AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
Consolidated Balance Sheets
as of 31 March 2008 and 31 December 2007
(TRY)

	Notes	31 March 2008	31 December 2007
ASSETS			
Current Assets		**563,646,763**	**525,998,769**
Cash and Cash Equivalents	2.4	27,744,419	59,673,800
Trade Receivables			
- Other Trade Receivables	2.7	326,232,935	269,866,257
- Due from Related Parties	2,7,25	8,337,097	10,221,945
Other Receivables	8.0	40,709,551	35,817,496
Inventories	3	128,400,614	122,477,207
Other Current Assets	15	32,222,147	27,942,064
Non - Current Assets		**412,673,704**	**386,284,762**
Trade Receivables	2.7	2,140,360	2,725,342
Other Receivables	8	9,357	9,357
Financial Invenstments	2.5	8,063,363	8,063,363
Tangible Assets	2	391,632,539	364,572,040
Intangible Assets	2.11	3,069,741	3,164,486
Goodwill	2.12	5,988,651	5,988,651
Other Non-Current Assets	15	1,769,693	1,761,523
Total Assets		**976,320,467**	**912,283,531**

The accompanying notes form an integral part of these consolidated financial statements

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
Consolidated Balance Sheets
as of 31 March 2008 and 31 December 2007
(TRY)

	Notes	31 March 2008	31 December 2007
LIABILITIES			
Short Term Liabilities		**239,198,649**	**222,577,686**
Financial Liabilities	2.6	106,137,374	80,170,450
Trade Payables			
- Other Trade Payables	3	92,393,786	108,086,416
- Due to Related Parties	2,7,25	21,278,051	18,005,949
Other Payables	8.0	2,889,331	2,937,298
Taxes Payable on Profit for the Period	2,13,23	3,551,567	380,467
Debt Provisions	2.13	4,101,458	3,752,040
Other Short Term Liabilities	15	8,847,082	9,245,066
Long Term Liabilities		**73,516,502**	**48,505,611**
Financial Liabilities	2.6	46,818,550	21,650,550
Provisions Related to			
Employee Benefits	2.1	9,873,768	9,592,710
Deferred Tax Liability	2.2	16,824,184	17,262,351
EQUITY		663,605,316	641,200,234
Parent Company Equity		**647,206,343**	**625,444,617**
Paid in Capital	16	**110,000,000**	**110,000,000**
Capital Adjustment Differences	16	**255,174,673**	**255,174,673**
Issue Premium	16	**43,606**	**43,606**
Yabancı Para Çevrim Farkları	16	-	-
Restricted Profit Reserves	16	42,776,591	16,579,576
Retained Earnings/(Accumulated Losses)	16	217,449,747	238,916,635
Net Profit/(Loss) for the Period		21,761,726	4,730,127
Minority Interests	2.16	**16,398,973**	**15,755,617**
Total Liabilities and Equity		**976,320,467**	**912,283,531**

The accompanying notes form an integral part of these consolidated financial statements

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
Consolidated Statements of Income
for the three month periods ended 31 March 2008 and 2007
(TRY)

	Notes	31 March 2008	31 March 2007
PRINCIPAL ACTIVITIES			
Income From Sales	17	223,617,905	324,873,405
Cost of Sales (-)	17	(203,774,053)	(303,111,527)
GROSS PROFIT/ (LOSS)		19,843,852	21,761,878
Marketing, Sales and Distribution Expenses (-)	18	(449,409)	(1,093,691)
General Administration Expenses (-)	18	(9,401,287)	(16,629,509)
Research and Development Expenses (-)	18	(1,829,255)	(1,629,603)
Other Operating Income	20	1,962,875	3,646,028
Other Operating Expenses (-)	20	(1,325,593)	(2,262,792)
OPERATING PROFIT / (LOSS)		8,801,183	3,792,311
Financial Income	21	51,532,204	41,851,329
Financial Expenses (-)	22	(32,261,108)	(40,640,482)
PROFIT/(LOSS) ON PRINCIPAL			
ACTIVITIES BEFORE TAX		28,072,279	5,003,158
Tax Income /(Expense) for the Period	2,13,23	(6,105,363)	(3,042,015)
Deferred Tax Income / (Expense)	2.23	438,166	11,173,640
Tax Income/(Expense) on Principal Activities	2.23	**(5,667,197)**	**8,131,625**
PROFIT / (LOSS) FOR THE PERIOD			
ON PRINCIPAL ACTIVITIES	3.41	22,405,082	13,134,783
PROFIT/(LOSS) FOR THE PERIOD		**22,405,082**	**13,134,783**
Distribution of Profit/(Loss) for the Period			
Minority Interest		**643,356**	5,974,584
Parent Company Shares		**21,761,726**	**7,160,199**
Earnings/(Loss) Per Share			
of the Parent Company	2.24	0.20	0.07

The accompanying notes form an integral part of these consolidated financial statements

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
Consolidated Statements of Shareholders' Equity
for the three month periods ended 31 March 2008 and 2007
(TRY)

	Paid-in Capital	Capital Adjustment Differences	Translation Differences	Issue Premiums	Restricted Profit Reserves	Retained Earnings / (Accumulated Losses)	Net Profit/ (Loss) for the Period	Parent Company Equity	Minority Interests	Total
Balance as at 01 January 2007	110,000,000	255,174,673	(671,965)	43,606	11,810,708	234,661,468	61,538,660	672,557,150	417,588,759	1,090,145,909
Capital increase	-	-	-	-	-	-	-	0	93,248	93,248
Transfer	-	-	-	-	-	61,538,660	(61,538,660)	0	-	0
Translation Difference	-	-	96,940	-	-	-	0	96,940	341,640	438,580
Profit for the period	-	-	-	-	-	-	7,160,199	7,160,199	5,974,584	13,134,783
Balance as at 31 March 2007	110,000,000	255,174,673	(575,025)	43,606	11,810,708	296,200,128	7,160,199	679,814,289	423,998,231	1,103,812,520
1 January 2008	110,000,000	255,174,673	-	43,606	16,579,576	238,916,635	4,730,127	625,444,617	15,755,617	641,200,234
								0		
Transfer	-	-	-	-	-	4,730,127	(4,730,127)	0		0
Income on sales of investments	-	-	-		26,197,015	(26,197,015)	-	0		0
Profit for the period	-	-	-	-	-	-	21,761,726	21,761,726	643,356	22,405,082
Balance as at 31 March 2008	110,000,000	255,174,673	-	43,606	42,776,591	217,449,747	21,761,726	647,206,343	16,398,973	663,605,316

The accompanying notes form an integral part of these consolidated financial statements

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
Consolidated Statements of Cash Flows for the three month periods ended 31 March 2008 and 2007
(TRY)

	Not	31 March 2008	31 March 2007
A. CASH FLOWS FROM PRINCIPAL ACTIVITIES			
Net profit (+) / loss (-) before tax		28,072,279	5,003,158
Adjustments:			
Depreciation (+)		7,228,056	21,857,648
Termination indemnity		731,511	763,002
Debt provisions		(101,035)	955,432
Other provisions		-	(69,684)
Income (-) on marketable securities or long term investments		(1,006,407)	(4,948,830)
(Profit) / loss on sales of fixed assets		(13,310)	(15,369)
Interest expense (+)		1,006,670	3,896,197
Net Income Before Working Capital Changes (+)		35,917,764	27,441,554
Increase (-) / decrease (+) in trade receivables		(53,896,848)	17,605,659
Increase (-) / decrease (+) in inventories		(4,444,079)	(13,658,893)
Increase (-) / decrease (+) in other receivables		(4,892,055)	1,838,838
Increase (-) / decrease (+) in other assets		(4,288,253)	4,429,137
Increase (+) / decrease (-) in trade payables		(12,420,528)	55,316,471
Increase (+) / decrease (-) in other payables		(47,967)	(5,842)
Increase (+) / decrease (-) in other liabilities		(397,984)	(12,092,496)
Interest payments (-)		-	(2,111,681)
Tax payments (-)		(2,934,263)	(481,315)
Net cash (used in) / provided from principal activities		(47,404,213)	78,281,432
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisition (-)/disposal (+) of financial assets, net		-	(6,484)
Acquisition of tangible assets (-)		(35,677,567)	(28,377,756)
Acquisition of intangible assets (-)		(4,335)	(72,404)
Cash inflows from sales of tangible and intangible assets (+)		22,073	1,666,099
Interest received (+)		1,006,407	4,948,830
Net cash provided from/(used in) investing activities		(34,653,422)	(21,841,715)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
Cash inflows / (outflows) related to short and long term liabilities		50,128,254	(52,339,492)
Translation differences		-	438,580
Effect of capital increase in subsidiaries on minority interests		-	93,248
Net cash (used in) / provided from financial activities		50,128,254	(51,807,664)
Increase / (decrease) in cash and cash equivalents		(31,929,381)	4,632,053
Cash and cash equivalents at the beginning of the period	3	59,673,800	191,938,804
Cash and cash equivalents at the end of the period	3	27,744,419	196,570,857

The accompanying notes form an integral part of these consolidated financial statements

1. Organization and Principal Activities

Aksa Akrilik Kimya Sanayii A.Ş. (the Parent Company) is a company incorporated in Istanbul whose principal activities are the production of acrylic based tow, fiber and tops. Its subsidiaries and affiliates mainly operate in textiles, chemistry, investment, foreign trade and services sectors. The Parent Company's affiliates and subsidiaries comprise of the following companies:

Parent Company:	Sector
Aksa Akrilik Kimya Sanayii A.Ş. - Turkey	Chemistry
Subsidiaries:	
Ak-Pa Tekstil İhracat Pazarlama A.Ş. – Turkey *	Marketing
Ak-Tops Tekstil Sanayi A.Ş. – Turkey *	Textiles
Fitco BV – the Netherlands **	Investment
Aksa Egypt Acrylic Fiber Industry SAE – Egypt **	Textiles
Akgirişim Kimya ve Ticaret A.Ş. **	Chemistry
Affiliates :	
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş. – Turkey **	Service

* Included in the consolidated financial statements in accordance with the full consolidation method.

** Stated in the consolidated financial statements at cost.

The address of the head office of the Parent Company is as follows:
Miralay Şefik Bey Sok. No: 15 Akhan 34437 Gümüşsuyu / İstanbul – Turkey

The Parent Company as well as its subsidiaries and affiliates are companies included in the Akkök Group.

