

**AKSA Akrilik Kimya Sanayii Anonim Sirketi
and Affiliated Partners**

**Consolidated Balance Sheets of the six months interim term ending on
30 June 2005 and Independent Limited Audit Report**

AKSA Akrilik Kimya Sanayii Anonim Sirketi and Affiliated Partners
Consolidated Balance Sheets of 30 June 2005 and 31 December 2004 (NTL)

THE BALANCE SHEET (NTL)	Footnote References	30.06.2005	31.12.2004
ASSETS			
Current/Floating Assets		760.298.268	788.333.340
Immediate Values	3,4	248.724.736	332.545.365
Securities (Net)	3,5	27.948.999	9.007.840
Commercial Receivables (Net)	3,7	244.555.418	225.655.185
Financial Leasing Receivables (Net)	8	0	0
Related Parties Receivables (Net)	3,9	65.723.229	53.420.111
Other Receivables (Net)	10	856.065	645.923
Live Assets (Net)	11	0	0
Stocks (Net)	3,12	148.533.774	144.770.554
Receivables From Continuing Construction Contracts (Net)	13	0	0
Postponed Tax Assets	3,14	0	0
Other Current / Floating Assets	15	23.956.047	22.288.362
Non-Liquid / Fixed Assets		820.902.800	838.020.898
Commercial Receivables (Net)	3,7	267.711	266.185
Financial Leasing Receivables (Net)	8	0	0
Receivables From Related Parties (Net)	3,9	0	0
Other Receivables (Net)	10	0	0
Financial Assets (Net)	3,16	25.915.432	25.914.843
Positive / Negative Betterment (Net)	17	0	0
Real estates for investment purpose (net)	18	0	0
Tangible assets (net)	3,19	789.075.379	805.677.004
Intangible assets (net)	3,20	5.479.009	6.023.664
Postponed Tax Assets	3,14	0	0
Other Non Current / Fixed Assets	15	165.269	139.202
TOTAL ASSETS		1.581.201.068	1.626.354.238

AKSA AKRİLİK KİMYA SANAYİİ A.Ş. and AFFILIATED PARTNERS
Consolidated Balance Sheets of 30 June 2005 and 31 December 2004
(NTL)

THE BALANCE SHEET (NTL)	Footnote References	30.06.2005	31.12.2004
LIABILITIES			
Short Term Liabilities		270.792.779	271.683.866
Financial Debts (Net)	3,6	83.739.485	49.016.239
Long Term Financial Debts. Short Term Parts (Net)	3,6	10.941.414	14.961.213
Financial Leasing Procedures Debts (Net)	8	0	0
Other Financial Debts (Net)		0	0
Commercial Debts (Net)	3,7	139.534.208	171.252.834
Debts To Related Parties (Net)	3,9	9.967.572	9.279.790
Received Advance Payments	3,21	2.820.093	2.950.165
Continuing Construction Contracts Progress Payments (Net)	13	0	0
Equivalents For Debts	23	1.550.211	1.466.544
Postponed Tax Debts	3,14	0	0
Other Liabilities (Net)	10	22.239.796	22.757.081
Long Term Liabilities		151.739.279	149.796.205
Financial Debts (Net)	3,6	42.518.546	44.959.634
Financial Leasing procedures Debts (Net)	8	0	0
Other Financial Debts (Net)		0	0
Commercial Debts (Net)	3,7	0	0
Debts To Related Parties (Net)	3,9	2.682.600	2.684.200
Received Advance Payments	3,21	0	0
Equivalents For Debts	23	20.312.661	19.855.143
Postponed Tax Liabilities	3,14	86.170.918	82.249.634
Other Debts (Net)	15	54.554	47.594
Shares Outside The Principle company	2,24	538.618.552	573.344.485
Equity Capital		620.050.458	631.529.682
Capital	25	27.156.288	27.156.288
Mutual Share Capital Correction	25	0	0
Capital Reserves	26	600.592.397	600.592.397
Share Certificates Export Premiums		0	0
Share Certificates Cancellation Profits		0	0
Re-Evaluation Fund		0	0
Financial Assets Value Increase Fund		0	0
Equity Capital Inflation Correction Differences		600.592.397	600.592.397
Profit Reserves	27	24.858.733	0
Legal Reserves		2.335.654	0
Status Reserves		0	0
Extraordinary Reserves		22.474.725	0
Private Reserves		0	0
Participation Shares Added To The Capital and Earnings From Real Estate Sales		0	0
Foreign Currency Conversion Variances		48.354	0
Net Term Profit /Loss		1.446.690	0
Previous Year Profit / Loss	28	(34.003.650)	3.780.997
TOTAL EQUITY CAPITAL and LIABILITIES		1.581.201.068	1.626.354.238

AKSA AKRİLİK KİMYA SANAYİİ A.Ş. and Affiliated Partners
Consolidated Income Tables of six months interim term that ending on
30 June 2005 (NTL)

INCOME TABLE (NTL)	Footnote Reference	01.01.2005- 30.06.2005	01.04.2005- 30.06.2005
MAIN ACTIVITY INCOME		0	0
Sale Income (Net)	36	548.213.545	278.082.959
Cost Of Sales (-)	36	(528.885.968)	(267.541.039)
Service Incomes (Net)		0	0
Other Income From Main Activities / Interest +Dividend + Rent (Net)		0	0
GROSS MAIN ACTIVITY PROFIT /LOSS		19.327.577	10.541.920
Activity Expenses (-)	37	(41.070.776)	(22.214.563)
NET MAIN ACTIVITY PROFIT / LOSS		(21.743.199)	(11.672.643)
Income And Profits From Other Activities	38	57.823.986	13.752.657
Expenses & Loss From Other Activities (-)	38	(56.221.582)	(18.649.281)
Financing Expenses (-)	39	(4.334.329)	(1.521.276)
FAALİYET PROFIT / LOSS		(24.475.124)	(18.090.543)
Net Monetary Position Profit /Loss	40	0	0
PROFIT / LOSS OUTSIDE PRİNCİPLE COMPANY	2,24	31.073.376	
PROFIT / LOSS BEFORE TAX		6.598.252	5.662.943
Taxes	3,41	(5.151.562)	(8.010.614)
NET TERM PROFİT /LOSS		1.446.690	(2.347.671)
EARNING OF EACH SHARE	3,42	0,05	(0,09)

AKSA AKRİLİK KİMYA SANAYİİ A.Ş. and Affiliated Partners
Consolidated Income Tables of six months interim term that ending on
30 June 2005 (NTL)

	Capital	Equity Capital Inflation Correction Variance	Foreign Currency Conversion Variance	Legal Reserves	Other Reserves Undistributed Profits	Net Term Profit / (Loss)	Previous Years Profit (Loss)	Total
Balance Since 31.12.2004 *	27.156.288	600.592.3 97					3.780.997	631.529.682
Transfer To Reserves	-			2.335.654	22.474. 725	-	(24.810.379)	-
Dividend Payments	-					-	(12.974.268)	(12.974.268)
Variance From Conversion	-		48.3			-	-	48.354
Term Profit	-		54			1.446.690	-	1.446.690
Balance Since 30.06.2005	<u>27.156.288</u>	<u>600.592.397</u>	<u>48.354</u>	<u>2.335.654</u>	<u>22.474.725</u>	<u>1.446.690</u>	<u>(34.003.650)</u>	<u>620.050.458</u>

* Corrected according to the purchase power of the Turkish Lira at 31 December 2004.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş. and Affiliated Partners
Consolidated Income Tables of six months interim term that ending on
30 June 2005 (NTL)

	Note	30 June 2005
A. CASH FLOW DUE TO MAIN ACTIVITIES		
Net Loss Before Tax (-)		6.598.252
<i>Corrections:</i>		
Amortization (+)		48.440.340
Seniority Indemnity (+)		400.336
Equivalents For Debts		(135.178)
Profit born for exchange rate variances (-)		-
Profit From Securities Or Long Term Investments (-)		(13.479.323)
Fixed Asset Sale (Profit)/Loss		(1.390.775)
Interest Expense (+)		4.334.329
Activity Profit Before Changes In Operation Capital (+)		44.767.981
Increase In Commercial Transactions And Other Receivables (-)		(18.901.759)
Increase In Receivables From Affiliated Partners And Partnerships (-)		(12.303.118)
Increase In Stocks (-)		(3.763.220)
Increase In other receivables (-)		(1.903.894)
Increase In postponed taxes (-)		-
Increase in financial debts (+)		-
Decrease in commercial debts (-)		(31.718.627)
Increase in debts to related corporate and partners (+)		686.183
Decrease in advances received (-)		(130.072)
Increase in equivalents of debts (-)		-
Decrease in other liabilities (-)		(510.324)
Cash that occurred related with main activity (+)		-
Interest Payments (-)		(3.020.967)
Tax Payments (-)		(954.251)
Net Cash Due To Main Activities	43	(27.752.068)
B. CASH FLOW DUE TO INVESTMENT ACTIVITIES		
Purchasing Of Financial Asset, Purchasing Value Net (-)		(589)
Securities Purchased (-)		(18.941.159)
Tangible Asset Purchasing (-)		(32.932.103)
Increase in Intangible Asset Purchase		(150.829)
Cash Entries obtained from sales of tangible assets (+)		3.179.646
Collected Interests (+)		13.479.323
Collected Dividends (+)		-
Net Cash Due To Investment Activities	43	(35.365.711)
C. CASH FLOW DUE TO FINANCING ACTIVITIES		
Cash Entry Due To Short & Long Term Debts (+)		-
Cash entries related with short and long term entries (+)		26.948.997
Payments related with financial leasing debts (-)		-
Paid Dividends (-)		(12.974.268)
Variances Due To Foreign Currency Conversion (+)		48.354
Decrease In Shares Outside The Principle Company (-)		(34.725.933)
Net Cash Due To Financing Activities	43	(20.702.850)
Decrease) In Current Assets (-)	3,43	(83.820.629)
Total Of Current Assets At The Term Beginning	4	332.545.365
Total Of Current Assets At The Term End	4	<u>248.724.736</u>

1. Organization and Activity Scope

Dealing with especially manufacturing acrylic basis tow, fibers and tops, Akşa Akrilik Kimya Sanayii A.Ş. (The Principle company), is a capital company registered in Istanbul. The activities of her Affiliated Partners and Partnerships focus on textile sector, apart from activities in energy, foreign trade, service and transportation sectors. The Principle company's Affiliated Partners and Partnerships consist from the following:

<u>The Principle company:</u>	<u>Area of Activity</u>
Akşa Akrilik Kimya Sanayii A.Ş. - Türkiye	Kimya
<u>Affiliated Partners:</u>	
Ak-Al Tekstil San. A.Ş – Turkey *	Textile
Akenerji Elektrik Üretim A.Ş. - Turkey *	Energy
Ak-Pa Tekstil İhracat Pazarlama A.Ş. – Turkey **	Marketing
Ak-Tops Tekstil Sanayi A.Ş. – Turkey **	Textile
Ak-Al Tekstil Pazarlama A.Ş. – Turkey **	Marketing
Ak-Al Dış Ticaret A.Ş. – Turkey **	Foreign Trade
Akel Yalova Elektrik Üretim A.Ş. - Turkey **	Energy
Akenerji Elektrik Enerjisi İthalat – İhracat ve Toptan Ticaret A.Ş. – Turkey **	Energy
Akrom Ak-Al Textile Romania S.R.L. – Romania **	Textile
Aken BV – The Nederland ***	Investment
Fitco BV – The Nederland ***	Investment
Bozüyük Orman Ürünleri Sanayi Tesisleri A.Ş. – Turkey ***	Forestry
Akşa Egypt Acrylic Fiber Industry S.A.E. – Egypt ***	Textile
<u>Partnerships:</u>	
Atak Garn Und Textilhandel GMBH – Germany ***	Textile
Ak Havacılık and Ulaştırma Hizmetleri A.Ş. – Turkey ***	Transportation
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş. – Turkey ***	Service

*Quoted at the Istanbul Foreign Exchange, companies open to the public.
Included into consolidation by complete consolidation. The title of Ak Enerji Elektrik Üretimi Otoproductör Grubu A.Ş. was changed and then registered officially as Akenerji Elektrik Üretim A.Ş. by an amendment draft at 29 December 2004.

