36,744,529	1,870,127	667	2,075	497,190	124,949,345
	58,946,043	41,516,325	1,870,127	667	2,075	497,190	164,878,979
Trade Receivables;							
Parent Company;	1,550,000	-	-	-	-	-	2,178,679
Subsidiaries;	359,971,271	20,575,994	1,316,494	-	2,155,082	-	548,140,289
Consolidation Eliminations	(81,740,772)	(8,005,640)	(151,053)	-	-	-	(130,133,709)
	279,780,499	12,570,354	1,165,441	-	2,155,082	-	420,185,259
Non-Trade Receivables;							
Parent Company;	2,000,000	-	-	-	-	-	2,811,200
Subsidiaries;	762,884	64,651	2,392	-	-	-	1,198,604
	2,762,884	64,651	2,392	-	-	-	4,009,804
Advances Given							
Parent Company;	2,482,593	-	-	-	-	-	3,489,533
Subsidiaries;	6,652,311	3,179,291	-	-	-	-	15,236,946
	9,134,904	3,179,291	-	-	-	-	18,726,479
Liabilities;							
Trade Payables;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(86,625,944)	(5,060,091)	(30,084)	(195,325)	-	-	(132,073,777)
	(86,625,944)	(5,060,091)	(30,084)	(195,325)	-	-	(132,073,777)
Financial Liabilities;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(153,534,940)	(40,604,108)	(1,758,048)	-	-	-	(297,264,711)
	(153,534,940)	(40,604,108)	(1,758,048)	-	-	-	(297,264,711)
Non-Trade Payables;							
Parent Company;	-	-	-	-	-	-	-
Subsidiaries;	(124,619)	-	-	(475)	-	-	(176,562)
	(124,619)	-	-	(475)	-	-	(176,562)
Net Foreign Currency Position	110,338,827	11,666,422	1,249,828	(195,133)	2,157,157	497,190	178,285,471

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26. Contingent Liabilities

Contingent liabilities consist of the following:

	Foreign Currency	2007		2006	
		Currency Amount	TRY	Currency Amount	TRY
Guarantee letters given;					
	USD	103,926,727	121,043,459	128,406,167	180,487,709
	EURO	4,224,466	7,224,682	885,736	1,639,940
	TRY	-	103,093,268	-	86,514,841
Guarantee notes and cheques received;					
	USD	7,799,652	9,084,255	7,609,549	10,695,982
	GBP	12,945	30,109	12,945	35,688
	EURO	8,034,866	13,741,228	7,984,866	14,783,979
	TRY	-	120,237,259	-	101,929,842
Sureties given on behalf of subsidiaries;					
	USD	-	-	15,500,000	21,786,800
Export liabilities;					
	USD	14,467,000	16,849,715	22,412,250	31,502,659

27. Number of Personnel

As of 31 December 2007 the average number of personnel of Akkök Group is 3,226 (2006-4,399).

28. Amortisation and Depreciation

For the years ended 31 December 2007 and 2006, the current period amortisation and depreciation expenses are as follows (TRY):

	2007	2006
Cost of Sales	93,904,684	98,495,018
Research and Development Expenses	2,240,420	2,910,281
Marketing, Sales and Distribution Expenses	136,957	121,635
General Administration Expenses	6,100,892	8,588,610
Idle Capacity Expenses	-	2,451,794
Depreciation and amortisation expenses associated with the statement of income	102,382,953	112,567,338
Depreciation Expenses on Inventories	1,428,615	1,663,991
Total	103,811,568	114,231,329

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29. Financial Income/Expenses, (net)

For the years ended 31 December 2007 and 2006 the financial income/expenses, (net) are as follows (TRY):

	2007	2006
Interest Income	29,203,291	30,480,233
Foreign Exchange Gains	94,622,866	125,164,236
Precount Income	11,722,756	10,256,914
Foreign Exchange Losses	(148,407,177)	(109,584,588)
Interest Expenses	(13,560,932)	(17,495,414)
Rediscount Expenses	(7,972,612)	(12,078,569)
	(34,391,808)	26,742,812

30. Other Income/Expenses, (net)

For the years ended 31 December 2007 and 2006 the other income/expenses, (net) are as follows (TRY):