The Parent Company is registered at the Capital Markets Board and 37,81 % of its shares are traded at the Istanbul Stock Exchange.

1. Organization and Principal Activities (continued)

As of 31 March 2008 and 31 December 2007, the shareholding structure of the Parent Company is as follows:

Name	Shareholding
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58 %
Emniyet Tic. ve San. A.Ş.	18,72 %
Other *	41,70 %
	100,00 %

* Represents shareholdings of less than 10%.

As of 31 March 2008, the average number of employees is 915 (31 December 2007 – 911).

2. Presentation of the Financial Statements

i. Basis of Presentation :

The Company maintains its books of account and prepares its statutory financial statements in New Turkish Liras (TRY) in accordance with the prevailing commercial and financial legislation. The accompanying financial statements are prepared in accordance with the Capital Markets Board (CMB) Communiqué Nr. XI/29 “Communiqué Related to the Financial Reporting Principles at the Capital Markets”. This Communiqué has come into force starting with the first interim financial statements subsequent to 1 January 2008 and bears in its Article 5 the provision stating that the enterprises subject to CMB apply the International Accounting / Financial Reporting Standards as accepted by the European Union (EU) taking as basis harmonious standards, namely the Turkish Accounting / Financial Reporting Standards (TAS/TFRS), issued by the Turkish Accounting Standards Board (TASB). Furthermore, in the provisional Article 2 of the same Communiqué it is stated that the IAS/IFRS are to be applied until the differences between the IAS/IFRS accepted by the European Union and those issued by the International Accounting Standards Board (IASB) are published by the TASB taking as basis the harmonious standards, TAS/TFRS, issued by the TASB.

However, the Turkish Accounting Standards Board (“TASB”) has not issued the differences between the IAS/IFRS accepted by the EU and the standards issued by the International Accounting Standards Board (“IASB”) as yet, hence the accompanying financial statements are prepared in accordance with the IAS/IFRS taking as basis the harmonious standards TAS/TFRS issued by the TASB. As required by the TFRS 1, comparative financial statements are prepared on the same basis. As stated below, certain adjustments and classifications have been made during the preparation of the accompanying financial statements in order to comply with the TAS/TFRS.

2. Presentation of the Financial Statements (continued)

i. Basis of Presentation (continued):

The accompanying financial statements and explanatory notes are presented in accordance with the mandatory formats and principles announced by CMB in its Weekly Bulletin dated 14-18 April 2008 Nr. 2008/16.

The Company’s financial statements prepared as of 31 March 2008 in accordance with the Communiqué Nr. XI/29 have been approved by the Company Management as at 9 June 2008 to be submitted to the Board of Directors.

The Company retains the power to amend the interim financial through the Board of Directors and CMB and the annual financial statements through the General Meeting and CMB.

ii. Adjustment of Financial Statements During Hiper-Inflationary Periods:

Section 15 of the Communiqué Nr XI/29 deals with the effects of inflation on financial statements and requires that financial statements prepared in the currency of a high inflation economy be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. As per the resolution of the CMB dated 17 March 2005 Nr 11/367 the application of inflation adjustment of the financial statements has ended in 2005, hence the financial statements are restated at the purchasing value of the Turkish Lira as at 31 December 2004.

The restatement of the accompanying consolidated financial statements in Turkish Lira as at 31 December 2004 are calculated by means of conversion factors derived from the countrywide wholesale price index published by the Turkish Statiscal Institute (TSI). Such indices and conversion factors are as follows:

Date	Index	Conversion Factor
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

The following principles have been applied in the preparation of the restated financial statements as of 31 December 2004:

- Financial statements are stated in terms of the measuring unit current at 31 December 2004 and the corresponding figures for the previous periods are restated in the same terms.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.

2. Presentation of the Financial Statements (continued)

ii. Adjustment of Financial Statements During Hiper-Inflationary Periods (continued):

- Non-monetary assets and liabilities are restated by applying the relevant conversion factors.
- The effect of general inflation is included in the statement of income as "Net Monetary Gain / (Loss)"

The additions to non-monetary items subsequent to 1 January 2005 are stated at their nominal values.

iii. Consolidation Principles :

Consolidation is realized within the Parent Company, Aksa Akrilik Kimya Sanayii A.Ş. and the direct and indirect shareholdings of the Parent Company within its subsidiaries are as follows :

Subsidiaries	31 March 2008	31 December 2007
Ak-Pa Tekstil İhracat Pazarlama A.Ş. (1)	13,47 %	13,47 %
Ak-Tops Tekstil San. A.Ş. (1)	60,00 %	60,00 %
Fitco BV (2)	100,00 %	100,00 %
Aksa Egypt Acrylic Fiber Industry SAE (2)	99,14 %	99,14 %
Akgirişim Kimya ve Ticaret A.Ş. (2)	58,00 %	58,00 %

(1) Stated in the accompanying consolidated financial statements as per the full consolidation method.

(2) Stated in the accompanying consolidated financial statements at cost due to its immaterial effect.

Affiliates	31 March 2008	31 December 2007
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş. *	33,33 %	33,33 %

* Stated in the accompanying consolidated financial statements at cost due to its immaterial effect.

Subsidiaries and affiliates are classified as financial assets available for sale representing shareholdings in which the direct and indirect votes of the Parent Company is below 20% or with insignificant influence even if above 20%, or those that do not have material effect on financial statements, or are not traded in the active markets or whose fair values cannot be determined reliably, are recognised at their restated cost values, less provision for value decrease, if any.

2. Presentation of the Financial Statements (continued)

iii. Consolidation Principles (continued):

Consolidated financial statements have been prepared on the basis of principles stated below:

Full Consolidation Method:

- All balance sheet items except for the paid in capital of the Parent Company and its Subsidiaries and their equities at the acquisition date are added, and inter-company balances are eliminated.

- The Parent Company's interest in the subsidiaries is set off against the Long Term Financial Assets account of the Parent Company and the Share Capital accounts of the Subsidiaries.
- As of the acquisition date, the Parent Company's shareholding in its subsidiaries is offset against the portion of share capital it owns in the subsidiary's equity for one time only. The equity of the subsidiary at the acquisition date should be drawn up according to the market value of the subsidiary's net assets at that date. The difference that appears in favor of the recorded value is recognized as positive goodwill in the consolidated balance sheet as a separate item and that which appears against the recorded value is recognized as negative goodwill in the statement of income. The Parent Company has taken over at a total price of TRY 16.250.000,00 the participation shares of TRY 1.000.000 nominal value representing 50% of the share capital of Aktops Tekstil Sanayi A.Ş., a company under the ownership of Akkök Sanayi Yatırım ve Geliştirme A.Ş., with a share capital of TRY 2.000.000,00 which is directly related to the Parent Company's principal activities and which makes exclusive custom manufacturing for the Parent Company and whose share transfer fee has been determined by the Valuation Report submitted by İş Yatırım Menkul Değerler A.Ş. as of 08.06.2007.

- As the cost of acquired subsidiary as of 31 March 2008 is higher than the value of shares stated among equities in the balance sheets prepared in accordance with TAS/TFRS at the acquisition dates of the subsidiaries, a total positive goodwill of TRY 5.988.651 has been created (Note 12). In the event of any value decrease related to the goodwill amount, it is reflected to the statement of income. A value decrease test is performed at the same date of each year in order to determined if there is any value decrease in the goodwill.

- Minority interests are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as "Minority Interests" in the consolidated balance sheet before the equity account group and in the statement of income.

2. Presentation of the Financial Statements (continued)

iii. Consolidation Principles (continued):

Full Consolidation Method (continued):

- The purchases and sales among the Parent Company and its Subsidiaries and the profit and losses arising from these transactions are eliminated in the Consolidated Income Statement. Profit and losses arising from the purchase or sale of marketable securities, inventories, tangible and intangible assets, long term financial assets and other assets among the consolidated group companies are also eliminated.

iv. Adjustments :

The accompanying consolidated financial statements have been prepared in accordance with the TAS/TFRS with the below mentioned adjustments which are not stated in the statutory records:

- Rediscount calculation on post-dated cheques, customers, and suppliers
- Depreciation adjustment
- Deferred tax adjustment
- Provision for doubtful receivables
- Provision for litigation
- Provision for value decrease in tangible assets
- Elimination of inter-group balances and transactions as per the consolidation procedure

v. Comparative Information and Adjustment of Prior Period Financial Statements:

Consolidated balance sheets as of 31 March 2008 and 31 December 2007 and notes to these balance sheets as well as the consolidated statements of income, changes in equity, and cash flows for the three month periods ended 31 March 2008 and 2007 have been presented comparatively. The below mentioned investment sales should be taken into consideration in the valuation of the said comparative consolidated financial statements. In order to comply with the presentation of the current period financial statements, the comparative information is reclassified when deemed necessary. The goodwill amortization reversed in accordance with the TAS/TFRS has increased the profit for the period in the year ended 31 December 2007 and the three months period ended 31 March 2007 by TRY 199.623 and TRY 115.046 respectively, and increased the retained earnings by TRY 76.697 as of 31 December 2007.

2. Presentation of the Financial Statements (continued)

v. Comparative Information and Adjustment of Prior Period Financial Statements (continued):

Out of the total participation shares amounting to TRY 10.174.535,00 of the company Akenerji Elektrik Üretim A.Ş., an affiliate of the Parent Company, a portion of TRY 8.269.864,00 has been sold to Akkök Sanayi Yatırım ve Geliştirme A.Ş. and a portion of TRY 1.904.671,00 has been sold to Emniyet Ticaret ve Sanayi A.Ş. on ISE Wholesale Market via İş Yatırım Menkul Değerler A.Ş. at a unit value of TRY 5,60 and the sales transaction has been realized on 06 July 2007. As per the legal records, a total income of TRY 56.977.396 and a total profit of TRY 34.929.353 have been obtained upon sales of 10.174.535 participation shares owned by the Parent Company. The sales fee has been collected as of 10 July 2007. 25% of the sales profit has been added onto the taxable Operating Income for the Period, and 75% has been recognized within the "Income on Sales of Participation Shares and Properties" account as profit reserve in the Equity Account Group as per the Article 5(e) of the Corporation Tax Law.