** The company added to the consolidation by the full consolidation method.

** In consolidated financial tables, it was represented by the cost value.

The headquarters of the Principle Company is as the following:
Miralay Sefik Bey Sokak No: 15 – 17 Akhan 34437 Gümüssuyu / Istanbul – Turkey

The Principle Company, Affiliated Partners and partnerships are of Akkök Group Companies.

1. Organization and Activity Scope (continued)

The Principle Company, is registered in the Capital Market Board (SPK) and 34% of her shares are traded in Istanbul Stock Exchange Market. Ak-Al Tekstil Sanayii A.Ş., one of the Affiliated Partners, is registered in Capital Market Boards, 42% of her securities went to public and Since 19 March 1986 and again the securities of Akenerji Elektrik Üretim A.Ş., one of the Affiliated Partners, went to public in ratio of 24.30% and traded in Istanbul Stock Exchange Market.

Since 30 July 2005 and 31 December 2004, the partnership structure of the Principle Company is as the following:

<u>Name</u>	<u>Share Ratio</u>
Akkök Sanayi Yatirim and Gelistirme A.Ş.	39,58%
Emniyet Tic. and San. A.Ş.	18,72%
Other *	<u>41,70%</u>
	<u>100,00%</u>

* Presents the total of the partnerships having less than 10%.

Since 30 July 2005 , average total personnel employed within the term is 3.264 (31 December 2004-3.551)

2. Principles Related With The Presentation of Financial Tables

(a) Principles of Preparation :

Notification of the Capital Market Board (“SPK”), dated 15 November 2003 numbered Serial XI, No: 25 entitled “Notification Related with Accounting Standards in Capital Markets (Notification) is valid as from the date of first interim financial tables ending after 1 January 2005. Within the scope, financial tables of the six months interim term related with the year ending on 30 December 2005, are prepared by the Principle Company and Affiliated Partners in parallel with the Notification numbered Serial XI and No: 25 and according to the general letter of the Capital Market Board dated 27 April 2005 numbered MSD-10/ 303-9009, it is allowed not to present the same in a comparative manner with the previous year. Therefore, the attached consolidated financial tables related with interim account term of 1 January 2005 – 30 June 2005 and the financial tables related with the current interim account term between 1 April 2005-30 June 2005, and the income table between 1 April 2004-30 June 2004 were not presented in a comparative manner, and the balance sheet dated 30 June 2005 was prepared by comparisons with the balance sheet dated 31 December 2004. On the other hand, according to the decision of the Capital Market Board dated 17 March 2005, numbered 11/367, in 2005, the practice of presenting the financial tables as corrected in parallel with inflation ended. Therefore, the financial tables are presented in terms of the purchasing power of Turkish Liras on 31 December 2004. The attached financial tables, the Financial Tables and footnotes are presented in parallel with the format required by the Capital Market Board by the announcement published on 10 December 2004.

2. Principles for Presentation of Financial Tables (continued)

(a) Principle of Preparation (continued):

The Principle Company and Affiliated Partners prepares accounting records and legal books in parallel with the current commercial and financial regulations. During preparation of attached financial tables, some corrections and classification records was made in order to adapt the Notification of the Capital Market Board numbered Serial XI, No: 25 as explained below. The corrections reflected in attached financial tables are stated in abstract Note 2(b) and(d).

(b) Correction of Financial Tables in High Inflation Periods :

According to the Section 15 of the Notification numbered Serial XI and No: 25, institutions preparing of the financial tables by using currency of a country having high inflation economy, will present the items in these tables by the unit values as indexed since the date of balance sheet, and they are required to reflect the same practice in previous terms. According to the same Notification, in case the price index figure on the yearly balance sheet date is more than twice of the price index figure at the beginning of the third accounting term including the related accounting term and the price index figure at the date of balance sheet on the related accounting term increased more than ten percent (10%) or more, since the yearly accounting term, high inflation term will start. Three years' cumulative rate in Turkey (31 December 2004 – 31 December 2001) According to the price indexes for all of Turkey published by State Statistical Institute (DİE) (the title was changed on 10 November 2006 as Turkey Statistical Institution (TÜİK)), will be 69.7% and according to the beginning of the accounting term, (31 December 2004 – 30 June 2005) will be 1.03% and according to the Capital Market Board dated 17 March 2006 numbered 11/367, since the practice of presenting the financial tables as corrected in parallel with inflation ended in 2005, the attached consolidated financial tables were presented by unit values indexed in parallel with the purchasing power of Turkish Liras Since 31 December 2004.

In expressing the attached consolidated financial tables by measuring unit valid Since 31.12.2004, the wholesale price index published by DİE was used as basis and the conversion factors are as the following:

<u>Date</u>	<u>Index</u>	<u>Conversion Factor</u>
31 December 2001	4.951,7	1,70
31 December 2002	6.478,8	1,30
31 December 2003	7.382,1	1,14
31 December 2004	8.403,8	1,00

Since 31.12.2004, in preparing the financial tables by the indexed unit values, the following principles were used:

- The financial tables Since 31.12.2004, were presented by the indexed unit values, the same practice were reflected in previous terms.
- As the monetary assets and debts were presented by the monetary unit value since the date of the balance sheet, were not indexed separately.

2. Principles for Presentation of Financial Tables (continued)

(b) Correction of Financial Tables in High Inflation Periods (continued) :

- Presented by unit values indexed by using conversion factors Related with non-monetary balance sheet items.
- The effect of inflation accounting practice is presented in the income table as “Net Monetary Position Profit/ (Loss)” account.

The balance sheet items in foreign currency is converted into NTL by the foreign exchange rate Since the date of balance sheet and the income and expenses in foreign currency considering the yearly average foreign exchange rate profit or loss due to conversion are reflected on foreign currency conversion variances account under equity capital account group.

(c) Consolidation Principles:

Consolidation procedure was conducted within the structure of the Principle Company, Aksa Akrilik Kimya Sanayii A.Ş., the direct and indirect share rates in the Affiliated Partners and Partnerships are as the following:

	<u>31.June 2005</u>	<u>31.December 2004</u>
<u>Affiliated Partners</u>		
Ak-Al Tekstil Sanayii A.Ş.*	22,10%	22,10%
Akenerji Elektrik Üretim A.Ş. *	17,33%	17,33%
Ak-Pa Tekstil Ihracat Pazarlama A.Ş. *	16,45%	16,45%
Ak-Tops Tekstil San. A.Ş.*	12,21%	12,21%
Akel Yalova Elektrik Üretim A.Ş.*	15,59%	15,59%
Akenerji Elektrik Enerjisi İth.–İhr. and Toptan Tic. A.Ş.*	8,67%	8,67%
Aken BV**	17,33%	17,33%
Akrom Ak-Al Textile Romania S.R.L.*	22,10%	22,10%
Ak-Al Tekstil Pazarlama A.Ş.*	21,99%	21,99%
Ak-Al Dış Ticaret A.Ş.*	21,99%	21,99%
Bozüyük Orman Ürünleri Sanayi Tesisleri A.Ş.**	21,98%	21,98%
Fitco BV **	100,00%	100,00%
Aksa Egypt Acrylic Fiber Industry S.A.E.**	99,14%	99,14%
<u>Partnerships **</u>		
Ak Havacılık and Ulaştırma Hizmetleri A.Ş.	9,94%	9,94%
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	44,74%	44,74%
Atak Garn-und Textilhandel GMBH	8,22%	8,22%

* The company added to the consolidation by the full consolidation method.

** In consolidated financial tables, it was represented by the cost value.

2. Principles for Presentation of Financial Tables (continued)

(c) Consolidation Principles (continued) :

The following principles were applied in preparing the Consolidated Financial Tables:

Full Consolidation Method :

- The balance sheet items except the paid capital of the Principle Company and Affiliated Partners and the equity at the date of purchasing are totaled. In adding procedure, the mutual receivables and debts of partnerships subject to consolidation method are mutually deducted.
- The share of the Principle Company in the Affiliated Partners will be mutually eliminated from the Fixed Assets in the Principle Company and capital account in the Affiliated Partners.
- The obtaining cost of shares of the partnership within the scope of the consolidation in the capital of the Affiliated Partners of the principle company Since the date of becoming an Affiliated Company and then after on condition that is applied only once, is deducted from the value of which these shares are represented in the equity of the Affiliated Company in the balance sheet evaluated according to the reasonable value. The variance formed for registered value is represented in the assets of the consolidated balance sheet separately in the position 'positive Betterment value' and is redeemed within maximum twenty (20) years on condition that it does not go beyond the useful life of the economic unit the Betterment is referred. The variance formed against the registered value is represented in the assets of the consolidated balance sheet separately in the position 'negative Betterment value' and is redeemed within maximum twenty (20) years.
- Of all equity group items including the paid / issued capital of the Affiliated Partners within the scope of consolidation, the amounts outside the Principle Company are deducted and before the equity account group of the consolidated balance sheet; they are reflected in 'Shares Outside the Principle Company,' and in the income table, 'Profit/Loss Outside the Principle Company' account group.
- Purchasing and selling transactions among the Principle Company and Affiliated Partners and profit / loss due to these procedures are cancelled in consolidated income table. The cancelled profit / loss mentioned covers securities, stocks, tangible and intangible assets, Financial Assets and other assets.

2. Principles for Presentation of Financial Tables (continued)

(d) Corrections:

The attached financial tables were prepared considering the Notification of the Capital Market Board numbered Serial XI, No: 25 and covers the following corrections not recorded in legal books.