	2007	2006
Provisions No Longer Required	8,505,724	16,971,912
Dividend Income	87,092	1,696,950
Income on Sales of Marketable Securities	10,687,166	606,790
Prior Period Income	223,642	277,868
Other Income	28,623,125	65,087,390
Provision for Fixed Assets Held for Sale	(89,448,141)	(17,288,880)
Expenses of Subsidiaries Liquidation	(20,567,508)	(43,984,809)
Commission Expenses	(3,112,413)	(3,457,208)
Provision Expenses	(64,565)	(1,416,640)
Idle Capacity Expenses	-	(2,692,849)
Prior Period Expenses	(833,087)	(137,687)
Other Expenses	(25,442,789)	(90,617,117)
	(91,341,754)	(74,954,280)

31. Subsequent Events

- a) The termination indemnity ceiling which stood at TRY 2,030.19 as of 31 December 2007 has been increased to TRY 2,087.92 with effect from 1 January 2008 and to TRY 2,122.59 as of 1 July 2008 (31 December 2006-TRY 1,857.44).
- b) The notice dated 31 March 2008 submitted to the Istanbul Stock Exchange by the subsidiary Akenerji Üretim A.Ş is as follows:

"This announcement is made with respect to the Capital Markets Communiqué Nr VIII/39. The power plant owned by our company having a production capacity of 45-MW and located at Ankara highway No:335 Naldöken Village, Bornova-Izmir has been transferred to Batıçim Enerji Elektrik Üretim A.Ş. with trade registry nr. Merkez-134607-K-11242 of Izmir Trade Registry Office with respect to the permission dated 14.11.2007 nr. 26527 of the Turkish Energy Markets Regulatory Board and the permission dated 22.11.2007 nr.07-87/1098-423 of the Turkish Competition Board. The transfer fee of USD 12,500,000 (VAT not included) which has been determined by TSKB Gayrimenkul Değerleme A.Ş. is collected in cash on 31.03.2008. The income on sale of the power plant has been recognised in the statement of income as per the Tax Procedures Law. The production license dated 01.04.2005 nr. EÜ-468-5/528 obtained by Batıçim Power Plant from the Turkish Energy Markets Regulatory Board has been cancelled as of 31.03.2008 upon our application by the ruling dated 25.03.2008 nr. 9101 published by the said Board."

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- c) At the Board of Directors meeting of the subsidiary Akenerji Elektrik Üretim A.Ş. held on 3 April 2008, resolution is made to register at Bozüyük Trade Registry Office the company operating under the name of Akenerji Elektrik Üretim Şirketi located at the 5th km of Eskişehir Road in Bozüyük district of Bilecik Province and to change the trade name of the company as Akenerji Elektrik Üretim A.Ş. Bozüyük Fabrikası (Tesisleri).
- d) At the Board of Directors meeting of the subsidiary Akenerji Elektrik Üretim A.Ş. held on 9 April 2008, resolution is made with the intention of enhancing the company's investments and fields of activity and decreasing the production costs to amend the article 4 "Objective and Subject" of the articles of association and to receive permission from the Energy Markets Regulatory Board, the Capital Markets Board and the Ministry of Industry and Commerce in order to realize amendment in the articles of association.
- e) The notice dated 5 February 2008 submitted to the Istanbul Stock Exchange by the subsidiary Aksu İplik Dokuma ve Boya Aşre Fabrikaları T.A.Ş. is as follows:

"As per the resolution made by our Board of Directors as at 05.02.2008, decision is made unanimously

1) to establish merger by transferred all assets and liabilities and through dissolution of the company under the trade name of Çerkezköy Tekstil Sanayi ve Ticaret A.Ş. registered at Istanbul Trade Registry Office by reg. nr. 573649 as per the Articles 18 and 19 of the Corporate Tax Law, the Article 451 and other related articles of the Turkish Law of Commerce, and the provisions of the Capital Markets Board Communiqué nr. I/31 "Communiqué Related to Legal Mergers" published in the Official Gazette dated 14 July 2003 nr. 25168, and

2) to start the transactions in regard to the preliminary resolution on the said merger made by our Board of Directors in respect of the Article 4 of the abovementioned Communiqué".

- f) The notice dated 9 January 2008 submitted to the Istanbul Stock Exchange by the subsidiary Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. is as follows:

"This announcement is made as per the Capital Markets Board Communiqué Nr. VIII/39. By the expertise report dated 31.12.2007 nr. 2007REV406 which has been prepared and submitted to our company by Türkiye Sınai Kalkınma Bankası Gayrimenkul Değerleme A.Ş. on 03.01.2008 in accordance with the Article 41 of the Capital Markets Board Communiqué Nr. VI/11 "Communiqué Related to the Real Estate Investment Companies", the total expertise value of the real estates in our portfolio (445 independent store sections, 1 independent office floor and 27 independent apart hotel rooms) is determined as TRY 915,793,000 (VAT not included)".