The participation shares amounting to TRY 6.630.825,00 of the company Ak-Al Tekstil Sanayii A.Ş., an affiliate of the Parent Company, has been sold to Aksu İplik Dokuma ve Boya Apre Fabrikaları Türk A.Ş. on ISE Wholesale Market via İş Yatırım Menkul Değerler A.Ş. at a unit value of TRY 1,75 and the sales transaction has been realized on 06 July 2007. As per the legal records, a total income of TRY 11.603.943,75 has been obtained upon sales of 6.630.825 participation shares owned by the Parent Company and due to inflation adjustment no sales profit has been calculated.

A total of 152.468.983 participation shares at a total nominal value of TRY 1.524.689,83 owned by the company Ak Havacılık ve Ulaştırma Hizmetleri A.Ş., an affiliate of the Parent Company, which correspond to 7,33% of the company share capital has been sold to Akkök Sanayi Yatırım ve Geliştirme A.Ş. as per the valuation report prepared by Kapital Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş. at a total value of TRY 2.748.176,00 and the sales transaction has been realized on 18 September 2007. As per the legal records, a total income of TRY 1.223.486,17 has been obtained upon sales of 152.468.983 participation shares owned by the Parent Company and due to inflation adjustment no sales profit has been calculated.

vi. 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 fulfilment of liabilities are realized simultaneously.

vii. Accounting Policies, Changes and Errors in Accounting Estimates:

The Company has applied its accounting policies consistent with the prior year. Significant changes in the accounting policies and significant accounting errors are applied retroactively and the prior period financials are re-prepared. In the event that the changes in the accounting estimates are related to one period only, they are applied only to the period in which the change has been made; however, if they are related to the future periods, they are applied both to the period in which the change has been made and the future periods.

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied:

(a) Financial Instruments :

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

i. Cash and Cash Equivalents

Cash and cash equivalents consist of cash balances on hand, bank accounts, and cheques received.

Cash is composed of New Turkish Lira and foreign currency balances. The New Turkish Lira balances are stated at face values, and the foreign currency balances are translated into New Turkish Lira at the foreign exchange rate issued by the Central Bank as at the balance sheet date.

Bank accounts consist of demand and time deposit accounts and the related interest accrued. New Turkish Lira deposit accounts are stated at face values and foreign currency accounts are translated into New Turkish Lira at the foreign currency purchasing rate issued by the Central Bank as at 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

As the foreign currency cash and cash equivalents are translated into New Turkish Lira at the foreign exchange rates valid at the balance sheet date, it is assumed that the fair values of these assets approximate to their book values.

As the deposit accounts, cash and cheques received are converted into cash in very short terms, and as there is no risk of value decrease, their book values are deemed to approximate to their fair values.

ii. Trade Receivables

Trade receivables are financial assets created by the Parent Company and its subsidiaries through selling goods directly to the customers. Trade receivables and post dated cheques are subject to rediscount.

Fair Value

Rediscounted trade receivables and doubtful receivables for which provisions are accrued are assumed to approximate to the fair values of these assets.

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(a) Financial Instruments (continued) :

iii. Related Parties

The shareholders, board members and administrative personnel such as the general manager, their immediate relatives as well as the related companies, affiliates and partnerships of the Parent Company and its subsidiaries are regarded as related parties.

Transactions with the related parties in connection with the Company’s principal activities are realized at prices in line with the prevailing market conditions.

iv. Trade Payables

Trade payables are financial liabilities created through acquiring goods and services directly from the suppliers.

Fair Value

As the maturities of the trade payables are shorter than one month, the recorded values are assumed to approximate to the fair value of trade payables.

v. Short and Long Term Bank Loans

Short and long term bank loans are stated at the value computed through addition of the principal amount and the interest expenses accrued as of the balance sheet date, discounted as per the effective interest method.

Fair Value

The fair value of the short and long term bank loans is assumed to be equivalent to the recorded values computed by adding the accrued interest liabilities calculated over the prevailing interest rate as of the balance sheet dates on the cost of the mentioned financial debts.

(b) Inventories:

Inventories are stated at the lower of cost or net realisable value. Cost is determined by weighted average cost method.

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(c) Financial Investments :

The Parent Company has classified its financial investments as financial assets available for sale.

Financial assets available for sale consist of financial investments other than operating loans and receivables, and financial assets held until maturity and for trading purposes. Financial assets available for sale are valued at their fair value in the period following the initial recording. Financial assets available for sale in which the direct and indirect votes of the Parent Company is below 20% or with insignificant influence even if above 20%, or those that do not have material effect on financial statements, or are not traded in the active markets or whose fair values cannot be determined reliably, are recognised at their cost values, less provision for value decrease, if any.

Financial investments do not have a market value and are recognized at their unit values restated as of 31 December 2004, less provision for value decrease, if any.

(d) Tangible Assets :

Tangible assets are stated at cost less their accumulated depreciation and impairment loss, if any.

Tangible assets have been restated using the measuring unit current at 31 December 2004 from the dates of acquisition. Additions made subsequent to 1 January 2005 are stated at their nominal values. Tangible assets are depreciated over their inflation-adjusted values by straight-line method and the nominal values of additions subsequent to 1 January 2005 as per their useful lives stated below :

Buildings	5-50 years
Land improvements	5-50 years
Machinery, plant and equipment	5-22 years
Motor vehicles	4- 8 years
Furniture and fixtures	2-20 years
Other tangible assets	5 years

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(e) Intangible Assets :

Intangible assets are stated at cost less their accumulated amortisation and impairment loss, if any.

The acquisition values of intangible assets are considered in the restatement of intangible assets as at 31 December 2004. Additions made subsequent to 1 January 2005 are stated at their nominal values. Intangible assets are amortized over their inflation-adjusted values and the nominal values of additions subsequent to 1 January 2005, as per their useful lives stated below :

Rights	3-40 years
Special costs	5 years
Other intangible assets	3-5 years

(f) Assets and Liabilities in Foreign Currency :

Assets and liabilities in foreign currency are translated into New Turkish Lira at foreign exchange rates announced by the Turkish Central Bank as at the balance sheet dates. Transactions in foreign currencies during the period are translated into New Turkish Lira at the actual rates applicable on the transaction date. Exchange gains and losses resulting from such translations are included in the statements of income.

(g) Impairment of Assets:

In case where the book value of an asset exceeds its recoverable value, a provision for impairment loss is made so as to bring the book value of the asset down to the level of its fair value and the provision is recorded in the income statement as expense.

On the other hand, the recoverable value of cash generating assets is the higher of net selling price and the value in use. The value in use of those assets represents the net present value of net cash inflows to be acquired through continuous usage and sales of the assets, discounted at a reasonable discount rate.

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(h) Deferred Taxes :

Deferred taxes are calculated on the temporary differences that arise between the deductible tax base and the book values of assets and liabilities, by using the liability method. The main temporary differences arise from the income and expense items recognised in different periods with respect to the TAS/TFRS and the tax legislation. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated with the assumption that the Company will have taxable income during the future periods.

An enterprise should offset current tax assets and current tax liabilities if the enterprise has a legally enforceable right to set off the recognised amounts, provided that the tax assets and tax liabilities are subject to the tax legislation of the same jurisdiction.

(i) Income Taxes :

Corporate earnings are subject to corporation tax at a rate of 20%. In case investment allowance is deducted in the calculation of taxable income, same as with other profits exempted from corporation tax, no withholding calculation 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% (10% before 26 July 2006). 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, provisional corporation tax is paid at a rate of 20% on the profits declared for interim periods to be deducted from the corporation tax.

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(i) Income Taxes (continued):

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

With respect to the article 298 (bis) of the Tax Law amended by Law 5024, the inflation adjustment application which started in 2004 has ended as the increase in the wholesale price indices for the last 36 months and the last 12 months ended March 2005 are below 100% and 10%, respectively. Also, in the 2008 and 2007 accounting periods, the criteria of 100% and 10% have not been realized simultaneously in the Producers Price Index and for that reason no inflation adjustment has been applied.

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

As of 31 March 2008 and 31 December 2007, income tax provisions have been made in accordance with the prevailing tax legislation.

(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 2.087,92 in respect of each year of service as of 31 March 2008 (31 December 2007 – TRY 2.030,19).

The Company has determined the termination indemnity liability stated in the accompanying financial statements as per the recognition and valuation principles stated in TAS 19 “Employee Benefits”. As the characteristics of the termination indemnity liabilities are similar to the “Post Employment Benefit Plans” stated in this section, these liabilities are calculated and stated in the financial statements on the basis of below mentioned “Proposed Unit Loan Method” and other various assumptions.

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(j) Provision for Termination Indemnity (continued):

- 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 current salaries and wages or the value of the termination indemnity upper limit determined by the Labour Law for 31 March 2008 and 31 December 2007 to remain constant for restatement purposes, and later on, this value is reduced by the actual discount rate of 5,71% (31 December 2007- 5,71%) calculated upon the assumption that the expected annual inflation rate will be 5 % (31 December 2007 – 5%) and the expected discount rate will be 11% (31 December 2007 – 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 needed to determine the ratio of the employees to gain their right for receiving termination indemnity to the total number of employees. This calculation is made through determining the ratio of former Company personnel who received their termination indemnity rights to the total number of personnel.

As of 31 March 2008 and 31 December 2007 actuarial assumptions for calculating termination indemnity are as follows:

	31 March 2008	31 December 2007
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%

(k) Revenues and Expenses:

The accrual basis of accounting is applied for the recognition of revenues and expenses. The accrual concept requires that revenue, income and profits should be matched with costs, expenses and losses belonging to the same period.

(l) Earnings / (Loss) per Share:

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

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(l) Earnings / (Loss) per Share (continued)

Companies in Turkey can increase their share capital through distributing shares (bonus shares) from retained earnings and differences arising from inflation adjustments in equity to their current shareholders on a pro rata basis. When calculating profit/(loss) per share, these bonus shares are recognized as issued shares. Therefore, the weighted average of shares used in the calculation of profit/(loss) per share is derived through retroactive application with respect to bonus shares.

(m) Accounting Estimates :

During the preparation of financial statements in accordance with the TAS/TFRS, the Management discloses the balance sheet value of the assets and liabilities stated in the financial statements as of the balance sheet date and explanations regarding off balance sheet liabilities, and to provide assumptions that might affect the totals of income and expense realized during the period. However, actual results may vary from these results.