- Rediscount calculation for postdated cheque, note receivable, buyers, sellers and credits.
- Amortization Correction,
- Cancellation of founding and organization expenses,
- Seniority Indemnity correction
- Postponed Tax correction
- Expense realization calculation

(e) Comparative Details and Correction of Financial Tables of Previous Period:

The balance sheet dated 30. June.2005 and 31 December 2004 as well as the Notes of the balance sheet were reflected in a comparative way. When required, the Comparative Details were re-classified in order to have parallelism with the presentation of current term financial tables.

(f) Offsetting:

Offsetting of financial asset and debts is possible only in cases where it is legal and the company has an intention in this direction or when payment of the debts will be realized simultaneously when the assets are obtained.

3. Practiced Accounting Policies and Evaluation Methods

(a) Financial Means:

Financial Means are made of the following financial assets & debts:

i. Liquid Assets

Cash, banks and received cheques make the liquid values.

Money in cash is made of NTL and foreign exchange. The balance sheet in NTL will be recorded in recorded values, the balance in foreign currencies will be presented by foreign currency buying rate of TR Central Bank on the date of balance sheet.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(a) Financial Means (continued):

i. Liquid Values (continued)

Bank deposits, fixed and current accounts and related interest due to such accounts. The balance sheet in NTL will be recorded in cost values, the balance in foreign currencies will be presented by values by using foreign currency buying rate of TR Central Bank converted to NTL on the date of balance sheet. Of received cheques of which maturity date exceeds the balance sheet date are reflected within Commercial Receivables, they are rediscounted considering interest limit forming in stock exchange markets and other organized markets for government debt securities.

Reasonable Value

Reasonable Value is the value Related with any financial facility, when it is transferred between two parties willing to trade the same free of any lien, and first of all, its stock exchange value and when its value is not evaluated by this manner, the trading value on the date of evaluation in parallel with this definition.

As the liquidated assets of foreign currency is converted into NTL by considering valid on the balance sheet date, the reasonable values of such assets are accepted as their recorded value.

As to the recorded values of the bank deposits, cash and received cheques, since they have no devaluation risk and such assets are traded in a short time, they are considered having same value with the reasonable value.

ii. Commercial Receivables

Commercial Receivables are financial assets created by directly selling goods and service to buyers by the Principle Company and Affiliated Partners. The receivable notes fixed cheques and buyers are subjected to discount.

Reasonable Value

The discounted values of the Commercial Receivables and assigned values of Equivalent of doubtful receivables are considered as equal to the Reasonable Value of Assets.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(a) Financial Means (continued) :

iii. Related Parties

Receivables and Debts from / to Related Parties are the balance amount with companies controlled / related by and to the Principle Company and Affiliated Partners Shareholders.

iv. Short & Long Term Bank Credits and Commercial Debts

Short & Long Term Bank Credits are reflected in the records as values obtained by adding the principle amount to interest expenses realized Since the balance sheet, with discounted values obtained by using the effective interest rate method.

Commercial Debts are as financial debts formed by buying directly from suppliers and reflected in the records with their discounted values.

Reasonable Value

The Reasonable Value of Short & Long Term Bank Credits are considered as equal to recorded values formed by adding the realized interest debts to the cost of the mentioned financial debts calculated over effective interest rate Since the date of balance sheet. Similarly, discounted cost values of the Commercial Debts are considered as their Reasonable Value.

(b) Financial Risk Management:

i. Foreign Currency Risk

The balance of the foreign currency activities due to operating, investment and financial activities of the Principle Company and Affiliated Partners Since the report date are explained in the No 29 note.

ii. Doubtful Debts Risk

The Principle Company and Affiliated Partners assigned Equivalent for Doubtful Debts.

iii. Liquidity Risk

The parts of liquid assets (current assets – stocks) of the Principle Company and Affiliated Partners over short term debts are as the following Related with the period (NTL):

30 June 2005	340.971.715
31 December 2004	371.878.920

3. Practiced Accounting Policies and Evaluation Methods (continued)

(b) Financial Risk Management (continued) :

iv. Cash Flow Risk

The cash flow of the Principle Company and Affiliated Partners due to operating, investment and financial activities are as the following (NTL):

30 June 2005	(83.820.629)
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(c) Stocks:

Related with obtaining cost in evaluation of stocks and net realizable value, the lower one is taken as a basis.

The cost is determined by using weighted average cost formula method ve covers a reasonable part of raw material, material, workmanship and overhead expenses.

(d) Securities:

The Principle Company and Affiliated Partners called the Securities as Financial Assets to be held at hand until the maturity date is reached. Fixed and certain payments held at hand with the intention of depositing until the maturity date is reached and about which depositing conditions including funding capability are secured held at hand until the maturity date is reached as well as treasury bonds with fixed maturity are grouped as financial assets. First recording of investments to be held at hand until the maturity date is reached was done by costing value. Investments to be held at hand until the maturity date is reached was evaluated over discounted value by using effective interest rate.

(e) Financial Assets :

The Principle Company classified her financial assets as the financial assets ready to be sold.

The financial assets ready to be sold are evaluated by current (reasonable) value in periods next to their recording. The financial assets are reflected by cost value where they have no reasonable value registered in the stock exchange market, where other methods used in calculating of the reasonable value are not fitting for the case or where an reasonable estimation of value can not be carried out due to non-trading or where the reasonable value can not be measured in a reliable manner.

The financial assets have no stock exchange market value Since 31 December 2004, and it is reflected by indexed unit values.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(f) Tangible Assets:

Tangible Assets is reflected by deducting their cost value from accumulated amortization.

Tangible Assets, since 31 December 2004, were indexed and for taking it to the purchasing power of NTL on the balance sheet date, their first record in the assets group was considered. Amortization for Tangible Assets was assigned by using regular amortization method considering their estimated beneficial life of the assets over their values corrected in parallel with inflation accounting method. The details Related with estimated beneficial life of the assets are as follows:

Buildings	5-50 years
Underground and over ground systems	5-50 years
Machine, facility & equipment	5-22 years
Vehicles and tools	5- 8 years
Furniture & fixtures	3-20 years
Other tangible fixed assets	5 years

(g) Intangible Assets:

Intangible Assets are reflected as by deducting accumulated redemption shares from cost values.

Intangible Assets, Since 31 December 2004, were indexed and for taking it to the purchasing power of NTL on the balance sheet date, their first record in the assets group was considered.

Amortization for Tangible Assets was assigned by using regular amortization method considering their estimated beneficial life of the assets over their values corrected in parallel with inflation accounting method:

Rights	3-15 years
Special costs	5 years
Other Intangible Assets	3-5 years

3. Practiced Accounting Policies and Evaluation Methods (continued)

(h) Assets and debts by Foreign Currency Type:

Assets in the balance sheet dependent to Foreign Currency are converted in accordance to the foreign currency buying rate of TR Central Bank on the date of balance sheet and debts to foreign currency sale rate of TR Central Bank on the date of balance sheet. Foreign Currency dependent transactions realized within the period are converted to NTL by using effective ratios on the date of transaction. Income or expense due to such Foreign Currency rate variance because of to such transactions is included in income tables. Foreign Currency Rates of TR Central Bank Since the date of balance sheet used by the Principle Company and Affiliated Partners in evaluating is as the following:

30 June 2005

31 December 2004

	Buying	Selling	Buying	Selling
ABD Dollars	1,3418	1,3483	1,3421	1,3486
EURO	1,5875	1,5952	1,8268	1,8356
CHF	1,0188	1,0254	1,1806	1,1882
GBP	2,3121	2,3242	2,5765	2,5900
CAD	1,1545	1,1597	1,1094	1,1144
SEK	0,1678	0,1696	0,2018	0,2039

(i) Devaluation of Assets:

Where registered values of the assets are beyond their recoverable values, the registered value of assets is deducted into recoverable value by assigning devaluation equivalent and the amount is reflected in the income table as expense.

On the other hand, the recoverable value of assets producing cash is the one higher from their net sale values and utilization values. The utilization value of mentioned assets expresses net today's value deducted by a reasonable deduction ratio of net cash records to be obtained due to continuous utilization and sales of such assets.

(j) Postponed Taxes:

Postponed Taxes are calculated over temporary variance forming between deductible tax assessment of the assets and debts and their amounts recorded in financial tables by using responsibility method. Main temporary variances are due to accounting procedure of income and expenses in various financial table periods arranged according to the Notification numbered Serial XI and No: 25 as well as tax laws.

While postponed tax responsibility is calculated for all temporary variance subject to tax, Postponed Tax Receivables, made of temporary variance to be deducted is calculated thinking that the Principle Company and Affiliated Partners will have profits subject to tax in future tax periods.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(j) Postponed Taxes (continued):

On condition that, it is subject to the tax regulations of the same country and where there is a legal practicable right Related with deducting, offsetting of current tax assets from current tax debts postponed tax assets and postponed tax debts are offset from each other.

(k) Taxes:

2005

Company earnings are subject to institutions tax in ratio of thirty percent (30%). In case a deduction investment exemption is applied, unless such dividends are not distributed, no stoppage (deduction at source) can be calculated due to other institutions tax as in the other exemption earnings. However, in case the benefited investment deduction is based on Additional 1 and Additional 6 of Income Tax Law (GVK), cancelled by the law numbered 4842, according to the temporary article 61 of the same law, notwithstanding it is distributed considering the benefited investment deduction or not, income tax deduction at source in ratio of 19,8 % is applied. Notwithstanding it is due to exemption or not, 10 % income tax deduction over dividends distributed to real persons fully responsible taxpayers and real person limited taxpayers and institutions as cash will be paid. However, there will be no income tax deduction at source will be applied in case dividend distribution is related to profits for the year 1998 and previous years, as well as dividend distribution due to profits due to investment deductions in the years 1999,2000, 2001 and 2002 about which deduction at source was applied in ratio of 19,8 % and for exemption profits stated above. There will be no income tax deduction at source concerning dividend distribution conducted by adding current year and previous year profits to the capital. On the other hand, there will be no deduction at source Related with dividend distribution to fully responsible taxpayer institutions. In addition, temporary tax in ratio of thirty percent (30%) over tax assessment declared in interim periods within the year to be deducted for institutions tax is paid.