- g) As per the resolution of the Board of Directors of the subsidiary Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. held on 10 April 2008, decision is made not to provide 5% legal reserve from the TRY 51,181,260 of net profit for the period stated in the financial statements prepared in accordance with the provisions of the Capital Markets Board Communiqué Nr. XI/25, as the reserves made as per the Article 466 of the Turkish Law of Commerce has reached 20% of the paid in capital; to provide the First Dividend determined by the Capital Markets Board as 20% of the net profit for the period for distributing among shareholders in cash; not to allocate any share from the remaining profit to the Board Members as per the Article 30/c of the Articles of Association; to distribute among shareholders a total of TRY 33,389,395 from the profit balance in cash; to retain the remaining balance for extraordinary reserves; to appropriate as second legal reserves as per the Article 466/paragraph 2/clause 3 of the Turkish Law of Commerce, one tenth of the balance after deducting 5% of the paid in capital from the profit shares distributable to the shareholders; to distribute to the shareholders the profit share totaling TRY 43,840,000 distributable from First and Second Dividends allocated from the net profit for the period upon submission of their 2007 profit share coupons of the shares they own, as gross (=net) TRY 3.20(TRY 100 = TRY 320) in cash, at the ratio of 320% of the paid in capital, and to propose at the General Meeting to realize the profit share distribution as at 28 May 2008.
- h) At the meeting of the Board of Directors of the subsidiary Akal Tekstil Sanayi A.Ş. held on 25 March 2008, decision is made to bring in the agenda of the Ordinary General Meeting to be held at 15 April 2008 the subject of resolution of transfer and merger establishment with Bozüyük Orman Ürünleri Sanayi Tesisleri Anonim Şirketi registered at the Istanbul Trade Registry by reg. nr. 158740/106164 as per the Article 451 and other related articles of the Turkish Law of Commerce, the Articles 18 and 20 of the Corporate Tax Law, and the provisions of the Capital Markets Board Communiqué nr. I/31 "Communiqué Related to Legal Mergers".
- i) At the meeting of the Board of Directors of the subsidiary Akiş Gayrimenkul Yatırım Ortaklığı held on 21 January 2008, decision is made to participate in the company Akkoza Gayrimenkul Yatırım A.Ş. as the founding partner and to make a capital commitment of TRY 45,000,000 in the said company to be established.

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32. Other Issues Materially Affecting the Financial Statements or Requiring Disclosure for a Proper Interpretation and Understanding of the Financial Statements

a) The notice dated 21 March 2006 submitted to the Istanbul Stock Exchange by the subsidiary Akenerji Elektrik Üretim A.Ş. is as follows:

“As appeared in the news on 20 March 2006, it is stated that a legal case is filed at the State Council with the request to cancel the production license given to Akenerji Elektrik Üretim A.Ş. regarding the operating rights of the hydroelectric power plant for a period of forty years, to cancel the related provision of the Electricity Market License Regulation which constitutes the basis of the legal case, and to cancel and suspend the execution of the “Communiqué on the Procedures Related to the Obligatory Selection in the event of Making More than One Application Regarding the Same Region and the Same Source for the purpose of Power Generation”, that the execution has been suspended in regard to Çınarcık-Uluabat Power Tunnel and the hydroelectric power plant by the State Council as per the announcement of the Chamber of Electrical Engineers, and in regard to the communiqué and provision of the regulation constituting the basis of the license.

Our Company is not the defendant party at the legal case of annulment with the request of suspension of execution filed by the Chamber of Electrical Engineers with nr 2005/9346 at the State Council against the Energy Markets Regulatory Board (EMRB), but has made a request for intervention as of 06 January 2006 in the case as standing by the defendant EMRB.

At the Higher Court where our Company made a request for intervention as at 01 March 2006, decision is made to accept the request of suspension of execution made by the plaintiff Chamber of Electrical Engineers, with respect to the resolution of the same Court to suspend execution of the regulatory transactions constituting the basis of administrative act as of 08 February 2006 by file 2006/8292.”

b) The legal case commenced at Ankara 1st Administrative Court with file nr. 2004/1716 by Power Generators Association together with Akenerji Elektrik Üretim A.Ş. against Turkish Radio and Television Institution (TRT Institution) with the demand to cancel the administrative act of payment of the TRT share to the TRT Institution has been declined by the said Court's resolution nr. 2005/167, however the local court resolution has been reversed by the State Council by file nr 2005/5560 and ruling nr. 2005/6151. The case resolved at the 1st Administrative Court as per the reversal decision of the State Council has been subject to general challenge and this resolution has been appealed; however the 10th Council of State acting as the court of appeal has rejected the request for appeal and approved the resolution of the local court.