(n) Subsequent Events:

If the Parent Company and its subsidiaries receive information after the balance sheet date about conditions that existed at the balance sheet date, the financial statements are updated in line with the new information. If non-adjusting events after the balance sheet date are material, the Company discloses them during the related period.

(o) Contingent Assets and Liabilities:

Assets and liabilities that originate from past incidents and whose presence is not fully under the company management control as it can only be confirmed through the realization of one or more indefinite incidents to take place in the future are not included in the financial statements and are deemed as contingent assets and liabilities.

(p) Borrowing Costs :

Borrowing costs are recognized as expense. Borrowing costs related to the qualifying assets are included directly in the cost of the related qualifying asset. Upon completion of the necessary operations to make the qualifying asset ready for use or sale, the capitalization of the borrowing costs is discontinued. As of 31 March 2008, the borrowing costs amounting to TRY 2.024.271 directly related to the investments in progress are added to the cost of the related asset (31 December 2007 – TRY (820.382)).

2. Presentation of the Financial Statements (continued)

viii. Significant Accounting Policies and Valuation Procedures Applied (continued):

(r) Segment Reporting :

For the three months period ended 31 March 2008 and the year ended 31 December 2007, the activities of the Parent Company and its subsidiaries are classified under three sectors, namely, chemistry, textile, and marketing.

For the three months period ended 31 March 2007, the activities of the Parent Company and its subsidiaries are classified under four sectors, namely, chemistry, textile, energy and other. The other sector includes marketing operations. The companies within this group have low commercial volume; hence they have not been regarded as separately reportable sectors.

3. Segment Reporting

As of 31 March 2008, segment reporting consists of the following (TRY):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
Assets					
Current Assets	523.399.255	13.886.326	125.599.069	(99.237.887)	563.646.763
Cash and cash equivalents	14.842.411	5.627.652	7.274.356	-	27.744.419
Trade Receivables					
- Other Trade Receivables	225.304.337	120.744	100.807.854	-	326.232.935
- Due from Related Parties	100.754.365	5.483.624	16.965.349	(114.866.241)	8.337.097
Other Receivables	24.674.069	-	-	16.035.482	40.709.551
Inventories	126.502.197	1.842.312	463.233	(407.128)	128.400.614
Other Current Assets	31.321.876	811.994	88.277	-	32.222.147
Non-current Assets	408.309.923	15.516.866	2.889.188	(14.042.273)	412.673.704
Trade Receivables	2.140.360	-	-	-	2.140.360
Other Receivables	9.357	-	-	-	9.357
Financial Investments	27.178.240	39.361	63.000	(19.217.238)	8.063.363
Tangible Assets	376.919.054	12.708.836	2.818.335	(813.686)	391.632.539
Intangible Assets	293.483	2.768.669	7.589	-	3.069.741
Goodwill	-	-	-	5.988.651	5.988.651
Other Non-current Assets	1.769.429	-	264	-	1.769.693
TOTAL ASSETS	931.709.178	29.403.192	128.488.257	(113.280.160)	976.320.467

* Chemistry sector includes the financial data related to the Parent Company.

3. Segment Reporting (continued)

As of 31 March 2008, segment reporting consists of the following (TRY) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
LIABILITIES					
Short Term Liabilities	212.910.053	2.318.892	120.186.204	(96.216.500)	239.198.649
Financial Debts	90.213.667	-	15.923.707	-	106.137.374
Trade Payables					
- Other Trade Payables	90.824.056	628.189	941.541	-	92.393.786
- Due to Related Parties	16.486.880	1.097.559	102.852.653	(99.159.041)	21.278.051
Other Payables	2.351.126	177.962	357.433	2.810	2.889.331
Taxes Payable on Profit for the Current Period	3.142.880	307.909	100.778	-	3.551.567
Debt Provisions	1.151.635	-	10.092	2.939.731	4.101.458
Other Short Term Liabilities	8.739.809	107.273	-	-	8.847.082
Long Term Liabilities	72.965.883	3.103.936	402.745	(2.956.062)	73.516.502
Financial Debts	46.818.550	-	-	-	46.818.550
Provision for Termination Indemnity	7.427.151	1.958.683	487.934	-	9.873.768
Deferred Tax Liability	15.780.451	1.145.253	(85.189)	(16.331)	16.824.184
Debt Provisions	2.939.731	-	-	(2.939.731)	-
EQUITY	645.833.242	23.980.364	7.899.308	(14.107.598)	663.605.316
Parent Company Equity	645.833.242	23.980.364	7.899.308	(30.506.571)	647.206.343
Paid-in Capital	365.174.674	8.465.590	17.430.150	(281.070.414)	110.000.000
Inflation Adjustment on Share Capital	-	-	-	255.174.673	255.174.673
Issue Premiums	1.669.549	-	-	(1.625.943)	43.606
Restricted Profit Reserves	119.337.456	9.842.871	2.288.383	(88.692.119)	42.776.591
Retained Earnings / (Accumulated Losses)	138.163.566	4.970.075	(12.238.299)	86.554.405	217.449.747
Net Profit / (Loss) for the Period	21.487.997	701.828	419.074	(847.173)	21.761.726
Minority Interest	-	-	-	16.398.973	16.398.973
TOTAL LIABILITIES AND EQUITY	931.709.178	29.403.192	128.488.257	(113.280.160)	976.320.467

* Chemistry sector includes the financial data related to the Parent Company.

3. Segment Reporting (continued)

As of 31 March 2008, segment reporting consists of the following (TRY) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
OPERATING ACTIVITIES					
Sales Income	218.733.894	7.592.971	84.805.441	(87.514.401)	223.617.905
Cost of Sales (-)	(194.692.763)	(6.363.719)	(94.481.031)	91.763.460	(203.774.053)
GROSS PROFIT/(LOSS)	24.041.131	1.229.252	(9.675.590)	4.249.059	19.843.852
Marketing, Sales and Distribution Expenses (-)	(1.381.799)	-	-	932.390	(449.409)
General Administration Expenses (-)	(7.370.804)	(672.829)	(1.359.283)	1.629	(9.401.287)
Research and Development Expenses (-)	(1.838.933)	-	-	9.678	(1.829.255)
Other Operating Income	1.739.268	61.086	181.728	(19.207)	1.962.875
Other Operating Expenses (-)	(332.063)	-	(145.673)	(847.857)	(1.325.593)
OPERATING PROFIT / (LOSS)	14.856.800	617.509	(10.998.818)	4.325.692	8.801.183
Financial Income	48.966.331	264.886	11.568.041	(9.267.054)	51.532.204
Financial Expenses (-)	(36.902.143)	(966)	(44.590)	4.686.591	(32.261.108)
PROFIT/(LOSS) ON OPERATING ACTIVITIES BEFORE TAX	26.920.988	881.429	524.633	(254.771)	28.072.279
Tax Income/(Expense) for the Period	(5.696.676)	(307.909)	(100.778)	-	(6.105.363)
Deferred tax Income / (Expense)	263.685	128.308	(4.781)	50.954	438.166
Tax Income/(Expense) Related to Operating Activities	(5.432.991)	(179.601)	(105.559)	50.954	(5.667.197)
PROFIT/(LOSS) ON OPERATING ACTIVITIES	21.487.997	701.828	419.074	(203.817)	22.405.082
PROFIT/(LOSS) FOR THE PERIOD	21.487.997	701.828	419.074	(203.817)	22.405.082

* Chemistry sector includes the financial data related to the Parent Company.

3. Segment Reporting (continued)

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

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
ASSETS					
Current Assets	489.945.513	12.091.658	107.373.680	(83.412.082)	525.998.769
Cash and cash equivalents	49.030.696	4.318.261	6.324.843	-	59.673.800
Trade Receivables					
- Other Trade Receivables	185.618.833	135.633	88.503.656	(4.391.865)	269.866.257
- Due from Related Parties	86.447.169	5.342.542	12.039.209	(93.606.975)	10.221.945
Other Receivables	20.843.052	-	-	14.974.444	35.817.496
Inventories	120.692.339	1.797.110	375.444	(387.686)	122.477.207
Other Current Assets	27.313.424	498.112	130.528	-	27.942.064
Non-current Assets	378.605.732	16.104.666	2.891.295	(11.316.931)	386.284.762
Trade Receivables	2.725.342	-	-	-	2.725.342
Other Receivables	9.357	-	-	-	9.357
Financial Investments	27.178.240	39.361	63.000	(19.217.238)	8.063.363
Tangible Assets	349.323.190	13.243.392	2.819.144	(813.686)	364.572.040
Intangible Assets	333.422	2.821.913	9.151	-	3.164.486
Goodwill	-	-	-	5.988.651	5.988.651
Other Non-current Assets	1.761.523	-	-	-	1.761.523
TOTAL ASSETS	871.276.587	28.196.324	110.264.975	(97.454.355)	912.283.531

* Chemistry sector includes the financial data related to the Parent Company.

3. Segment Reporting (continued)

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

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
LIABILITIES					
Short Term Liabilities	199.064.943	1.900.129	102.352.814	(80.740.200)	222.577.686
Financial Debts	65.398.932	4.274	14.767.244	-	80.170.450
Trade Payables					
- Other Trade Payables	106.540.105	475.722	1.070.589	-	108.086.416
- Due to Related Parties	15.345.503	881.415	85.367.033	(83.588.002)	18.005.949
Other Payables	1.936.508	191.909	806.071	2.810	2.937.298
Taxes Payable on Profit for the Current Period	-	244.456	136.011	-	380.467
Debt Provisions	701.182	-	205.866	2.844.992	3.752.040
Other Short Term Liabilities	9.142.713	102.353	-	-	9.245.066
Long Term Liabilities	47.866.394	3.017.659	431.927	(2.810.369)	48.505.611
Financial Debts	21.650.550	-	-	-	21.650.550
Provision for Termination Indemnity	7.326.715	1.744.098	521.897	-	9.592.710
Deferred Tax Liability	16.044.137	1.273.561	(89.970)	34.623	17.262.351
Debt Provisions	2.844.992	-	-	(2.844.992)	-
EQUITY	624.345.250	23.278.536	7.480.234	(13.903.786)	641.200.234
Parent Company Equity	624.345.250	23.278.536	7.480.234	(29.659.403)	625.444.617
Paid-in Capital	365.174.674	8.465.590	17.430.150	(281.070.414)	110.000.000
Inflation Adjustment on Share Capital	-	-	-	255.174.673	255.174.673
Issue Premiums	1.669.549	-	-	(1.625.943)	43.606
Restricted Profit Reserves	119.337.456	9.842.871	2.288.383	(114.889.134)	16.579.576
Retained Earnings / (Accumulated Losses)	112.838.473	2.214.238	(14.484.677)	138.348.601	238.916.635
Net Profit / (Loss) for the Period	25.325.098	2.755.837	2.246.378	(25.597.186)	4.730.127
Minority Interest	-	-	-	15.755.617	15.755.617
TOTAL LIABILITIES AND EQUITY	871.276.587	28.196.324	110.264.975	(97.454.355)	912.283.531

* Chemistry sector includes the financial data related to the Parent Company.