According to the duplicated entry 298, amended by the law numbered 5024 Related with Tax Method Law, as the increase in TEFÉ Since March 2006 is less than 100 % in the last 36 months and less than 10 % in the last 12 months, the inflation correction practice starting in 2005 was halted. In June, September and December 2006 periods, since the conditions of 100% and 10% were not realized simultaneously, inflation correction practice did not start. Therefore, no inflation correction related with 2006 was conducted.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(k) Taxes (continued):

2004

Company earnings are subject to institutions tax in ratio of thirty – three percent (33%). In case a deduction investment exemption is applied, unless such dividends are not distributed, no stoppage (deduction at source) can be calculated due to institutions tax as in the other exemption earnings. However, in case the benefited investment deduction is based on Additional 1 and Additional 6 of Income Tax Law (GVK), cancelled by the law numbered 4842, according to the temporary article 61 of the same law, notwithstanding it is distributed considering the benefited investment deduction or not, income tax deduction at source in ratio of 19,8 % is applied, no fund share is calculated separately. Notwithstanding it is due to exemption or not, 10 % income tax deduction over dividends distributed to real persons fully responsible taxpayers and real person limited taxpayers and institutions as cash will be paid. However, there will be no income tax deduction at source will be applied in case dividend distribution is related to profits for the year 1998 and previous years, as well as dividend distribution due to profits due to investment deductions in the years 1999, 2000, 2001 and 2002 about which deduction at source was applied in ratio of 19,8 % and for exemption profits stated above. There will be no income tax deduction at source concerning dividend distribution conducted by adding current year and previous year profits to the capital. On the other hand, there will be no deduction at source Related with dividend distribution to fully responsible taxpayer institutions.

Forty percent (40%) of companies' investment expenditures concerning fixed assets after 24.04.2003 – except some exemptions – will benefit from investment deduction exemption to be exempted from institutions tax. There will be no deduction at source over such exempted amounts. In case institution earning is not sufficient, the right of investment deduction is transferred to following years. In order to benefit investment deduction exemption, there is no requirement to have "Investment Encouragement Certificate."

In addition, temporary tax in ratio of thirty – three percent (33%) over tax assessment declared in interim periods within the year to be deducted for institutions tax is paid.

According to the duplicated entry 298, amended by the law numbered 5024 Related with Tax Method Law, taxpayers keeping books by the balance sheet basis, in case the increase in TEFE is less than 100 % in the last three years and less than 10 % within the current year, they are obliged to keep their financial tables in parallel with inflation correction. Since the condition of 10% was not realized within 2005 first temporary tax period, no inflation correction practice was applied. Therefore, no inflation correction related with 2004 was conducted. However, since the condition of 10% was realized within 2004 second temporary tax period, inflation correction practice was applied. Therefore, the practice of inflation correction was continued in following temporary tax in ratio of 10% over tax assessment periods and at the year end.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(k) Taxes (continued):

2005 (continued)

In Turkish Tax System, financial losses can be deducted from financial profits (assessment) within the following five years, it is not possible to deduct the same from assessments in previous years.

Since 30 June 2005 and 31 December 2004, tax Equivalents were assigned considering the current tax regulations.

(l) Equivalent for Seniority Indemnity :

According to Labor Law, the company is responsible to pay seniority indemnity for personnel whose employment is cancelled without fair grounds, invited to military service, leaving employment within one year due to marriage (for women), retired or died. Indemnity to be paid is one month's value for each year employed and Since 30 December 2005, this amount was limited by 1.648.90 NTL for each service year (31 December 2004– 1.574,74 NTL).

Except Akrom Ak-Al Textile Romania S.R.L, the Principle Company and Affiliated Partners calculated Seniority Indemnity responsibility considering the financial tables and evaluation factors stated in the Notification of the Capital Market Board numbered Serial XI, No: 25 in Section 29 entitled "Benefits to Employees." According to Romanian regulation Akrom Ak-Al Textile Romania SRL, one of the Affiliated Partners, is subject to, there is no Seniority Indemnity responsibility.

Since Seniority Indemnity Debts is related to 'Certain Benefit Plans after Employment Period' defined in this section as to their characteristics, the mentioned Debts was calculated by using "Anticipated Unit Credit Method' and certain presumptions and entered in the financial tables.

- Considering personnel service periods of the employee in previous years, the dates they are eligible for pension payment and rights according to existing social security laws.
- In case the personnel are eligible or employment is cancelled, for calculating today's value of the debts to be paid in future, current wages of employees or Seniority Indemnity determined by the state, which one is lesser, in 30 June 2005 and 31 December 2004 values, is considered as fixed in order to eliminate the inflation effect and then this value was deducted by real discount ratio of 10 by comparing yearly inflation rate of 16% with the anticipated average interest rate of treasury internal debt notes 5,45%, and thus net today's value of Seniority Indemnity responsibility on the balance sheet date was calculated.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(l) Seniority Indemnity Equivalent (continued):

- Calculating the rate of those eligible for Seniority Indemnity in comparison to total employee requires actuarial calculation. This calculation is conducted by determining those became eligible for Seniority Indemnity among employees of the company in the past to total current personnel.

Actuarial suppositions used in order to calculate Seniority Indemnity responsibility Since 30 June 2005 and 31 December 2004 are as the following:

	<u>31 June 2005</u>	<u>31 December 2004</u>
Discount rate	5,45%	5,45%
Those became eligible for Seniority Indemnity Among employees of the company in the past to total current personnel	100%	100%

(m) Income and Expenses :

For determining of Income and Expenses items, the principle of accrual is applied. Accordingly, yield, income and profits are entered into accounting books in a manner they are compared to cost, expenses and loss belonging to the same period.

(n) Earning per Share / (Loss) :

Earning per Share / (Loss) is calculated by dividing Term Net Profit or Loss by weighted average of regular ordinary securities belonging the owners of ordinary securities of Term Net Profit or Loss.

(o) Accounting Estimations:

During preparation of the financial tables according to the Notification numbered Serial XI and No: 25, the Management may make anticipations and estimations having an effect on matters such as the balance sheet value of the Assets and Liabilities, income and expense amount occurring during the period, Debts outside the balance sheet, stated in the financial tables, Since the date of balance sheet. However, sometimes actual results may have variance in comparison with estimated ones.

3. Practiced Accounting Policies and Evaluation Methods (continued)

(p) Events after the Date of Balance Sheet:

In case developments will occur requiring correction after the date of balance sheet, the company will correct such amounts taken into the financial tables in parallel with such development and In case developments will occur not requiring correction after the date of balance sheet, she will explain the same in the related period in case it is important.

(q) Conditional Assets and Liabilities:

Assets and Debts, of which approval is possible due to developments because of previous events and one or more future events not under control of the corporation are not taken into Assets and Debts and evaluated as conditional Assets and Debts.

(r) Borrowing Costs:

Borrowing Costs are recorded as expenses. Borrowing Costs relating to special assets are included into the cost of special asset, which is directly related. In case necessary activities are completed in order to utilize or make ready for sale If a special assets as intended, activation of Borrowing Costs are ended. Akenerji Elektrik Üretim A.Ş., one of the Affiliated Partners, deducted net (4.556.699) NTL, occurring due to deduction of interest expenses because of benefiting foreign exchange variance directly related to continuing investments.

(s) Reporting Financial Details according to Sections:

The activities of the Principle Company and Affiliated Partners are placed into four sectors such as chemistry, textile, energy and other. Within the scope of 'other' sectors, marketing and foreign trade activities. Since the commercial volume of companies within this group is low, we did not consider them to prepare a separate report.

(t) State Encouragement and Investments:

State Encouragement the Principle Company benefits are of income related State Encouragements and stated in the income table.

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4. Liquid Assets

Liquid Values are as the following (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Cash	580.159	270.616
Bank		
- Undated current NTL deposit	2.994.746	2.719.008
- Undated current foreign currency deposit	4.796.267	1.462.499
- Fixed term NTL deposit*	61.091.988	54.215.496
- Fixed term foreign currency deposit**	178.335.151	272.243.201
Cheques Received	924.447	1.188.870
Other Liquid Assets	<u>1.978</u>	<u>445.675</u>
	<u>248.724.736</u>	<u>332.545.365</u>

5. Securities

31 June 2005

27.948.999

31

December

2004

9.007.840

Securities are as the following (NTL) :

Financial assets to be held at hand until maturity date

- Public bonds, notes and facilities

Maturities of Financial assets to be held at hand until maturity are 05.07.2006 – 13.09.2006, interest rates changes between 5.33% - 6.47%.

6. Financial Debts

Financial Debts are as the following (NTL):

	<u>31 June 2005</u>	<u>31 December 2004</u>
Short term bank credits	83.739.485	49.016.239
Long term credits principle repayment		
Installment and interest	10.941.414	14.961.213
Long term credits	42.518.546	44.959.634
	<u>1</u>	
	<u>37.199.445</u>	<u>108.937.086</u>

Maturity dates of long-term fixed credits change between 02. August.2005– 25. April.2012.

7. Commercial Receivable & Debts

Short term Commercial Receivables are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Buyers	164.125.875	145.577.513
Receivable notes and termed cheques	83.285.433	84.715.609
Receivables rediscount (-)	(2.940.719)	(4.688.753)
Deposit & guarantees given	81.514	49.528
Other short term receivables	3.315	1.288
Doubtful commercial receivables	4.351.192	2.957.432
Equivalent for doubtful commercial receivables (-)	(<u>4.351.192</u>)	(<u>2.957.432</u>)
	<u>244.555.418</u>	<u>225.655.185</u>

Long term Commercial Receivables are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Deposit & securities given	267.711	266.185

Commercial Debts are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Suppliers	140.750.290	173.241.757
Borrowing rediscount (-)	(1.224.189)	(2.091.189)
Deposit & securities received	4.384	81.061
Other Commercial Debts	<u>3.723</u>	<u>21.205</u>
	<u>139.534.208</u>	<u>171.252.834</u>

8. Financial Leasing Receivable & Debts

Since 30 July 2005, no financial leasing receivables and debts exist.
(None since 31 December 2004).

9. Receivable & Debts and Transactions with related parties

Receivables from related parties are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	7.623.406	515.117
Kartopu Tekstil Mam. Paz. Tic. A.Ş.*	13.748.560	13.004.123
Dinarsu İmalat ve Tic. A.Ş.**	7.644.742	6.715.577
Üçgen Bakım ve Yönetim Hiz. A.Ş.	256.310	273.317
Akport Tekirdağ Liman İşletmeleri A.Ş.	4.376	9.050
Aken B.V.		9.050
Fitco B.V	5.107	5.107
Other ***	31.227.300	29.116.703
Receivables rediscount (-)	158.912	<u>58.833</u>
	<u>65.723.229</u>	<u>53.420.111</u>

Debts to related parties (short term) are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	408.509	350.429
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	313.816	289.453
Dinkal Sigorta Acenteliği A.Ş.	418.126	45.312
Bozüyük Orman Ürünleri Sanayi Tesisleri A.Ş.	62.611	49.756
Akkim Kimya San. ve Tic. A.Ş.	4.208.913	4.583.517
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	83.514	-
Debts to partners	50.542	3.691
Other ***	4.458.456***	3.966.901****
Debt rediscount (-)	34.729	<u>(9.269)</u>
	<u>9.967.572</u>	<u>9.279.790</u>

Debts to Related Parties (long term) are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	<u>2.682.600</u> ***	<u>2.684.200</u> ***

* According to the legal status of Akenerji Elektrik Üretim A.Ş., one of the Affiliated Partners, the companies which sell products must be shareholder. Of these 285 shareholders since 30 June 2005, (31 December 2004 – 290) except shareholders of Akkök Group are collectively under the title “other.”