While the case is pending, Turkish Radio and Television Institution has commenced a second administrative act against Akenerji Elektrik Üretim A.Ş. demanding a total of TRY 30,202,811.74 including the capital of TRY 18,592,372.90 and the related interest of TRY 11,605,438.84. With regard to this act and taking the opinion of Legal Consultants of the Company, a total of TRY 21,402,007.44 including the capital of TRY 13,913,832.09 and the related interests of TRY 7,488,175.35 has been paid to the Institution with a note of reservation upon notification of Beşiktaş 5th Notary dated 25.04.2006 nr. 10213. The Company management has stated that the TRT share demanded as stated above has been miscalculated, that this calculation is based on issues such as wholesale, steam sales, scrap sales, equipment sales, system utilization transmission fees, and distribution fees which are not to be taken as basis, and that the statement made by the Energy Markets Regulatory Board (EMRB) expresses that accrual of the total TRY share and energy fund calculated over the transmission and distribution tariffs added onto the same tariffs is not agreeable.

In addition to the above, the company has filed for a case of suspension for execution of the TRT request in line with the resolution made to file for a separate case to cancel the administrative act. The 10th Council of State hearing the case has rejected the request for the suspension of execution by file nr 2006/3269, and the appeal made by the Company against this resolution to the Board of Administrative Acts of the State Council has not been accepted. The case is currently pending.

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c) The notice dated 24 October 2007 submitted to the Istanbul Stock Exchange by the subsidiary Akenerji Elektrik Üretim A.Ş. is as follows:

"With the objectives to lower our Company's production costs below the average level in the sector and to sell the gas turbines which are mostly used in the textile sector, for the purpose of creating funds for investing in the hydroelectric, coal or wind power plants; unanimous resolution is made to receive the necessary permissions from the Energy Markets Regulatory Board as per the provisions of Electricity Market License Regulation, from the Undersecretariat of Treasury as per the Provisions of the Communiqué nr. 2006/3 in relation to the Implementation of Resolution Regarding Government Aids in Investments, and from the Competition Board as per the Provisions of the Communiqué Related to Mergers and Acquisitions subject to Permission from the Competition Board so as to accomplish business transfer together with the workers of the currently operative cogeneration electrical power generation plant with a total production capacity of 45-MW composed of seven units operating with natural gas, bearing the investment incentive document dated 20.03.2000 nr. 61965 and the 15-years production license of T.C. Energy Markets Regulatory Board dated 01.04.2005 nr. EÜ/468-5/528 together with the investment completion visa, under the ownership of our Company located in the building situated at the address of "Naldöken Village, Ankara Road, Bornova district, No: 335-Izmir" registered under the name of Batıçim Batı Anadolu Çimento Sanayi A.Ş. at Bornova 2. Region Land Registry under Section 1-2-3, Block 18927, Parsel 2, to the company Batıçim Enerji Elektrik Üretim A.Ş. registered at Izmir Trade Registry by registration number Merkez-134607-K-11242. Batıçim Enerji Elektrik Üretim A.Ş. does not have any direct or indirect relationship with our company."

d) The notice dated 1 November 2007 submitted to the Istanbul Stock Exchange by the subsidiary Akenerji Elektrik Üretim A.Ş. is as follows:

"At the Board of Directors meeting held at the head office of the Company, the following resolutions have been made:

In relation to the integration of CEZ a.s whose head office is situated at Praha 4, Duhova 2/1444, PSC 14053-Czech Republic, established and operating under the Czech Republic laws among our the shareholders of our Company, negotiations have started among the authorities of the said company and ours, and public announcements related to further developments will be made in due course."

e) The notice dated 12 November 2007 submitted to the Istanbul Stock Exchange by the subsidiary Akenerji Elektrik Üretim A.Ş. is as follows:

"At the Board of Directors meeting held at the head office of the Company, the following resolutions have been made:

With the objectives to lower our Company's production costs below the average level in the sector and to sell the gas turbines which are mostly used in the textile sector, for the purpose of creating funds for investing in the hydroelectric, coal or wind power plants; resolution is made unanimously to transfer from our natural gas operated cogeneration power plant with a total built-in capacity of $((2 \times 10.5) + 17 + 21.5 + (5.25 \times 2)) = 70.00$ -MW situated at Tasköprü District in Yalova, bearing the production license dated 01.04.2005 nr. EÜ/468-6/529 to our group company Aksa Akrilik Kimya Sanayi Anonim Şirketi the four units with a power of $((2 \times 10.5) + 17 + 21.5) = 59.5$ MW and to our group company Ak-Kim Kimya Sanayi ve Ticaret Anonim Şirketi the two units with a power of $(5.25 \times 2) = 10.5$ MW; and in order to realize the transfer operations, to receive the necessary permissions from the Energy Markets Regulatory Board as per the provisions of Electricity Market License Regulation, from the Undersecretariat of Treasury as per the Provisions of the Communiqué nr. 2006/3 in relation to the Implementation of Resolution Regarding Government Aids in Investments; to determine the transfer price and payment terms by the related parties taking as basis the value stated in the report of the valuation company determined by the Capital Markets Board; subsequent to receipt of the abovementioned permissions, to realize the transfer operations and to make all the public announcements related to the said operations."

f) As per the resolution of the Board of Directors of the subsidiary Akal Tekstil Sanayii A.Ş., Erkan Altay has been authorized to carry out the liquidation process of Akrom Akal Textile Romania S.R.L in which the Company has 100% interest.

g) The announcement made by the subsidiary Aksa Akrilik Kimya Sanayii A.Ş.to the Istanbul Stock Exchange on 18 September 2007 is as follows:

"In search of lowering the power generation cost of our company, the Board of Directors of our Company has unanimously resolved to make an application to the Energy Markets Regulatory Board within the frame of the provisions of Electricity Market License Regulation for our company to receive autoproducer license simultaneously with the application to made by our group company Akenerji Elektrik Üretim A.Ş. to the Energy Markets Regulatory Board for permission to transfer to our company the natural gas operated power plant of 59,5 MW production capacity owned by Akenerji Elektrik Üretim A.Ş. and located in the Yalova plant of our company, to receive permission from the Undersecretariat of Treasury within the frame of the Communiqué nr. 2006/3 Related to the Implementation of The Resolution on Official Support in Investments for taking over the power plant with modernization and renewal incentive with completed investment, to determine the transfer value and payment terms by both parties on the basis of the value stated in the valuation report of a valuation company approved by the Capital Market legislation, to realize the transfer operation provided that necessary permissions are received, and to make a public announcement of all information related to the said transaction."

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h) The resolution made by the Board of Directors of the subsidiary Akmerkez Gayrimenkul Yatırım Ortaklığı A.Ş. as at 28 December 2007 is as follows:

“1) Given the need to comply with today’s conditions inevitably require a large scale renovation of the shopping mall and the parking lot sections within Akmerkez whose construction has been completed fourteen years ago, the related proposal developed by our Board as at 10.01.2007 has been evaluated by the Board of Flat Owners of Akmerkez and the necessary studies have been made thereon, subsequent to which it has been submitted for the approval of the Flat owners of the Shopping Mall and the Parking Lot Section.

The large-scale renovation we have proposed at the meeting of the Flat Owners Board of the said building on 16.11.2007 has been considered urgent and unavoidable; however, resolution is made to submit for approval at the Akmerkez Flat Owners Ordinary General Meeting an approximate total expenditure of USD 25 million as per the projected budget to be provided by our Company which owns nearly 94% of the independent sections of the said building.

2) In the event that approval is received at Akmerkez Flat Owners General Meeting for the realization of the Shopping Mall and the Parking Lot renovation Project and provided that this is to be made under the supervision of the professional manager of Akmerkez Trade Center, resolution is made for the entire amount of USD 25 million determined in the provisional budget to be paid by our Company.

3) Raif Ali Dinçök and/or Davit Braunştayn, our Company Board members, will participate in the Ordinary General Meeting of Akmerkez Flat Owners to be held on 29.12.2007 (at the second meeting on 05.01.2008 upon failure to muster a quorum) representing our Company, and vote and make declarations towards decision making in the name of the Company as per the first and second articles of this resolution, and furthermore, the said persons are authorized to vote for resolving other items in the agenda and to sign under the meeting minutes, in the name of our Company.

4) The public announcement of the present resolution will be made on the first working day following the Ordinary General Meeting of Akmerkez Flat Owners.”