3. Segment Reporting (continued)

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

	Chemistry *	Textiles	Energy	Marketing	Classification and Elimination	Total
OPERATING ACTIVITIES						
Sales Income	220.101.412	22.845.848	109.414.363	105.231.760	(132.719.978)	324.873.405
Cost of Sales(-)	(196.758.984)	(19.350.726)	(110.458.646)	(102.014.836)	125.471.665	(303.111.527)
GROSS PROFIT/(LOSS)	23.342.428	3.495.122	(1.044.283)	3.216.924	(7.248.313)	21.761.878
Marketing, Sales and Distribution Expenses(-)	(1.867.964)	(668.265)	-	-	1.442.538	(1.093.691)
General Administration Expenses (-)	(7.965.808)	(2.587.029)	(4.910.488)	(1.204.448)	38.264	(16.629.509)
Research and Development Expenses (-)	(1.440.323)	-	(195.221)	-	5.941	(1.629.603)
Other Operating Income	12.808.913	1.762.610	398.268	29.345	(11.353.108)	3.646.028
Other Operating Expenses(-)	(10.130.996)	(643.006)	(827.523)	(2.881)	9.341.614	(2.262.792)
OPERATING PROFIT / (LOSS)	14.746.250	1.359.432	(6.579.247)	2.038.940	(7.773.064)	3.792.311
Financial Income	34.345.725	5.659.693	3.945.753	1.467.993	(3.567.835)	41.851.329
Financial Expenses (-)	(39.389.207)	(5.538.078)	(2.719.899)	(2.649.111)	9.655.813	(40.640.482)
PROFIT/(LOSS) ON OPERATING ACTIVITIES BEFORE TAX	9.702.768	1.481.047	(5.353.393)	857.822	(1.685.086)	5.003.158
Tax Income/(Expense) for the Period	(2.550.984)	(305.774)	-	(183.529)	(1.728)	(3.042.015)
Deferred Tax Income / (Expense)	540.753	112.093	10.571.853	16.158	(67.217)	11.173.640
Tax Income/(Expense) Related to Operating Activities	(2.010.231)	(193.681)	10.571.853	(167.371)	(68.945)	8.131.625
PROFIT/(LOSS) ON OPERATING ACTIVITIES	7.692.537	1.287.366	5.218.460	690.451	(1.754.031)	13.134.783
PROFIT / (LOSS) FOR THE PERIOD	7.692.537	1.287.366	5.218.460	690.451	(1.754.031)	13.134.783

* Chemistry sector includes the financial data related to the Parent Company.

3. Segment Reporting (continued)

Distribution of depreciation expenses per segments stated in the statement of income for the three months interim period ended 31 March 2008 is as follows (TRY):

	Chemistry *	Textile	Marketing	Total
Tangible Assets	6.395.713	693.607	39.657	7.128.977
Intangible Assets	44.273	53.244	1.562	99.079
Total depreciation and amortisation for the current period	6.439.986	746.851	41.219	7.228.056

Distribution of depreciation expenses per segments stated in the statement of income for the three months interim period ended 31 March 2007 is as follows (TRY):

	Chemistry *	Textile	Energy	Other	Elimination	Total
Tangible Assets	6.942.600	1.081.267	13.412.856	31.367	(67.146)	21.400.944
Intangible Assets	42.514	113.250	299.713	1.227	-	456.704
Total depreciation and amortisation for the current period	6.985.114	1.194.517	13.712.569	32.594	(67.146)	21.857.648

* Chemistry sector includes the financial data related to the Parent Company.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following (TRY) :

	31 March 2008	31 December 2007
Cash	123.256	54.449
Banks		
- TRY demand deposit	7.759.353	6.377.849
- Foreign currency demand deposit	1.056.723	4.922.248
- TRY time deposit *	9.327.456	9.936.684
- Foreign currency time deposit **	5.559.774	23.400.830
Other Liquid Assets	3.917.857	14.981.740
	27.744.419	59.673.800

* As of 31 March 2008, the interest rate on TRY time deposit accounts varies between 10% and 16,10% (31 December 2007 – 18,65% - 21,00%).

** As of 31 March 2008, the interest rates applied to USD time deposits varies between 3,50% and 4% (31 December 2007 - USD 4,50% - 8,59%).

5. Financial Investments

Financial investments consist of the following (TRY) :

	31 March 2008	31 December 2007
Affiliates;		
Ak-Han Bak. Yön. Serv. Hizm. Güven. Malz. A.Ş.	63.582	63.582
Subsidiaries;		
Aksa Egypt Acrylic Fiber Industry SAE	78.695	78.695
Fitco BV	7.863.032	7.863.032
Akgirişim Kimya ve Ticaret A.Ş.	58.000	58.000
Other financial assets	54	54
	8.063.363	8.063.363

6. Financial Liabilities

Financial Liabilities consist of the following (TRY) :

	31 March 2008	31 December 2007
Short term bank loans	105.659.727	80.104.886
Principal payments of long term bank loans and related interests	477.647	65.564
Short term financial debts	106.137.374	80.170.450
Long term financial debts	46.818.550	21.650.550

The maturities of long term loans are 14 December 2014 and 14 June 2015.

As of 31 March 2008, the interest rate on long term USD bank loans vary between 6,30% and 4,02% (31 December 2007 - USD - 6,86%).

7. Trade Receivables and Payables

Short term trade receivables consist of the following (TRY):

	31 March 2008	31 December 2007
Customers	163.356.567	125.631.749
Notes receivable and post-dated cheques	166.383.983	148.024.430
Rediscount on receivables (-)	(3.507.615)	(3.789.922)
Doubtful trade receivables	1.412.641	1.412.641
Provision for doubtful trade receivables (-)	(1.412.641)	(1.412.641)
Other Trade Receivables	326.232.935	269.866.257
Due from related parties (Note 25)	8.337.097	10.221.945
Total short term trade receivables	334.570.032	280.088.202

Long term trade receivables consist of the following (TRY) :

	31 March 2008	31 December 2007
Notes receivable and post-date cheques	2.218.797	2.907.091
Rediscount on receivables (-)	(78.437)	(181.749)
Total long term trade receivables	2.140.360	2.725.342

Trade payables consist of the following (TRY) :

	31 March 2008	31 December 2007
Suppliers	93.538.758	109.472.260
Rediscount on payables (-)	(1.144.972)	(1.385.844)
Other trade payables	92.393.786	108.086.416
Due to related parties (Note 25)	21.278.051	18.005.949
Total trade payables	113.671.837	126.092.365

8. Other Receivables and Payables

Other receivables consist of the following (TRY) :

	31 March 2008	31 December 2007
Short term other receivables	24.463.053	20.795.867
Due from personnel	174.227	143.931
Deposits and guarantees given	36.789	38.247
Other receivables	24.674.069	20.978.045
Non-trade receivables from related parties (Note 25)	16.035.482	14.839.451
Total other receivables	40.709.551	35.817.496

Long term other receivables consist of the following (TRY) :

	31 March 2008	31 December 2007
Deposits and guarantees given	9.357	9.357

Other payables consist of the following (TRY) :

	31 March 2008	31 December 2007
Taxes, duties and other withholdings payable	1.366.228	2.040.087
Social security premiums payable	1.485.778	886.876
Due to personnel	16.439	4.673
Other miscellaneous debts	17.040	1.816
Deposits and guarantees received	1.036	1.036
Other payables	2.886.521	2.934.488
Non-trade payables to related parties (Note 25)	2.810	2.810
Total other payables	2.889.331	2.937.298

9. Inventories

Inventories consist of the following (TRY) :

	31 March 2008	31 December 2007
Raw materials and supplies	83.285.660	93.158.517
Semi-finished goods	12.484.786	7.558.176
Finished goods	32.160.200	21.375.316
Merchandise	264.001	295.172
Other inventories	205.967	90.026
	128.400.614	122.477.207

10. Tangible Assets

Tangible assets consist of the following (TRY) :

As of 31 March 2008 ;

Cost ;	Opening 1 January 2008	Additions	Transfers	Capitalized Finance Cost	Disposal	Closing 31 March 2008
Land	54.577.547	-	-	-	-	54.577.547
Land improvements	31.667.828	-	73.726	-	-	31.741.554
Buildings	79.206.377	38.234	1.657.591	-	-	80.902.202
Machinery and equipment	495.005.286	21.674.788	1.589.626	-	-	518.269.700
Motor vehicles	1.207.263	250	-	-	(25.127)	1.182.386
Furniture and fixtures	14.357.832	90.110	33.264	-	(1.015)	14.480.191
Other tangible assets	9.899	-	-	-	-	9.899
Investments in progress	89.719.957	11.849.914	(3.354.207)	2.024.271	-	100.239.935
Sub total	765.751.989	33.653.296	-	2.024.271	(26.142)	801.403.414
Accumulated depreciation (-)						
Land improvements	(23.052.115)	(353.755)	-	-	-	(23.405.870)
Buildings	(27.544.920)	(413.060)	-	-	-	(27.957.980)
Machinery and equipment	(337.497.494)	(7.594.611)	-	-	-	(345.092.105)
Motor vehicles	(1.067.350)	(14.937)	-	-	17.170	(1.065.117)
Furniture and fixtures	(12.008.773)	(231.813)	-	-	209	(12.240.377)
Other tangible assets	(9.297)	(129)	-	-	-	(9.426)
Sub total	(401.179.949)	(8.608.305)	-	-	17.379	(409.770.875)
Net Value	364.572.040	25.044.991	-	2.024.271	(8.763)	391.632.539