** Of the Commercial Debts of Akenerji Elektrik Üretim A.Ş., one of the Affiliated Partners, Since 30 June 2005, the amount of 44.216 NTL (31 December 2004 - 76.676 NTL), consist of deposits & securities received from shareholders.

*** Including 2.000.000 USD which Akrom Ak-al Textile Romania S.R.L., one of the Affiliated Partners, used from Akkök Sanayi Yatırım and Geliştirme A.Ş. on 25 December 2000, repayment date is 25 December 2006

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9. Receivable & Debts and Transactions with related parties
(continued)

Since 30 June 2005 and 31 December 2005, sales to related parties are as the following (NTL)

	<u>01 January 2005-</u> <u>30 June 2005</u>	<u>01 April 2005-30</u> <u>June 2005</u>	<u>31 December</u> <u>2004</u>
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	5.903.568	2.863.768	15.460.112
Dinarsu İmalat ve Tic. A.Ş.**	821.623	522.322	2.192.006
Akkök Sanayi Yatırım ve Geliştirme	42.594	20.976	87.008
Akkim Kimya Sanayi ve Tic. A.Ş.	9.420.200	4.885.480	21.854.805
Kartopu Tekstil Mam. Paz. Tic. A.Ş.*	6.500.084	1.696.487	8.457.695
Üçgen Bakım ve Yönetim Hiz. A.Ş.	1.170.110	605.144	2.985.540
Akport Tekirdağ Liman İşletmeleri A.Ş.	33.801	12.322	-
Other *	<u>132.924.121</u>	<u>71.690.316</u>	<u>276.182.541</u>
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	<u>156.816.101</u>	<u>82.296.815</u>	<u>327.219.707</u>

Since 30 July 2005 and 31 December 2004 purchases from related parties are as the following (NTL):

	<u>1 January 2005-</u> <u>30 July 2005</u>	<u>1 April 2005- 30</u> <u>July 2005</u>	<u>31 December</u> <u>2004</u>
Ak-Han Bakım Yönt. Ve Serv.Hizm.Güven.Malz. A.Ş.	597.707	300.181	1.339.960
Dinarsu İmalat ve Tic. A.Ş.**	506.034	290.911	2.268.352
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	424.344	163.186	26.319.718
Dinkal Sigorta Acenteliği A.Ş.	1.583.208	152.947	1.860.044
Akkim Kimya Sanayi ve Tic. A.Ş.	11.072.933	5.453.807	27.087.082
Kartopu Tekstil Mam. Paz. Tic. A.Ş.*	23.779	22.805	-
Üçgen Bakım ve Yönetim Hiz. A.Ş.	107.183	49.667	78.906
Akkök Sanayi Yatırım ve Geliştirme	1.201.055	639.815	2.626.525
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	1.629.420	896.017	3.018.253
Other ***	<u>21.048.845</u>	<u>11.072.497</u>	<u>13.628.818</u>
	<u>38.194.508</u>	<u>19.041.833</u>	<u>78.287.658</u>

* Because of the legal status of Akenerji Elektrik Üretim A.Ş. which is one of the Affiliated Partners, the sum of other partners that are excluded from the partners whom are included in the Akkök Group of companies.

10. Other Receivables & Debts

Other Receivables are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Receivable from personnel	317.183	335.67
Other Short term Receivable	538.882	311.74
Doubtful Receivables	159.250	275.07
Equivalent for other Doubtful Receivables	(159.250)	(275.07)
Receivable rediscount	-	(1.48)
	<u>856.065</u>	<u>645.92</u>

Other Debts are as the following (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Debts to personnel	669.060	525.6
Other various Debts	131.118	129.1
Taxes, fees & other deductions to be paid	3.353.453	4.707.4
Social security deductions to be paid	1.381.973	1.379.7
Other Debts to be paid	21.006	3.8
Income for following months	583.667	288.5
Other VAT	15.823.776	15.470.9
Expenses Realizations	275.743	251.7
	<u>22.239.796</u>	<u>22.757.0</u>

11. Alive Assets

There are no alive assets since 30 July 2005 and 31 December 2004

12. Stocks

Stocks are as the following: (NTL) :

	<u>30 July 2005</u>	<u>31 December 2004</u>
Raw material & initial materials	82.857.864	98.811.34
Semi-finished products	12.459.422	13.180.25
Intermediate products	1.754.881	975.08
Products	39.349.472	26.155.28
Commodities	3.118.500	2.667.69
Equivalent for stock devaluation	(297.049)	(166.42)
Order advance payments given	9.290.684	3.147.32
Raw material & initial materials	<u>148.533.774</u>	<u>144.770.55</u>

13. Ongoing Construction Contracts Receivable and Progress Amounts

Since 30 June 2005 and 31 December 2004, there is no Ongoing Construction Contracts Receivable and Progress Amounts.

14. Postponed Tax and Debts

Postponed tax receivable, Debts, income and expenses as well as the temporary variances used as a basis for postponed tax calculations are as the following (NTL) :

Temporary Income / (Expense) Differences

	<u>30 June 2005</u>	<u>31 December 2004</u>
Receivable rediscount correction record	4.501.831	6.684.885
Seniority compensation & leave equivalent record	12.366.062	11.966.391
Record of correcting expense accruals	26.081	-
Credit discount correction record	11.400	19.022
Assessment for postponed tax receivable over the Records Related with Consolidation	<u>1.184.823</u>	<u>5.354.912</u>
Sum of deferred tax receivable	<u>18.090.197</u>	<u>24.025.210</u>
Net variance between recorded stock values & tax assessments	-	105.255
Debts rediscount correction record	2.411.849	3.878.729
Net variance between recorded values of tangible & intangible fixed assets and tax assessments	<u>337.918.116</u>	<u>339.703.170</u>
Postponed tax liability assessment	<u>340.329.965</u>	<u>343.687.160</u>
Postponed tax liability assessment (net)	<u>322.239.768</u>	<u>319.661.950</u>
Postponed tax liability (net) *	<u>86.170.918</u>	<u>82.249.634</u>

* Since 30 June 2005 and 31 December 2004, tax rates were considered as 30% and 19,8% (Note: 3 (k)).

Postponed Tax Income / (Expense) (NTL):

	<u>30 June 2005</u>
Current term postponed tax receivable / (debts)	(86.170.918)
Previous term postponed tax (debts) / receivable cancellation	82.249.634
Postponed tax income / (expense) (Note: 41)	<u>(3.921.284)</u>

15. Other Current/Non-Current Assets and Short / Long Term Debts

Other current/current assets are as the following: (NTL):

	30 June 2005	31 December 2004
Expenses For Following Months	2.238.708	1.094.619
Transferred VAT	3.640.497	3.692.019
Deductible VAT	48.186	465.709
Other VAT	15.823.776	15.470.939
Tax & Funds paid in cash	-	(21.989.433)
Equivalents for tax	-	22.485.297
Adv. payments for completed work	34.054	24.454
Personnel advance payments	1.894.953	1.044.758
Other various current assets	<u>275.873</u>	-
	<u>23.956.047</u>	<u>22.288.362</u>

Other non-current /fixed assets are as the following: (NTL) :

	<u>30 June 2005</u>	31 December 2004
Expenses for following months	104.372	86.676
Other VAT	54.554	47.594
Other non-current assets	6.343	4.932
	<u>165.269</u>	<u>139.202</u>

Long term other liabilities are as the following: (NTL) :

	<u>30 June 2005</u>	31 <u>December 2004</u>
Cancelled VAT	54.554	<u>47.594</u>

16. Financial Assets

Financial assets are as the following: (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Participations;		
Ak Havacılık Ulaştırma Hizmetleri A.Ş	22.181.034	22.181.034
Ak-Han Bak. Yön. Serv. Hizm. Güven. Malz.A.Ş	97.597	97.597
Atak Garn-und Textilhandel GMBH	97.060	97.060
Affiliated Partners;		
Aken B.V.	1.988.943	1.988.943
Aksa Egypt Acrylic Fiber Industry SAE	30.987	30.987
Fitco B.V.	774.495	774.495
Bozüyük Orman Ürünleri Sanayi Tesisleri A.Ş.	735.919	735.919
Other Financial fixed assets	<u>9.397</u>	<u>8.808</u>
	<u>25.915.432</u>	<u>25.914.843</u>

17. Positive / Negative Betterment Levy

Since 31 December 2006 and 2005 there are no any betterment levies.

18. Real Estates For Investment Purpose

Since 31 December 2006 and 2005 there are no any real estates for investment purposes.

19. Tangible Assets

Tangible Assets are as the following: (NTL)

	Opening 01.January.2005	Additions	Transfers	Sales	Conversion Variances & Elimination
Lands and territories	59.457.800		- -		-
Over ground and underground arrangements	66.165.717	23.000	5.010.548	-	-
Buildings	135.359.906	20.784	4.614.141	(216.121)	(440.464)
Machinery & Equipment	1.300.638.462	561.219	123.543.099	(25.101.646)	(648.732)
Vehicles	11.312.127	106.119	-	(2.320.663)	(75.1470)
Fixtures and Inventories	32.580.012	628.016	19.186	(262.461)	-
Other tangible assets	9.899	-	-	-	-
Ongoing Investments	168.911.346	32.167.969	(131.915.590)	(138.415)	(204.924)
Advances of ordered issued	<u>1.235.891</u>	<u>794.256</u>	<u>1.271.384</u>	=	=
Subtotal	1.775.671.160	34.301.363	-	(28.039.306)	(1.369.260)
Accumulated amortizations (-)	<u>(969.994.156)</u>	<u>(48.166.433)</u>	=	<u>26.250.434</u>	<u>421.577</u>
Total	<u>805.677.004</u>	<u>(13.865.070)</u>	=	<u>(1.788.872)</u>	<u>(947.683)</u>

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19. Tangible Assets (continued)

Tangible Assets are as the following (NTL) (continued):

	Opening 01.January.2004	Additions	Transfers	Sales	Conversion Variances & Elimination
Lands and territories	59.457.757	3.356.311	-	(211.488)	(3.144.780)
Over ground and underground arrangements	65.074.585	292.235	795.789	(22.456)	25.456
Buildings	131.105.612	1.915.438	1.158.421	(5.352.886)	6.533.321
Machinery & Equipment	1.284.380.690	5.582.367	16.862.884	(16.787.836)	10.600.357
Vehicles	13.088.604	1.335.459	-	(3.391.248)	279.312
Fixtures and Inventories	30.894.130	1.881.365	15.133	(210.616)	-
Other tangible assets	7.489	2.410	-	-	-
Ongoing Investments	98.138.034	91.507.937	(18.978.931)	(1.913.825)	158.141
Advances of ordered issued	<u>152.037</u>	<u>1.207.472</u>	<u>(123.618)</u>	=	=
Subtotal	1.682.298.938	107.080.994	(270.322)	(27.890.365)	14.451.915
Accumulated amortizations (-)	<u>(874.279.588)</u>	<u>(101.930.374)</u>	=	<u>19.811.424</u>	<u>(13.595.618)</u>
	<u>808.019.350</u>	<u>5.150.620</u>	<u>(270.322)</u>	<u>(8.078.941)</u>	<u>856.297</u>