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33. Segment Reporting

As of 31 December 2007 segment reporting consists of the following (TRY):

	Akkök	Energy	Textile	Chemicals	Real Estate	Other	Eliminations and Classifications	Total
Cash and Cash Equivalents	35,569,969	87,618,691	34,742,172	55,137,325	23,509,508	14,616,087	-	251,193,752
Trade Receivables, net	294,189	42,793,064	65,420,000	224,358,387	959	86,218,169	2,702,590	421,787,358
Due From Related Parties	3,030,144	14,700,049	5,342,542	95,075,840	4,433,182	15,891,976	(133,561,668)	4,912,065
Inventories, net	-	7,685,068	32,306,656	157,305,861	2,853,515	1,791,517	(845,387)	201,097,230
Other Current Assets	422,323	44,297,645	1,317,990	38,753,131	24,569	1,776,873	134,993	86,727,524
Total Current Assets	39,316,625	197,094,517	139,129,360	570,630,544	30,821,733	120,294,622	(131,569,472)	965,717,929
Financial Assets, net	495,089,516	40,046,846	39,192,039	28,837,602	631,000	1,416,750	(506,000,722)	99,213,031
Positive Goodwill	-	36,758,891	-	-	11,623,500	-	-	48,382,391
Tangible Assets (net)	1,899,785	450,883,107	68,120,385	420,904,038	972,990	55,696,332	(2,744,808)	995,731,829
Intangible Assets(net)	268,684	33,488,851	942,908	1,164,624	-	3,971,372	-	39,836,439
Other Non-Current Assets	55,143	90,423	15,577	13,911	10,223	110,911	(12,839)	283,349
Total Non-Current Assets	497,313,128	561,268,118	108,270,909	450,920,175	13,237,713	61,195,365	(508,758,369)	1,183,447,039
Total Assets	536,629,753	758,362,635	247,400,269	1,021,550,719	44,059,446	181,489,987	(640,327,841)	2,149,164,968

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	Akkök	Energy	Textile	Chemicals	Real Estate	Other	Eliminations and Classifications	Totals
Short Term Financial Liabilities	-	8,210,101	36,240,386	66,829,949	618,915	20,288,335	-	132,187,686
Trade Payables, net	131,029	36,208,627	9,696,339	114,226,834	40,944	3,335,387	4,577,249	168,216,409
Due to Related Parties	-	6,125,324	22,721,456	22,389,234	1,273,180	86,005,843	(136,018,355)	2,496,682
Taxes Payable	-	-	244,456	115,228	265,349	307,016	-	932,049
Other Current Liabilities	562,193	7,400,261	7,250,087	17,503,435	71,556	3,879,468	146,300	36,813,300
Total Current Liabilities	693,222	57,944,313	76,152,724	221,064,680	2,269,944	113,816,049	(131,294,806)	340,646,126
Long Term Financial Liabilities	-	147,454,057	365,160	21,884,610	35,109,000	6,436,650	-	211,249,477
Provisions for Termination Indemnity	61,702	1,394,211	7,396,113	11,227,914	3,274	1,235,369	-	21,318,583
Deferred Tax Liabilities	11,178,098	22,288,343	(2,406,154)	20,257,322	(41,104)	(1,014,301)	29,958	50,292,162
Other Non-Current Liabilities	339	-	139	2,844,992	-	39,842	-	2,885,312
Total Non-Current Liabilities	11,240,139	171,136,611	5,355,258	56,214,838	35,071,170	6,697,560	29,958	285,745,534
Share Capital	13,097,521	88,164,250	52,066,018	117,050,000	2,991,840	33,720,000	(293,992,108)	13,097,521
Adjustment to Share Capital	163,143,245	140,631,025	256,694,092	379,235,139	-	88,207,911	(864,768,169)	163,143,245
Share Premium	-	182,984,809	32,938,383	1,537,497	-	-	(141,758,140)	75,702,549
Increase/Decrease in Value of Financial Assets(net)	44,658,786	-	531,956	-	-	-	(149,606)	45,041,136
Retained Earnings	303,796,840	117,501,627	(176,338,162)	246,448,565	3,726,492	(60,951,533)	(29,402,672)	404,781,157
Minority Interest	-	-	-	-	-	-	821,007,702	821,007,702
Total Equity	524,696,392	529,281,711	165,892,287	744,271,201	6,718,332	60,976,378	(509,062,993)	1,522,773,308
Total Liabilities and Equity	536,629,753	758,362,635	247,400,269	1,021,550,719	44,059,446	181,489,987	(640,327,841)	2,149,164,968