10. Tangible Assets (continued)

Tangible assets consist of the following (TRY) (continued) :

As of 31 December 2007 ;

Cost ;	Opening 1 January 2007	Exclusions from Consolidation	Additions	Transfers	Capitalized Finance Cost	Disposal	Closing 31 December 2007
Land	60.088.909	(6.090.092)	578.730	-	-	-	54.577.547
Land improvements	79.640.031	(49.545.111)	1.572.908	-	-	-	31.667.828
Buildings	119.831.488	(41.768.930)	137.818	1.006.001	-	-	79.206.377
Machinery and equipment	1.206.680.939	(728.388.293)	40.954	16.681.299	-	(9.613)	495.005.286
Motor vehicles	6.549.831	(5.303.317)	89.806	-	-	(129.057)	1.207.263
Furniture and fixtures	30.247.530	(16.455.004)	454.628	145.720	-	(35.042)	14.357.832
Other tangible assets	9.899	-	-	-	-	-	9.899
Investments in progress	59.194.268	(43.436.676)	91.736.994	(16.954.247)	(820.382)	-	89.719.957
Sub total	1.562.242.895	(890.987.423)	94.611.838	878.773	(820.382)	(173.712)	765.751.989
Accumulated depreciation (-)							
Land improvements	(39.591.517)	17.972.708	(1.433.306)	-	-	-	(23.052.115)
Buildings	(37.398.057)	11.454.878	(1.601.741)	-	-	-	(27.544.920)
Machinery and equipment	(774.550.085)	471.521.733	(34.478.755)	-	-	9.613	(337.497.494)
Motor vehicles	(5.163.560)	4.076.725	(109.572)	-	-	129.057	(1.067.350)
Furniture and fixtures	(24.622.373)	13.573.623	(994.242)	-	-	34.219	(12.008.773)
Other tangible assets	(8.406)	-	(891)	-	-	-	(9.297)
Sub total	(881.333.998)	518.599.667	(38.618.507)	-	-	172.889	(401.179.949)
Net Value	680.908.897	(372.387.756)	55.993.331	878.773	(820.382)	(823)	364.572.040

11. Intangible Assets

Intangible assets consist of the following (TRY):

As of 31 March 2008;

Cost ;	Opening 1 January 2008	Additions	Transfers and Disposals	Closing 31 March 2008
Rights	1.615.798	-	-	1.615.798
Special costs	5.705.488	-	-	5.705.488
Other intangible assets	1.338.568	4.335	-	1.342.903
Sub total	8.659.854	4.335	-	8.664.189
Accumulated amortisation (-)				
Rights	(1.580.385)	(5.577)	-	(1.585.962)
Special costs	(2.878.436)	(54.367)	-	(2.932.803)
Other intangible assets	(1.036.547)	(39.136)	-	(1.075.683)
Sub total	(5.495.368)	(99.080)	-	(5.594.448)
Net Value	3.164.486	(94.745)	-	3.069.741

As of 31 December 2007;

Cost ;	Opening 1 January 2007	Exclusions from Consolidation	Additions	Transfers and Disposals	Closing 31 December 2007
Rights	38.717.458	(37.124.860)	23.200	-	1.615.798
Special costs	7.932.045	(2.250.948)	24.391	-	5.705.488
Other intangible assets	3.036.758	(1.807.034)	108.844	-	1.338.568
Sub total	49.686.261	(41.182.842)	156.435	-	8.659.854
Accumulated amortisation (-)					
Rights	(4.562.875)	3.019.738	(37.248)	-	(1.580.385)
Special costs	(4.877.899)	2.211.877	(212.414)	-	(2.878.436)
Other intangible assets	(2.501.055)	1.614.562	(150.054)	-	(1.036.547)
Sub total	(11.941.829)	6.846.177	(399.716)	-	(5.495.368)
Net Value	37.744.432	(34.336.665)	(243.281)	-	3.164.486

12. Goodwill

Goodwill consists of the following (TRY) :

As of 31 March 2008;

	Opening 1 January 2008	Additions	Disposals	Closing 31 March 2008
Ak-Tops Tekstil Sanayi A.Ş.	5.988.651	-	-	5.988.651
	5.988.651	-	-	5.988.651

As of 31 December 2007;

	Opening 1 January 2007	Exclusions from Consolidation	Additions	Disposals	Closing 31 December 2007
Positive goodwill					
Akkur Enerji Üretim Ticaret ve Sanayi A.Ş.	22.548.997	(22.548.997)	-	-	-
Ak-Tops Tekstil Sanayi A.Ş.	-	-	5.988.651	-	5.988.651
	22.548.997	(22.548.997)	5.988.651	-	5.988.651

13. Provisions, Contingent Assets and Liabilities

Debt provisions consist of the following (TRY) :

	31 March 2008	31 December 2007
Provision for litigation	2.939.731	2.844.992
Provision for leaves	1.151.635	701.182
Provisions for other debts and expenses	10.092	205.866
	4.101.458	3.752.040

13. Provisions, Contingent Assets and Liabilities (continued)

Taxes payable on profit for the current period consist of the following (TRY) :

	31 March 2008	31 December 2007
Current period tax provision (Note 23)	6.105.363	1.552.888
Prepaid taxes and funds	(2.553.796)	(1.172.421)
	3.551.567	380.467

Contingent assets and liabilities consist of the following (TRY) :

a) As of 31 March 2008, contingent liabilities amount to TRY 70.518.790, USD 98.395.000 and EURO 1.108.800 (31 December 2007 – TRY 63.394.567, EURO 1.108.800, USD 94.382.500).

b) As of 31 March 2008, guarantees received for short term trade receivables amount to TRY 61.286.033 (31 December 2007 – TRY 46.205.910).

c) As of 31 March 2008, there is no ongoing litigation commenced by the Parent Company and its subsidiaries against third parties (31 December 2007 – None).

d) As of 31 August 2007, the company has been sued for damages by 47 people at a total of TRY 57.500 related to the 1999 earthquake, however the case has not been accepted by the court as yet. As of 31 December 2007, provision is made for a total of TRY 2.939.731 including a principal amount of TRY 657.500 and the related interest of TRY 2.282.231 (31 December 2007 - TRY 2.844.992).

e) As of 31 March 2008 the overdue receivables and the related provisions stated in the books of the Parent Company and its subsidiaries amount to TRY 1.412.641 (31 December 2007 – TRY 1.412.641).

14. Employee Benefits

Liabilities related to employee benefits consist of provision for termination indemnity and provision for leaves as in the following (TRY) :

	31 March 2008	31 December 2007
Provision for termination indemnity at the beginning of the period	9.592.710	11.722.036
Provision for leaves	366.121	195.452
Effect of subsidiaries excluded from consolidation	-	(3.477.393)
Charge for the current period	(85.063)	1.152.615
Provisions for termination indemnity and leaves at the end of the period	9.873.768	9.592.710

15. Other Assets and Liabilities

Other current assets consist of the following (TRY) :

	31 March 2008	31 December 2007
Order advances given	16.080.610	12.690.472
Other VAT	8.015.270	8.597.322
Deferred VAT	6.184.501	2.440.069
Prepaid taxes and funds	-	2.553.056
Personnel advances	879.930	1.269.649
Expenses related to future months	794.196	295.886
Job advances	267.640	95.610
	32.222.147	27.942.064

Other long term assets consist of the following (TRY) :

	31 March 2008	31 December 2007
Order advances given	1.769.126	1.760.709
Expenses related to future years	567	814
	1.769.693	1.761.523

Other liabilities consist of the following (TRY) :

	31 March 2008	31 December 2007
Other VAT	8.015.270	8.597.321
Expense accruals	106.783	102.353
Order advances received	725.029	545.392
	8.847.082	9.245.066

16. Equity

(a) Paid-in capital:

The shareholding structure of the Parent Company is as follows (TRY) :

Name	Shareholding	Nominal Value
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58 %	43.546.625
Emniyet Tic. ve San. A.Ş.	18,72 %	20.596.070
Other *	41,70 %	45.857.305
	100,00 %	110.000.000
Capital adjustment differences		255.174.673
Total adjusted capital		365.174.673

* Represents shareholding of less than 10%.

The Parent Company’s registered capital limit is TRY 425.000.000 and its paid-in capital amounts to TRY 110.000.000 consisting of 11.000.000.000 shares of 1 YKR nominal value each.

(b) Restricted Profit Reserves :

Restricted profit reserves consist of the legal reserves and profit on sales of investments as follows (TRY):

	31 March 2008	31 December 2007
Legal reserves	16.579.576	16.579.576
Profit on sales of investments	26.197.015	-
	42.776.591	16.579.576

Legal reserves, which are divided as First Legal Reserve and Second Legal Reserve as per the Turkish Commercial Code, are appropriated as below:

(a) First Legal Reserve: Appropriated out of net profit at the rate of 5% until such reserve is equal to 20% of issued and fully paid capital.

(b) Second Legal Reserve: Appropriated out of net profit at the rate of 10% of distributions after providing for First Legal Reserve and an amount equal to 5% of capital as dividends.

Legal reserves which do not exceed one half of share capital may only be used to absorb losses or for purposes of continuity of the business in times of business difficulties and to prevent unemployment or lessen its effects.

16. Equity (continued)

(c) Retained Earnings /(Accumulated Losses)

Retained earnings / (accumulated losses) consist of the following (TRY) :

	31 March 2008	31 December 2007
Retained earnings	238.916.635	234.661.468
2007 profit transfer	4.730.127	-
2006 profit transfer	-	61.538.660
Profit on sales of investments	(26.197.015)	-
Transfer to reserves		(4.768.868)
Dividend payment	-	(17.633.957)
Effect of rate change in consolidation	-	(716.656)
Effect of subsidiary excluded from consolidation	-	(34.164.012)
	217.449.747	238.916.635

Distribution of retained earnings/(accumulated losses) is as follows (TRY) :

	31 March 2008	31 December 2007
Retained earnings/(Accumulated losses)	21.472.788	42.939.676
Extraordinary reserves	56.768.988	56.768.988
Differences arising from inflation adjustment in equity	138.677.573	138.677.573
Legal reserves of subsidiaries	491.768	491.768
Extraordinary reserves of subsidiaries	38.630	38.630
	217.449.747	238.916.635

As per the Communiqué Nr. XI/29, “Paid-in Capital, Issue Premiums and Restricted Reserves” are recognized over the totals stated in the legal books, and the differences arising upon valuations made in accordance with TAS/TFRS are correlated with the retained earnings/accumulated losses. As per the same Communiqué, retained earnings/accumulated losses other than the net profit for the period, are stated in the “Retained Earnings/Accumulated Losses” account together with the extraordinary reserves regarded in essence as retained earnings/accumulated losses.