20. Intangible assets are as the following: (NTL) :

	Opening 1 January 2005	Additions	Transfers	Closure 31 December
Rights	4.038.498	9.903	-	
Special costs	8.295.621	33.329	-	
Other intangible assets	<u>2.530.051</u>	<u>107.597</u>	=	
Subtotal	14.864.170	150.829	-	
Accumulated redemption shares (-)	<u>(8.840.506)</u>	<u>(695.484)</u>	=	
	<u>6.023.664</u>	<u>(544.655)</u>	=	

20. Intangible assets (continued)

Intangible assets are as the following (NTL) (continued) :

	Opening 1 January 2004	Additions	Exits	Closure 31 December 2004
Rights	3.524.673	513.825	-	4.038.49
Special costs	8.204.236	125.630	(34.245)	8.295.62
Other intangible assets	2.153.425	376.626	-	2.530.05
Subtotal	13.882.334	1.016.081	(34.245)	14.864.17
Acc. Redemption shares (-)	<u>(7.140.917)</u>	<u>1.709.535)</u>	<u>9.946</u>	<u>(8.840.50)</u>
	<u>6.741</u>	<u>(693.454)</u>	<u>(24.299)</u>	<u>6.023.66</u>

21. Advances Received

	<u>30 June 2005</u>	<u>31 December 2004</u>
Advances of orders received	2.811.093	2.950.165
Other advances received	9.000	-
	<u>2.820.093</u>	<u>2.950.165</u>

22. Pension Plans

Since 30 June 2005 and 31 December 2004 no pension plans exist.

23. Equivalents of Debts

Equivalents of short term debts are as following (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Equivalents for Taxes (Note: 41)	1.230.278	-
Taxes paid in cash	(954.251)	-
Equivalents for cost expenses	1.052.891	1.103.926
Equivalents for other debts & expenses	221.293	362.618
	<u>1.550.211</u>	<u>1.466.544</u>

23. Equivalents for debts (continued)

Long term equivalents for debts are as the following: (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Equivalents for seniority compensation (Note: 31)	12.376.865	11.976.529
Equivalents for other debts & expenses	7.935.796	7.878.614
	<u>20.312.661</u>	<u>19.855.143</u>

24. Non-Principle Company Shares/Non-Principle Company Profit / Loss

Since 30 June 2005 and 31 December 2004, external non-principle company shares & non-principle company profit / loss are as the following: (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Capital	236.377.353	234.836.604
Emission premium	143.501.900	143.501.900
Legal reserves	42.940.144	42.484.977
Extraordinary reserves	350.248.260	350.248.260
Accumulated profit / (loss)	(203.375.729)	(197.727.256)
Current term profit/(loss)	(31.073.376)	-
	<u>538.618.552</u>	<u>573.344.485</u>

25. Capital

Since 30 June 2005 and 31 December 2004, capital of the principle company are as the following (NTL):

	<u>Share Ratio</u>	<u>Amount of Share</u>	<u>Capital Correction</u>	<u>Total Corrected Capital</u>
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58%	10.750.588	133.814.179	144.564.767
Emniyet Tic. and San. A.Ş.	18,72%	5.084.662	63.289.550	68.374.212
Other **	41,70%	11.321.038	140.914.656	152.235.694
	<u>100,00%</u>	<u>27.156.288</u>	<u>338.018.385</u>	<u>365.174.673</u>

26. Capital Reserves

As a result of first financial table corrected according to the inflation, “Capital, Emission Premium, Legal Reserves and Extraordinary Reserves” which are equity capital items, are placed in the balance sheet with recorded values. The correction variances Related with such accounting items are placed altogether within equity account group under the title “Equity Inflation Correction Variances.” “Equity Inflation Correction Variances” Related with all equity items can be used only for deduction at source of the capital increase or loss.

Since 30 June 2005 and 31 December 2004, Equity Inflation Correction Variances formed due to indexing of the capital, emission premium, legal and extraordinary reserves are as the following: (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Inflation correction for capital	338.018.385	338.018.385
Inflation correction for extraordinary reserves *	129.083.228	129.083.228
Inflation correction for legal reserves	110.229.028	110.229.028
Inflation correction for emission premium	<u>23.261.756</u>	<u>23.261.756</u>
Equity Inflation Correction Variances	<u>600.592.397</u>	<u>600.592.397</u>

* 36.217.668 NTL, previous years losses formed due to corrections due to the Notification of the Capital Market Board numbered Serial XI, No: 25 as it was applied first time, was eliminated from inflation correction variances Related with extraordinary reserves in the balance sheet dated 31.12.2004, which is the opening balance sheet. However, in the letter of the Capital Market Board dated 10.03.2006 numbered B.02.1.SPK.0.17-91-3716, stipulated that loss amount related to the previous term balance sheet with “The Previous Term (Accumulated) Profit / Loss” to be arranged according to the Notification of the Capital Market Board numbered Serial XI, No: 25, Related with dividends in the first yearly financial tables to be arranged after 01.01.2005 will be considered as a deduction item while the net distributable profit within the frame of arrangements Related with dividend distribution of the Board. Therefore, elimination conducted in inflation correction variances belonging to extraordinary reserves in the balance sheet dated 31.12.2004.

27. Profit Reserves

Legal reserves according to Turkish Commerce Code are reserved as the following in the form as I. Order and II. Order:

- a) I. Order Reserves: %5 of the net profit is reserved up to 20% of the paid capital as I. Order legal reserves.
- b) II. Order Reserves: Of the net profit, after reserving I. Order legal reserves, and dividend in ratio of 5% is reserved for the shareholders, 10% of profit decided to be distributed as II. Order Reserves.

27. Profit Reserves (continued)

Unless it does not exceed the half of the capital, the legal reserves can be used for compensating losses or to maintain the company business when the affairs do not go well, to prevent unemployment or to mitigate the consequences by taking measures.

28. Previous Year Profits / (Loss)

Previous Year Profits / (Loss) are as the following: (NTL) :

	<u>30 June 2005</u>	<u>31 December 2004</u>
Previous year profits	3.780.997	3.780.997
Transfer to Reserves	(24.810.379)	-
Dividend payments	(12.974.268)	-
	<u>(34.003.650)</u>	<u>3.780.997</u>

29. Foreign Currency Position

Since 30 June 2005 and 31 December 2004, Receivable & Debts represented by foreign currency and having no guarantee for foreign exchange ratio as well as foreign currencies existing in assets are as the following:

	<u>30 June 2005</u>		
	<u>US Dollars</u>	<u>Euro</u>	<u>GBP</u>
<u>Assets ;</u>			
Immediate Values			
Principle Company	27.910.069.00	32.243.00	-
Affiliated Partners	20.205.244.51	65.822.871.23	5.312.544.82
	<u>48.115.313.51</u>	<u>65.855.114.23</u>	<u>5.312.544.82</u>
Commercial Receivables			
Principle Company	167.609.530.00	6.893.036.19	-
Affiliated Partners	116.807.412.58	16.927.378.04	708.326.11
Eliminations of Consolidation	76.838.286.49	(6.893.036.19)	-
	<u>207.578.656.09</u>	<u>16.927.378.04</u>	<u>708.326.11</u>
Non-Commercial Receivables			
Affiliated Partners	<u>873.252.36</u>	<u>129.567.73</u>	<u>75.676.53</u>

29. Foreign Currency Position (continued)

Since 30 June 2005 and 31 December 2004, Receivable & Debts represented by foreign currency and having foreign exchange ratio as well as foreign currencies existing in assets are as the following:
(continued):

	<u>30 June 2005</u>		
	<u>US Dollars</u>	<u>Euro</u>	<u>GBP</u>
<u>Liabilities:</u>			
Commercial Debts	<u>(76.697.643.00)</u>	<u>(110.040.00)</u>	-
Principle Companies	<u>(9.966.248.34)</u>	<u>(6.281.456.33)</u>	(175.974.24)
Affiliated Partners	<u>(86.663.891.34)</u>	<u>(6.391.496.33)</u>	<u>(175.974.24)</u>
Financial Debts			
Principle Companies	(16.588.063.00)	-	-
Affiliated Partners	(22.227.516.44)	(21.162.872.73)	(4.394.287.59)
	<u>(38.815.579.44)</u>	<u>(21.162.872.73)</u>	<u>(4.394.287.59)</u>
Non-Financial Debts			
Affiliated Partners	(820.088.51)	(1.604.63)	-
Net Foreign Currency Position	<u>130.267.662.67</u>	<u>55.356.086.31</u>	<u>1.526.086.31</u>

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Notes of Consolidated Financial Tables of the six months interim term ending on 30 June 2005

29. Foreign Currency Position (continued)

Since 30 June 2005 and 31 December 2004,, receivables & debts represented by foreign currency and having foreign exchange ratio as well as foreign currencies existing in assets are as the following:

	31 December 2004				
	<u>US Dollars</u>	<u>Euro</u>	<u>GBP</u>	<u>CHF</u>	<u>SEK</u>
<u>Assets</u>					
Immediate Values					
Principle Companies	60.880.552,00	-	-	-	-
Affiliated Partners	<u>39.063.511,96</u>	<u>69.118.004,22</u>	<u>6.329.551,09</u>	<u>14,75</u>	<u>933.789</u>
	<u>99.944.063,96</u>	<u>69.118.004,22</u>	<u>6.329.551,09</u>	<u>14,75</u>	<u>933.789</u>
Commercial Receivables					
Principle Companies	148.204.467,00	8.334.026,00	10.572,00	-	-
Affiliated Partners	<u>81.842.914,21</u>	<u>12.354.808,26</u>	<u>1.769.558,01</u>	-	2.641.011
Eliminations of Consolidation	<u>(58.090.266,00)</u>	<u>(7.914.026,00)</u>	<u>(10.572,00)</u>	-	-
	<u>171.957.115,21</u>	<u>12.774.808,26</u>	<u>1.765.558,01</u>	-	<u>2.641.011</u>
Non-Commercial Receivables					
Affiliated Partners	<u>874.332,95</u>	<u>1.757.332,29</u>	<u>17.555,36</u>	-	-
<u>Liabilities</u>					
Commercial Debts					
Principle Companies	<u>(92.705.669,00)</u>	<u>(6.456,00)</u>	<u>(22.551,00)</u>	-	-
Affiliated Partners	<u>(10.812.908,92)</u>	<u>(4.792.331,00)</u>	<u>(344.293,82)</u>	<u>(180.007,94)</u>	-
	<u>(103.518.577,92)</u>	<u>(4.798.787,00)</u>	<u>(366.844,82)</u>	<u>(180.007,94)</u>	-
Financial Debts					
Principle Companies	<u>(4.434.424,00)</u>	-	-	-	-
Affiliated Partners	<u>(10.121.184,91)</u>	<u>(21.039.998,51)</u>	<u>(5.272.148,83)</u>	<u>(6.418.059,08)</u>	-
	<u>(14.555.608,91)</u>	<u>(21.039.998,51)</u>	<u>(5.272.148,83)</u>	<u>(6.418.059,08)</u>	-
Non-Commercial Debts					
Affiliated Partners	<u>(442.145,43)</u>	<u>(377.866,63)</u>	-	<u>(755,00)</u>	-
Net Foreign Currency Position	<u>154.259.179,86</u>	<u>57.433.492,63</u>	<u>2.477.670,81</u>	<u>6.598.827,27</u>	<u>3.574.801</u>

30. State Encouragement & Aids

The Principle Company benefits from state encouragements within the frame of Notification Related with Supporting of Foreign Fair Attendance numbered 206/4 of Money – Credit and Coordination Board, based on the authority granted by the article 4 of State Supports Decision for Exporting of the Council of Ministers dated 27.12.1994 numbered 94/6401.