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

	Akkök	Energy	Textile	Chemicals	Real Estate	Other	Eliminations and Classifications	Totals
Net Sales	7,635,072	452,074,250	172,708,155	1,093,863,665	-	418,993,595	(540,963,439)	1,604,311,298
Cost of Sales (-)	(7,830,964)	(438,301,310)	(148,716,582)	(1,001,366,512)	-	(388,556,175)	491,585,924	(1,493,185,619)
Gross Profit/(Loss)	(195,892)	13,772,940	23,991,573	92,497,153	-	30,437,420	(49,377,515)	111,125,679
Research and Development Expenses (-)	-	(262,935)	(879,609)	(5,560,309)	-	-	84,153	(6,618,700)
Marketing, Sales and Distribution Expenses (-)	-	-	(7,073,719)	(15,507,750)	-	-	5,287,440	(17,294,029)
General Administration Expenses (-)	(570,002)	(23,747,027)	(23,331,808)	(40,452,644)	(689,384)	(13,003,609)	15,667,838	(86,126,636)
Operating Profit/(Loss)	(765,894)	(10,237,022)	(7,293,563)	30,976,450	(689,384)	17,433,811	(28,338,084)	1,086,314
Financial Income/ Expenses, (net)	-	(2,819,899)	(4,078,000)	(4,496,046)	(1,904,458)	(1,214,913)	(19,878,492)	(34,391,808)
Other Income/Expenses (net)	15,410,791	(111,162,986)	(27,971,679)	(21,080,518)	7,087,216	(10,817,063)	57,192,485	(91,341,754)
Net Profit/(Loss) Before Tax	14,644,897	(124,219,907)	(39,343,242)	5,399,886	4,493,374	5,401,835	8,975,909	(124,647,248)
Taxes Payable (-)	-	-	(1,029,041)	(1,206,449)	(856,158)	(1,067,415)	-	(4,159,063)
Deferred Tax (Expense)/Income	(104,541)	35,072,041	2,890,777	17,301,275	41,104	482,072	(196,773)	55,485,955
Net Profit/(Loss)	14,540,356	(89,147,866)	(37,481,506)	21,494,712	3,678,320	4,816,492	8,779,136	(73,320,356)
Minority Interest	-	-	-	-	-	-	(52,646,702)	(52,646,702)
Net Profit/(Loss)	14,540,356	(89,147,866)	(37,481,506)	21,494,712	3,678,320	4,816,492	61,425,838	(20,673,654)

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

As of 31 December 2006 segment reporting consists of the following (TRY):

	Akkök	Energy	Textile	Chemicals	Other	Elimination and Classifications	Total
Cash and Cash Equivalents	74,151,701	139,541,801	18,466,396	42,257,700	8,415,536	-	282,833,134
Trade Receivables, net	2,378,203	23,464,806	82,653,176	254,932,628	114,467,670	12,406,245	490,302,728
Due From Related Parties	4,482,960	24,214,927	3,848,886	134,561,185	17,724,640	(184,102,063)	730,535
Inventories, net	3,489,533	7,608,328	31,658,392	139,093,437	9,609,404	(482,350)	190,976,744
Other Current Assets	7,828,155	15,237,364	12,995,923	84,801,635	2,661,334	330,588	123,854,999
Total Current Assets	92,330,552	210,067,226	149,622,773	655,646,585	152,878,584	(171,847,580)	1,088,698,140
Financial Assets, net	422,574,551	61,711,510	97,025,152	68,001,822	1,392,897	(552,203,643)	98,502,289
Positive Goodwill	-	-	-	-	-	22,548,997	22,548,997
Tangible Assets (net)	1,979,760	553,184,722	67,383,339	365,601,633	57,833,260	(2,845,825)	1,043,136,889
Intangible Assets (net)	621	34,649,862	1,244,096	1,038,963	4,152,201	-	41,085,743
Deferred Tax Assets	-	-	530,371	12,588,169	1,755,949	(14,874,489)	-
Other Non-Current Assets	30,786	408,372	9,715,587	23,567	16,847	(207)	10,194,952
Total Non-Current Assets	424,585,718	649,954,466	175,898,545	447,254,154	65,151,154	(547,375,167)	1,215,468,870
Total Assets	516,916,270	860,021,692	325,521,318	1,102,900,739	218,029,738	(719,222,747)	2,304,167,010