16. Equity (continued)

(c) Retained Earnings /(Accumulated Losses) (continued)

Inflation adjustment differences in equity arising upon restatement of share premium, legal and extraordinary reserves are stated below as per the respective accounting periods (TRY):

	31 March 2008	31 December 2007
Inflation adjustment in extraordinary reserves	5.323.651	5.323.651
Inflation adjustment in legal reserves	110.092.166	110.092.166
Inflation adjustment in share premium	23.261.756	23.261.756
	138.677.573	138.677.573

Inflation adjustment differences may be used in rights issue and set off losses. Furthermore, inflation adjustment differences arising from reserves bearing no record that hinders profit distribution may be used in profit distribution.

(d) Minority Interests

Minority interests consist of the following (TRY) :

	31 March 2008	31 December 2007
Share capital	18.468.486	18.468.486
Legal reserves	5.917.288	5.917.288
Extraordinary reserves	182.100	182.100
Retained earnings/(accumulated losses)	(8.812.257)	(11.858.383)
Profit/(loss) for the period	643.356	3.046.126
	16.398.973	15.755.617

17. Sales and Cost of Sales

Sales income consists of the following (TRY) :

	31 March 2008	31 March 2007
Domestic sales	139.295.300	214.411.432
Exports	91.910.765	117.660.550
Other sales	159.534	217.368
Sales returns (-)	(386.604)	(336.809)
Sales discounts (-)	-	(107.944)
Other deductions (-)	(7.361.090)	(6.971.192)
	223.617.905	324.873.405

17. Sales and Cost of Sales (continued)

Cost of sales consist of the following (TRY) :

	31 March 2008	31 March 2007
Cost of goods sold	186.274.559	281.734.893
Cost of trade goods sold	10.191.331	16.290.303
Cost of services	6.318.921	4.357.766
Cost of other sales	989.242	728.565
	203.774.053	303.111.527

Cost of goods sold consists of the following (TRY) :

	31 March 2008	31 March 2007
Raw materials and supplies	147.543.996	242.658.992
Depreciation expenses	5.444.744	19.476.412
Overhead expenses	27.274.243	10.581.271
Labor expenses	6.011.576	9.018.218
	186.274.559	281.734.893

18. Research and Development Expenses; Marketing, Sales and Distribution Expenses; General Administration Expenses

Research and development expenses, marketing, sales and distribution expenses and general administration expenses consist of the following (TRY) :

	31 March 2008	31 March 2007
Marketing, sales and distribution expenses	449.409	1.093.691
Research and development expenses	1.829.255	1.629.603
General administration expenses	9.401.287	16.629.509
	11.679.951	19.352.803

18. Research and Development Expenses; Marketing, Sales and Distribution Expenses; General Administration Expenses (continued)

Marketing, Sales and Distribution Expenses

	31 March 2008	31 March 2007
Personnel expenses	263.583	353.198
Sample expenses	48.282	45.853
Transport and rent expenses	42.625	114.027
Travel expenses	28.614	32.910
Insurance expenses	-	181.949
Rent expenses	17.621	32.829
Depreciation expenses	9.502	31.881
Communication expenses	3.363	79.864
Advertisement, press and promotion expenses	1.551	134.687
Other expenses	34.268	86.493
	449.409	1.093.691

Research and Development Expenses

	31 March 2008	31 March 2007
Personnel expenses	796.224	488.981
Depreciation expenses	734.911	709.769
Subcontractor expenses	95.453	78.100
Maintenance, repair and cleaning expenses	48.981	29.261
Auxiliary material expenses	44.824	24.102
Outsourced benefits and services	20.005	232.637
Other expenses	88.857	66.753
	1.829.255	1.629.603

18. Research and Development Expenses; Marketing, Sales and Distribution Expenses; General Administration Expenses (continued)

General Administration Expenses

	31 March 2008	31 March 2007
Personnel expenses	4.243.287	8.008.415
Communication expenses	133.527	205.118
Consultancy expenses	1.377.810	1.948.351
Social expenses	630.738	644.766
Depreciation expenses	294.176	843.249
Office expenses	381.695	360.703
Insurance expenses	22.882	283.795
Rent expenses	150.789	225.697
Miscellaneous tax expenses	13.202	265.229
Travel expenses	260.545	377.193
Advertisement expenses	17.500	46.781
Disallowable expenses	947.743	1.293.720
Other outsourced benefits and services	670.295	1.119.172
Court and notary expenses	8.620	93.412
Other expenses	248.478	913.908
	9.401.287	16.629.509

19. Expenses by Nature

Depreciation and amortization expenses consist of the following (TRY) :

	31 March 2008	31 March 2007
Cost of goods sold	5.444.744	19.476.412
Research and development expenses	734.911	709.769
Marketing expenses	9.502	31.881
General administration expenses	294.176	843.249
Cost of services	744.725	796.337
Depreciation expenses on inventory	1.479.327	1.985.175
	8.707.385	23.842.823

20. Other Operating Income and Expenses

Other operating income consists of the following (TRY):

	31 March 2008	31 March 2007
Disallowable expenses	11.079	300.668
Prior period income and profits	-	162.993
Profit on sales of fixed assets	13.310	16.343
Other income and profits	1.938.486	3.166.024
	1.962.875	3.646.028

Other operating expenses consist of the following (TRY):

	31 March 2008	31 March 2007
Commission expenses	847.857	701.883
TRT Share	-	767.453
Prior period expenses and losses	5.028	60.070
Loss on sales of fixed assets	-	974
Other expenses and losses	472.708	732.412
	1.325.593	2.262.792

21. Financial Income

Financial income consists of the following (TRY) :

	31 March 2008	31 March 2007
Foreign exchange gains	44.697.097	26.625.749
Rediscount interest income	5.828.700	10.351.795
Interest income	1.006.407	4.873.785
	51.532.204	41.851.329

22. Financial Expenses

Financial expenses consist of the following (TRY) :

	31 March 2008	31 March 2007
Foreign exchange losses	25.785.730	29.002.070
Rediscount interest expenses	5.468.708	9.027.479
Short term borrowing expenses	1.006.670	2.610.933
	32.261.108	40.640.482

23. Tax Assets and Liabilities

a) Corporation Tax ;

The corporation tax rate for 2008 is 20% in Turkey (31 December 2007 – 20%). This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation through addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation.

Tax income and expenses recognized in the statement of income are summarized in the following (TRY):

	31 March 2008	31 March 2007
Current period Corporation Tax	(6.105.363)	(3.042.015)
Deferred tax income/(expenses)	438.166	11.173.640
Total tax income/(expenses)	(5.667.197)	8.131.625

Current period corporation tax is calculated as follows (TRY) :

	31 March 2008	31 March 2007
Profit per statutory books	30.945.762	19.199.858
Disallowable expenses	6.473.268	14.540.402
Tax exempt income	(6.059.334)	(15.796.689)
Investment allowance used	(832.877)	-
Write-off of prior year losses	-	(2.733.492)
Sub total	30.526.819	15.210.079
Tax rate (%)	20	20
Tax provision (Note 13)	6.105.363	3.042.015

23. Tax Assets and Liabilities (continued)

b) Deferred Tax Assets and Liabilities ;

Temporary differences creating a basis for deferred tax calculations and deferred tax assets/liabilities and deferred tax income/expenses are as follows (TRY):

Temporary Income / (Expense) Differences

	31 March 2008	31 December 2007
Adjustment on rediscount on receivables	4.395.762	5.077.268
Provision for termination indemnity	9.507.647	9.397.258
Provision for leaves	1.517.756	896.634
Provision for litigation	110.526	907.580
Valuation of foreign exchange buying/selling rates	-	661.001
Adjustment on loan discount	2.693	2.212
Transactions related to consolidation	81.657	-
Deferred tax asset base	15.616.041	16.941.953
Adjustment on rediscount on payables	1.144.972	1.385.844
Transactions related to consolidation	-	173.115
Difference between the book values of tangible/intangible assets and their tax bases, net	98.591.991	101.694.747
Deferred tax liability base	99.736.963	103.253.706
Deferred tax liability base (net)	84.120.922	86.311.753
Tax rate	20%	20%
Deferred tax liability (net)	16.824.184	17.262.351

Deferred Tax Income / (Expense) (TRY):

	31 March 2008	31 March 2007
Current period deferred tax asset / (liability)	(16.824.184)	(19.858.319)
Reversal of prior period deferred tax (liability) / asset	17.262.350	31.031.959
Deferred tax income / (expense)	438.166	11.173.640

24. Profit/(Loss) Per Share

Profit/(Loss) per share is calculated as follows;

	31 March 2008	31 March 2007
Profit for the period (TRY)	21.761.726	7.160.199
Weighted number of ordinary shares	110.000.000	110.000.000
(per share of TRY 1 nominal value)		
Parent Company earnings per share (TRY)	0,20	0,07

25. Related Party Disclosures

Trade receivables from related parties consist of the following (TRY) :

	31 March 2008	31 December 2007
Ak-Al Tekstil Sanayii A.Ş.	6.607.408	10.515.163
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	2.226.501	418.843
Rediscount on receivables (-)	(496.812)	(712.061)
Total (Note 7)	8.337.097	10.221.945

Non-trade receivables from related parties consist of the following (TRY):

Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	11.277.408	10.281.098
Akport Tekirdağ Liman İşletmeleri A.Ş.	9.191	21.973
Aksa Egypt Acrylic Fiber Industry SAE	5.566	4.440
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	113.687	129.108
Akiş Gayrimenkul Yatırımı A.Ş.	4.365	-
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	4.135.478	3.862.907
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş.	461.822	528.958
A. Raif Dinçkök	27.965	10.967
Total (Note 8)	16.035.482	14.839.451