Since 30.June.2005, benefited state encouragements are 29.438 NTL. (31 December 2004 - 82.308 NTL).

31. Equivalents, Conditional Assets and Debts

- a) Since 30.June.2005, the undertaking amount not stated in the debts are 74.314.417 NTL, 129.034.725 USD and 3.222.599 CHF (31 December 2004 – 31.612.547 NTL, 125.141.835 US Dollars and 6.521.948 CHF)
- b) Since 30.June.2005, the guarantee amount received for the short term termed commercial receivable is 129.206.365 NTL, 14.323.253 US Dollars, 730.761 EURO and 200.000 GBP. (31 December 2005 – 86.448.088 NTL, 15.540.842 US Dollars, 730.761 EURO and 200.000 GBP).
- c) Since 30.June.2005, total value of legal disagreements filed and pending against third persons and institutions by the Principle Company and Affiliated Partners is 4.607.205 NTL. (31 December 2004 – 2.350.383 NTL).
- d) Since 30.June.2005, total value of legal disagreements filed and pending by third persons and institutions against the Principle Company and Affiliated Partners is 8.025.344 NTL. (31 December 2004 – 8.715.307 NTL).
- e) Since 30.June.2005, the Equivalent amounts and the receivable assigned recorded in the Principle Company and Affiliated Partners, which can not be collected though they are due as to the maturity is 4.510.442 NTL. (31 December 2004 – 3.232.502 NTL).
- f) Since 30.June.2005, guarantee amount assigned by Ak-Al Tekstil Sanayii A.Ş., the affiliated company, for the benefit of the Affiliated Partners is 1.336.593 EURO and 14.567.881 USD. (31 December 2004 – 3.260.000 EURO and 10.817.000 US Dollars).
- g) Since 30.June.2005, according to the Exporting Encouragement certificate granted to Ak-Al Tekstil Sanayii A.Ş., one of the Affiliated Partners, there is exporting undertaking in amount of 16.059.000 US Dollars (31 December 2004 – 20.764.000 US Dollars).
- h) Since 30.June.2005, according to the Exporting Encouragement certificate granted to Ak-Al Tekstil Sanayii A.Ş., one of the Affiliated Partners, there is exporting undertaking in amount of 31.000 US Dollars (31 December 2004 – 41.000 US Dollars).

31. Equivalents, Conditional Assets and Debts

- i) Since 30.June.2005, there is exporting undertaking in amount of 1.071.830 US Dollars, Related with Ak-Al Tekstil Sanayii A.Ş., one of the Affiliated Partners, due to utilized Eximbank credits (31 December 2004-963.013 USD).
- j) Since 30.June.2005, there is exporting undertaking in amount of 18.500.000 US Dollars, Related with Ak-Al Tekstil Sanayii A.Ş., one of the Affiliated Partners, due to foreign currency exchange credits (31 December 2004 – 10.000.000 US Dollars).
- k) Seniority Compensation Equivalent are as the following (NTL) :

Seniority compensation equivalent (note: 23)	11.976.529
Current term expenses	400.336
Long term seniority compensation equivalent (note: 23)	<u>12.376.865</u>

32. Mergers

Since 30 June 2005 and 31 December 2004 no mergers has occurred.

33. Reporting of Financial Details According to Sections

Since 30 June 2005 financial details according to sections as the following (NTL):

	Chemistry *	Textile	Energy	Other	Classification and Elimination
Assets Current/Floating Assets	417.349.162	111.451.934	280.902.136	100.832.890	(150.237.854)
Immediate Values	46.285.595	8.212.021	189.835.496	4.384.912	6.712
Stocks and Bonds (net)	-	-	27.948.999	-	-
Commercial Receivables net)	242.647.827	64.300.574	50.548.367	95.936.611	(208.877.961)
Receivables From Related Parties (net)	5.372.340	100.023	5.107	190.092	60.055.667
Other Receivables (net)	707.531	32.493	21.392	-	94.649
Stocks (net)	101.893.619	37.408.592	9.785.421	15.059	568.917)
Other Current/Floating Assets	20.442.250	1.398.231	2.757.354	306.216	948.004)
Non-Current/Fixed Assets	332.969.280	137.811.030	410.722.175	2.262.536	(62.862.221)
Commercial Receivables (net)	8.901	997	257.813	-	-
Financial Assets (net)	40.822.258	35.718.390	8.918.812	136.207	(59.680.235)
Tangible Assets (net)	291.726.280	98.340.697	400.109.800	1.855.089	(2.956.487)
Intangible Assets (net)	350.947	3.668.318	1.424.010	35.734.	-
Deferred Tax Assets	-	-	-	225.499	(225.499)
Other Non-Current Fixed Assets	<u>60.894</u>	<u>82.628</u>	<u>11.740</u>	<u>10.007</u>	=
TOTAL ASSETS	<u>750.318.442</u>	<u>249.262.964</u>	<u>691.624.311</u>	<u>103.095.426</u>	<u>(213.400.075)</u>

* The chemistry sector covers the financial data of the Principle Company

33. Reporting of Financial Details in Sections (continued)

Since 30 June 2005 financial details according to sections as the following (NTL) (continued):

	Chemistry *	Textile	Energy	Other	Classification and Elimination
LIABILITIES					
Short Term Liabilities	166.108.777	99.674.185	58.921.922	96.380.335	(150.292.440)
Financial Debts (net)	22.735.999	45.482.388	181.457	15.240.829	98.812
Short Term Sections of Long Term Financial Debts (net)	-	276.035	10.665.379	-	-
Commercial Debts (net)	125.709.879	47.289.415	41.372.112	79.275.703	(154.112.901)
Debts to Related Parties (net)	4.306	189.490	4.971.765	40.257	4.761.754
Advances Received	271.806	2.488.348	21.214	38.725	-
Equivalents of Debts	69.877	1.525.087	309.259	587.281	(9414.293)
Other Liabilities (net)	17.316.910	2.423.422	1.400.736	1.197.540	(98.812)
Long Term Liabilities	45.102.762	15.698.819	90.760.154	758.490	(580.949)
Financial Debts (net)	-	2.682.600	42.518.546	-	(2.682.600)
Debts to Related Parties (net)	-	-	-	-	2.682.600
Equivalents of Debts	13.417.798	4.912.388	1.223.985	758.490	-
Liabilities of Deferred Taxes	31.684.964	8.049.277	47.017.623	-	(580.946)
Other Liabilities (net)	-	54.554	-	-	-
SHARES OUTSIDE OF PRINCIPLE PARTNERSHIP	-	-	1.096.634	-	537.521.918
CAPITAL EQUITY					
Capital	539.106.903	133.889.960	540.845.601	5.956.601	(599.748.607)
Capital Reserves Share certificates Export Premiums	365.174.673	129.531.708	167.328.907	17.549.897	(652.428.897)
Equity Capital Inflation Correction Variances	1.669.548	358.459	173.250.498	-	(175.278.505)
Profit Reserves	-	-	-	-	564.374.729
Legal Reserves	114.568.585	32.192.410	18.917.455	1.569.977	(164.912.773)
Extraordinary Reserves	658.613.567	99.872.314	328.985.438	286.369	(1.065.282.963)
Foreign Currencies Exchange Variances	-	-	-	-	48.354
Net Term Profit/Loss	5.542.000	(13.723.948)	(26.505.194)	1.884.371	34.249.461
Profits/Losses of Past Years	<u>(606.461.470)</u>	<u>(114.340.938)</u>	<u>(121.131.503)</u>	<u>(15.334.013)</u>	<u>859.481.987</u>
Total Equity Capital Liabilities	<u>750.318.442</u>	<u>249.262.964</u>	<u>691.624.311</u>	<u>103.095.426</u>	<u>213.100.075</u>

* The chemistry sector covers the financial data of the Principle Company

33. Reporting of Financial Details in Sections (continued)

Since 30 June 2005, financial details according to sections as the following (NTL) (continued):

INCOMES OF MAIN ACTIVITIES	Chemistry *	Textile	Energy	Other	Classification and Elimination	
Incomes of Sales (net)	347.008.299	88.028.306	182.340.749	153.767.268	(222.931.122)	5
Costs of Sales (-)	(315.587.303)	(90.652.670)	(191.094.779)	(150.146.754)	218.595.538	(5)
Incomes of Service (net)	-	-	-	-	-	-
Other Incomes from Principle activities/Interest+Dividend+Rent (net)	-	-	-	-	-	-
GROSS PRINCIPLE ACTIVITY PROFIT/(LOSS)	31.420.996	(2.624.364)	(8.753.985)	3.620.514	(4.335.584)	19
Expenses of Activities (-)	<u>(16.128.089)</u>	<u>(10.4863.396)</u>	<u>(11.037.690)</u>	<u>(2.030.366)</u>	<u>(1.391.235)</u>	<u>(4)</u>
NET PRINCIPLE ACTIVITY PROFIT/(LOSS)	15.292.907	(13.107.760)	(19.791.675)	1.590.148	(5.726.819)	(2)
Income and Profit From Other Activities	42.165.374	14.613.883	15.351.650	4.747.762	(19.054.683)	5
Income and Losses From Other Activities (-)	(51.351.956)	(14.175.132)	(15.839.978)	(4.099.542)	29.245.026	(5)
Financing Expenses (-)	<u>(1.729.722)</u>	<u>(1.976.327)</u>	<u>(653.338)</u>	=	<u>25.058</u>	<u>(4)</u>
ACTIVITY (LOSS)	4.376.603	(14.645.336)	(20.933.341)	2.238.368	4.448.582	(2)
Net Monetary Position Profit/Loss	-	-	-	-	-	-
EXCLUDING PRINCIPLE PARTNER PROFIT/LOSS	-	-	61.470	-	31.011.906	3
PROFIT/(LOSS) PRIOR TAXATION	4.376.603	(14.645.336)	(20.871.871)	2.238.368	35.500.488	6
Taxes	1.165.397	921.388	(5.633.323)	(353.997)	(1.251.027)	(5)
NET TERM PROFIT/(LOSS)	5.542.000	(13.723.948)	(26.723.948)	1.884.371	34.249.461	1