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

	Akkök	Energy	Textile	Chemicals	Other	Elimination and Classifications	Total
Short Term Financial Liabilities	-	13,456,807	50,032,728	108,386,534	15,976,424	-	187,852,493
Trade Payables, net	256,950	40,637,017	18,352,698	95,979,453	5,673,241	3,979,720	164,879,079
Due to Related Parties	-	6,061,134	34,810,078	25,626,485	110,535,632	(176,624,888)	408,441
Taxes Payable	-	-	301,723	2,882,991	250,780	-	3,435,494
Other Current Liabilities	483,422	5,808,565	16,964,122	61,477,027	12,311,968	-	97,045,104
Total Current Liabilities	740,372	65,963,523	120,461,349	294,352,490	144,748,045	(172,645,168)	453,620,611
Long Term Financial Liabilities	-	126,726,667	2,711,533	800,168	10,310,520	-	140,548,888
Provisions for Termination Indemnity	67,345	1,323,815	7,222,318	9,806,862	1,335,761	-	19,756,101
Deferred Tax Liabilities	9,806,780	57,360,383	885,024	50,146,766	1,223,721	(15,041,304)	104,381,370
Other Non-Current Liabilities	1,212,842	-	57,226	8,760,716	39,842	-	10,070,626
Total Non-Current Liabilities	11,086,967	185,410,865	10,876,101	69,514,512	12,909,844	(15,041,304)	274,756,985
Share Capital	13,097,521	78,340,000	42,198,228	32,906,289	33,420,000	(186,864,517)	13,097,521
Adjustment to Share Capital	163,143,245	140,626,423	278,907,984	462,078,849	88,207,910	(969,821,168)	163,143,243
Share Premium	-	182,984,809	32,938,383	1,537,497	-	(165,644,243)	51,816,446
Increase/Decrease in Value of Financial Assets(net)	39,591,679	-	12,073	-	-	(3,394)	39,600,358
Retained Earnings	289,256,486	206,696,072	(159,872,800)	242,511,102	(61,256,061)	(200,495,925)	316,838,874
Minority Interest	-	-	-	-	-	991,292,972	991,292,972
Total Equity	505,088,931	608,647,304	194,183,868	739,033,737	60,371,849	(531,536,275)	1,575,789,414
Total Liabilities and Equity	516,916,270	860,021,692	325,521,318	1,102,900,739	218,029,738	(719,222,747)	2,304,167,010

AKKÖK SANAYİ YATIRIM VE GELİŞTİRME A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2007 and 2006

	Akkök	Energy	Textile	Chemicals	Other	Elimination and Classifications	Total
Net Sales	5,339,611	465,259,891	209,192,533	1,138,797,407	406,701,973	(621,239,936)	1,604,051,479
Cost of Sales (-)	(4,138,665)	(493,816,900)	(170,833,182)	(967,898,960)	(397,261,296)	594,776,007	(1,439,172,996)
Gross Profit/(Loss)	1,200,946	(28,557,009)	38,359,351	170,898,447	9.440.677	(26.463.929)	164.878.483
Research and Development Expenses (-)	-	(134.511)	(517.166)	(6.186.252)	-	32.136	(6.805.793)
Marketing, Sales and Distribution Expenses (-)	-	(5.417.729)	(8.522.629)	(16.880.404)	-	5.854.354	(24.966.408)
General Administration Expenses (-)	(1.926.840)	(33,740,100)	(27,784,327)	(34,064,110)	(10,976,355)	12,168,192	(96,323,540)
Operating Profit/(Loss)	(725,894)	(67,849,349)	1,535,229	113,767,681	(1,535,678)	(8,409,247)	36,782,742
Financial Income/Expenses, (net)	-	(10,636,844)	(11,430,285)	(29,183,991)	(1,908,437)	79,902,369	26,742,812
Other Income/Expenses (net)	5,484,717	(2,010,407)	(1,788,920)	(10,395,762)	10,168,495	(76,412,403)	(74,954,280)
Taxes Payable (-)	-	(110,781)	(1,184,750)	(21,584,102)	(1,042,808)	-	(23,922,441)
Deferred Tax (Expense)/Income	54,809	43,940,258	610,643	23,001,144	421,366	(111,176)	67,917,044
Net Profit/(Loss)	4,813,632	(36,667,123)	(12,258,083)	75,604,970	6,102,938	(5,030,457)	32,565,877
Minority Interest	-	-	-	-	-	19,288,156	19,288,156
Net Profit/(Loss)	4,813,632	(36,667,123)	(12,258,083)	75,604,970	6,102,938	(24,318,613)	13,277,721

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