Distribution of current year amortization according to sections are displayed below:

	Chemistry *	Textile	Energy	Other	Elimination	
Chemical Assets	16.058.664	8.647.380	23.361.814	98.575	(421.577)	4
Intangible Assets	85.714	293.714	291.744	24.254	-	6
Amortization sum of current year	<u>16.144.378</u>	<u>8.941.152</u>	<u>23.653.558</u>	<u>122.829</u>	<u>(421.577)</u>	<u>48</u>

* The chemistry sector covers the financial data of the Principle Company

34. Events After The Date of The Balance Sheet

- a) The Seniority Compensation Limit which was 1.648.90 NTL at 30 June 2005 , was elevated to 1.727.15 NTL, and valid since 1 July 2006 (31 December 2004 - 1.575 NTL).
- b) Spite the decision held by the Board of Directors to temporarily stop the production since June at Akrom Akal Textile Romania SRL, an affiliated partner, at 15 April 2005 of the Akal Tekstil Sanayi A.Ş., an affiliated partner, is not halted yet and orders received from the market in accordance to the terms and conditions of the market are still delivered.
- c) At the meeting of the Board of Directors of the Principle Company held at 01 September 2005, as the reflection of price fluctuations observed in raw material prices of petrolatum derivatives at the global textile industry are carefully considered, annual maintenance, investment studies and integration to the main system and modernization studies are merged and accordingly it was decided to continue production at a ratio of 80% of the capacity during September and to plan deliveries to reply to market developments within forty eight hours.

35. Halted Activities

Since 30 June 2005 and 31 December 2004 there are no halted activities.

36. Expenses for Principle Activities

Net sale incomes are as the following: (NTL) :

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Domestic Sales	387.893.380	1989.389.00
Foreign Sales	174.087.833	86.685.24
Other Sales	-	(37.742)
Returned Goods	(972.376)	(241.156)
Sale Discounts	(25.504)	(25.504)
Other Discounts	<u>(12.769.788)</u>	<u>(6.686.888)</u>
	<u>548.213.545</u>	<u>278.082.95</u>

Cost of sales are as the following: (NTL) :

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Cost of sold product	512.981.121	248.496.973
Cost of commercial products	5.762.757	3.376.52
Cost of services sold	8.379.940	4.716.46
Cost of other sales	1.762.150	951.07
Cost of sales	<u>528.885.968</u>	<u>267.541.03</u>

37. Activity Expenses

Activities expenses are as the following: (NTL) :

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Expenses of research & development	1.235.699	629.77
Expenses of marketing, sale & distribution	5.765.216	3.184.50
Overhead expenses	34.069.861	18.400.28
	<u>41.070.776</u>	<u>22.214.56</u>

38. Income / Expenses & Profit from other Activities

Income & expenses from other activities are as the following (NTL) :

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Foreign Exchange profit	32.032.425	7.363.146
Rediscount interest income	6.007.991	(3.738.299)
Income from interest & other dividend	13.479.323	6.372.51
Equivalents without subject	1.564.323	1.372.51
Other income & profit	1.742.587	1.372.20
Previous term income & profit	679.383	65.28
Other extraordinary income & profit	2.317.807	
	<u>57.823.986</u>	<u>13.752.65</u>

38. Income /Expense & Profit / Loss due to Other Activities (continued)

Expense & loss due to other activities are as the following: (NTL) :

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Foreign exchange loss	48.304.308	22.052.742
Rediscount interest expense	5.200.089	(4.335.788)
Commission expense	2.139.601	880.790
Other expenses & loss	492.109	(8.598)
Previous term expense & loss fixed asset sale loss	30.786	5.440
Other extraordinary expenses and losses	54.689	54.689
	<u>56.221.582</u>	<u>18.649.281</u>

39. Financing Expenses

Financing Expenses are as the following: (NTL) :

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Expenses of borrowing	4.334.329	<u>1.521.270</u>

40. Net Monetary Position Profit / Loss

SPK announced that high inflation period ended. Therefore, since 30. June. 2005, since no inflation correction was applied on the financial tables, monetary loss / earning was not reflected was not reflected in the income table.

41. Taxes

The ratio of institutions tax in Turkey is 30% for 2005 (2004-%33). This rate is applied on tax assessment to be determined as a result of deduction of exemption and deductions, stated in tax laws, and adding expenses of which deduction is not accepted according to tax laws to current commercial earning of institutions.

41. Taxes (continued)

Calculation for equivalent for institutions tax stated in consolidated income table are as the following (NTL) :

	<u>30 June 2005</u>
Commercial balance sheet profit	16.628.647
Expenses not accepted by law	7.429.105
Income not subject to tax	(11.069.964)
Participation profit	(735.071)
Investment deduction utilized	(8.151.791)
Previous year loss deducted	=
Subtotal	4.100.926
Tax ratio (%)	30
Tax equivalent (Note 23)	<u>1.230.278</u>

Tax income and expenses stated in consolidated income table are as the following (NTL):

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Consolidated current term tax Equivalent (Note: 23)	(1.230.278)	(603.26)
Postponed Tax income (Note: 14)	(3.921.284)	(7.407.34)
Total tax income	<u>(5.151.562)</u>	<u>(8.010.61)</u>

42. Profit per share

Profit per share are as the following;

	01 January 2005- 30 June 2005	01 April 2005- 30 June 2005
Term Loss (NTL)	1.446.690	(2.347.67)
Weighted average quantity of regular securities (equal to 1 NTL nominal value securities)	27.156.288	27.156.28
Losses per share (NTL)	0.05	(0.0)

43. Cash Flow Table

Cash Flow realizing in current term are as the following: (NTL)

Net cash entrance due to main activities	(27.752.068)
Net cash exit due to investment activities	(35.365.711)
Net cash exit due to financing activities	(20.702.850)
	<u>(83.820.629)</u>

44. Other Matters Required To Explain Having Considerable Effect On Financial Tables Or Making Financial Tables Clear, Net and Understandable

- a) Since 30 June 2005, total insurance value of assets 561.169.571 NTL and 210.238.860 US Dollars. (31 December 2004 – 1.085.471.517 NTL and 21.366.060 US Dollars).
- b) Since 30 June 2005, total amount of wages and benefits granted to the president and members of board of directors as well as executive directors such as general director, deputy general director 5.019.784 NTL. (31 December 2004 – 7.960.653 NTL).
- c) Akenerji Elektrik Üretim A.Ş. an Affiliated Partner, was assigned to undertake the Çınarcık Dam and the Uluabat Kuvvet Tunnel HES Project license tender, at a sum of 33.801.000 NTL. After the tender was approved by the Energy Market Regulatory Board (EPDK), the guarantee letter of the said tender shall be forwarded to the administration by the Affiliated Partner within 10 days after the notification of the General Council and a sum of 33.801.000 NTL shall be paid and the guarantee shall be returned. The Affiliated Partner shall begin to invest after receiving a Production License from the EPDF and after signing the Water Utilization Agreement with the State Water Affairs (DSİ). It is estimated that the said project shall be completed within 30 months and shall operate for a period of 49 years. Five years after Uluabat Kuvvet Tunnel is commissioned, a sum of 75.000.000 USD shall be paid to DSİ by ten installations. There will be a payment of approximately 130.000.000 USD for the license charge and the payments to DSİ. The Affiliated Partner has paid the sum of 33.801.000 NTL of license charge at 04.07.2005 and received the guarantee letter.
- d) Valid from the date 1 January 2005, the money unit of Republic of Turkey is one New Turkish Lira which corresponds to 1.000.000 TL. The smallest money unit is New Kurus and represents the 1% of the New Turkish Lira. Turkish Lira banknotes which are currently valid that are still in charge shall be removed from the market at the end of 2005.

In the announcement of the SPK related with “Partnerships subjected to regulations of the Board during the transition process to the New Turkish Lira and reports and financial tables that shall be disclosed to the public”, including financial data of the previous term which shall be used for comparison and the financial tables related with the years that ended at or before 31.12.2004, are stated to be disclosed to the public in NTL. Accordingly, financial tables dated 31 December 2004 are stated by NTL only for purposes to compare the fore said.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş. and Affiliated Partners
INDEPENDENT LIMITED AUDITTING REPORT
INTERIM TERM OF 01 JANUARY 2005-30 JUNE 2005

We examined the consolidated balance sheet Since 31.March.2005 of AKSA AKRİLİK KİMYA SANAYİİ A.Ş. and Affiliated Partners as well as consolidated equity capital changing and consolidated cash flow tables related with three months of interim terms that ended on the same date. Our inspection on the interim balance sheet and income table was conducted in limited with the accounting principles and standards generally accepted in Turkey as published by the Capital Market Board and thus, Related with accounting and transactions, the accounting records and other auditing methods and techniques we considered necessary. Our inspection, basically was to understand the preparation process of the interim balance sheet and income table and was based upon analytical examination, collecting information, and limited inspection principles and rules regarding auditing techniques. Therefore our report must be considered different from the annual independent audit reports.

As explained in the Note 2/(a), relating to 0 January 2005-31 March 2005 interim account term, the consolidated financial tables was first issued according to the Notification of the Capital Market Board numbered Serial XI, No: 25, they were not presented as comparatively with the previous accounting period.

Since 31 March 2005 and 31 December 2004, as the financial tables of Fitco BV, one of the Affiliated Partners, owned by the Principle Company directly in ratio of 100 %, Aksa Egypt Acrylic Fiber Industry S.A.E., one of the Affiliated Partners, owned by the Principle Company indirectly in ratio of 99,14 %, Ak-Han Bakim Yönetim Servis Hizmetleri Güvenlik Malzemeleri A.Ş., one of the Affiliated Partners, owned by the Principle Company indirectly in ratio of 33 % have not considerable effect on the consolidated balance sheet, the mentioned Affiliated and partnership companies were reflected in the attached consolidated balance sheet by the cost value.

In our opinion, the mentioned consolidated interim financial tables correctly reflect the actual activity results ending on this date in parallel with the accounting principles determined in the Notification of the Capital Market Board numbered Serial XI, No: 25. Accordingly, no any matters were encountered that were opposite to the principles and rules in preparing interim financial tables and were in accordance to accountant principles that were stated in serial XI/No. 25 Notification issued by the SPK.

Istanbul,
02
September
2005

Denet Yeminli Mali Müşavirlik A.Ş.
Ömür Günel
Responsible Joint Chief Auditor