25. Related Party Disclosures (continued)

Trade payables to related parties consist of the following (TRY) :

	31 March 2008	31 December 2007
Akkim Kimya San. ve Tic. A.Ş.	11.948.842	9.448.788
Akenerji Elektrik Üretim A.Ş.	8.301.785	7.093.185
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	485.327	793.491
Dinkal Sigorta Acenteliği A.Ş.	413.352	118.261
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	69.374	-
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	59.371	552.224
Total (Note 7)	21.278.051	18.005.949

Non-trade payables to related parties consist of the following (TRY) :

Due to shareholders (Note 8)	2.810	2.810

Sales to related parties in the three month interim periods ended 31 March 2008 and 2007 consist of the following (TRY):

	31 March 2008	31 March 2007
Ak-Al Tekstil Sanayii A.Ş.	7.587.836	-
Akenerji Elektrik Üretim A.Ş.	664.643	-
Akkim Kimya San. ve Tic. A.Ş.	897.774	6.827.610
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	640.123	3.487.021
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	57.555	44.703
Üçgen Bakım ve Yönetim Hiz. A.Ş.	-	661.023
Akport Tekirdağ Liman İşletmeleri A.Ş.	5.610	25.473
Akiş Gayrimenkul Yatırımı A.Ş.	10.200	-
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	5.100	-
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	1.795	4.317
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş.	541	1.178
Ak-Han Bakım Yönt. Serv.Hizm. Güven. Malz. A.Ş.	452	88
Dinkal Sigorta Acenteliği A.Ş.	6.870	243
Other *	-	23.330.466
	9.878.499	34.382.122

* As per the legal status of the subsidiary Akenerji Elektrik Üretim A.Ş., this total represents the total related to shareholders other than those included in the Akkök Group.

25. Related Party Disclosures (continued)

Purchases from related parties in the three month interim periods ended 31 March 2008 and 2007 consist of the following (TRY):

	31 March 2008	31 March 2007
Akenerji Elektrik Üretim A.Ş.	23.080.332	-
Akkim Kimya San. ve Tic. A.Ş.	15.640.438	13.493.880
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	1.278.029	1.195.715
Ak-Al Tekstil Sanayii A.Ş.	900.671	-
Dinkal Sigorta Acenteliği A.Ş.	714.869	2.059.151
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	350.252	513.715
Ak-Han Bakım Yönt. Serv.Hizm. Güven. Malz. A.Ş.	155.847	279.293
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	64.320	180.312
Üçgen Bakım ve Yönetim Hiz. A.Ş.	-	24.322
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	47.456	-
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	10.658	-
Bozüyük Orman Ürünleri Sanayi Tesisleri A.Ş.	-	94.500
Other*	-	11.330.026
	42.242.872	29.170.914

* As per the legal status of the subsidiary Akenerji Elektrik Üretim A.Ş., this total represents the total related to shareholders other than those included in the Akkök Group.

As of 31 March 2008, remuneration provided to top executives such as the CEO and members of the Board of Directors amount to TRY 961.374 (31 March 2007 – TRY 1.870.586).

26. Types and Levels of Risk Arising from Financial Instruments

i. Foreign Currency Risk

Balances of foreign currency transactions of the Parent Company and its subsidiaries originating from operations, investment and financial activities as of the reporting date are stated below. In relation to the receivables and payables in foreign currency, the Parent Company and its subsidiaries may be exposed to foreign currency risk at times when the exchange rates vary. The said foreign currency risk is limited through continuous analysis of foreign currency position.

The foreign currency sensitivity analysis of the Parent Company and its subsidiaries is as follows:

As of 31 March 2008, had all foreign currencies lost/gained value by 10% against the New Turkish Lira with all other variables remaining constant, the profit/(loss) before tax would have been lower/higher by TRY 18.297.433 (31 December 2007 – TRY 16.142.203) due to the foreign exchange loss/profit arising from the net foreign currency position.

26. Types and Levels of Risk Arising from Financial Instruments (continued)

i. Foreign Currency Risk (continued)

As of 31 March 2008 and 31 December 2007, the assets and liabilities denominated in foreign currencies consist of the following (TRY):

On total basis;

	31 March 2008	31 March 2007
	TRY	TRY
A.Foreign Currency Assets	344.439.133	327.126.685
B.Foreign Currency Liabilities	(208.535.150)	(187.418.554)
Net Foreign Currency Position (A-B)	135.903.983	139.708.131

Detailed on foreign currency basis;

		31 March 2008		31 December 2007	
	Foreign Currency	Amount	TRY Equivalent	Amount	TRY Equivalent
Cash and cash equivalents	USD	5.155.333	6.580.783	23.881.577	27.814.872
	EURO	24.344	49.067	274.998	470.302
	GBP	740	1.885	6.494	15.104
Trade receivables	USD	240.078.864	306.460.670	235.987.164	274.854.250
	EURO	15.043.365	30.321.406	13.448.608	22.999.809
Non-trade receivables	USD	506.097	646.033	723.842	843.059
	EURO	105.031	211.701	69.129	118.224
	GBP	-	-	1.494	3.475
Advances given	USD	34.605	44.173	-	-
	EURO	61.230	123.415	4.438	7.590
TOTAL ASSETS			344.439.133		327.126.685
Trade payables	USD	(54.338.229)	(69.362.749)	(85.079.767)	(99.568.851)
	EURO	(1.075.976)	(2.168.738)	(458.362)	(787.649)
	GBP	(175.570)	(447.405)	(4.768)	(11.148)
	CHF	(2.083)	(2.664)	-	-
Financial debts	USD	(106.975.005)	(136.553.594)	(74.380.304)	(87.047.270)
Non-trade payables	USD	-	-	(3.107)	(3.636)
TOTAL LIABILITIES			(208.535.150)		(187.418.554)
TOTAL			135.903.983		139.708.131

26. Types and Levels of Risk Arising from Financial Instruments (continued)

i. Foreign Currency Risk (continued)

The total exports and imports of the Parent Company and its subsidiaries for the three month periods as of 31 March 2008 and 31 December 2007 are as follows (TRY):

	31 March 2008	31 March 2007
	TRY	TRY
Total imports	145.686.710	122.497.367
Total exports	183.595.961	196.466.127

As of 31 March 2008 and 31 December 2007, the hedging rate of the Company's total foreign currency liability is as follows (TRY):

	31 March 2008	31 December 2007
Hedging rate of total foreign currency liabilities (%)	100 %	100 %

ii. Doubtful Receivables Risk

The Parent Company and its subsidiaries have made provision for doubtful receivables developed until the reporting date.

iii. Liquidity Risk

The funding risk of current and future loan requirements is monitored through maintaining continuous access to sufficient number of high quality commercial credit companies. The Parent Company and its subsidiaries create funds through converting short term financial instruments such as trade receivables into cash.

As of 31 March 2008, the distribution of financial assets and liabilities of the Parent Company and its subsidiaries as per the related maturities is as follows (TRY):

	31 March 2008			
	Up to 3 months	3-12 months	1 year and over	Total
Current Assets	224.272.926	178.751.076	-	403.024.002
Cash and cash equivalents	27.744.419	-	-	27.744.419
Trade receivables	163.356.567	162.876.368	-	326.232.935
Due from related parties	8.337.097	-	-	8.337.097
Other receivables	24.674.069			24.674.069
Non-trade receivables from related parties	160.774	15.874.708		16.035.482
Non-current assets	-	-	2.149.717	2.149.717
Trade receivables	-	-	2.140.360	2.140.360
Other receivables			9.357	9.357
Short term liabilities	194.076.453	28.619.279	2.810	222.698.542
Financial debts	90.213.667	15.923.707	-	106.137.374
Trade payables	79.698.214	12.695.572	-	92.393.786
Due to related parties	21.278.051	-	-	21.278.051
Other payables	2.886.521	-	-	2.886.521
Non-trade payables to related parties	-	-	2.810	2.810
Long term liabilities	-	-	46.818.550	46.818.550
Financial debts	-	-	46.818.550	46.818.550

26. Types and Levels of Risk Arising from Financial Instruments (continued)

iii. Liquidity Risk (continued)

As of 31 December 2007, the distribution of financial assets and liabilities of the Parent Company and its subsidiaries as per the related maturities is as follows (TRY):

	31 December 2007			
	Up to 3 months	3-12 months	1 year and over	Total
Current Assets	195.527.494	144.234.508	-	339.762.002
Cash and cash equivalents	59.673.800	-	-	59.673.800
Trade receivables	125.631.749	144.234.508	-	269.866.257
Due from related parties	10.221.945	-	-	10.221.945
Other receivables	20.978.045	-	-	20.978.045
Non-trade receivables from related parties	166.488	14.672.963	-	14.839.451
Non-current Assets	-	-	2.734.699	2.734.699
Trade receivables	-	-	2.725.342	2.725.342
Other receivables	-	-	9.357	9.357
Short term liabilities	181.541.114	27.656.189	2.810	209.200.113
Financial debts	54.450.752	25.719.698	-	80.170.450
Trade payables	106.149.925	1.936.491	-	108.086.416
Due to related parties	18.005.949	-	-	18.005.949
Other debts	2.934.488	-	-	2.934.488
Non-trade payables to related parties	-	-	2.810	2.810
Long term liabilities	-	-	21.650.550	21.650.550
Financial debts	-	-	21.650.550	21.650.550

iv. Counterparty Risk

Holding financial instruments may lead to failure of the counterparty to fulfill the terms and conditions of the agreement. The Company management takes measures to prevent such risks through limiting the average risk for the counterparty (except for the related parties) at each agreement, and receiving guarantees if necessary.

v. Interest Risk

The financial loan agreements of the Parent Company and its Subsidiaries are denominated in USD, and the interest rates are fixed. Long term loans consist of investment credits and the interest rates are variable. The borrowing costs of long term loans are capitalized through reference to the related investments. As the payments are made in foreign currency, it is assumed that the market interest rate will not be subject to considerable changes until the maturity date; hence the interest rate risk is considered to be negligible.

27. Financial Instruments

The Parent Company and its subsidiaries believe that the recorded value of the financial instruments reflect their fair values. Fair value is the amount for which a financial instrument could be exchanged between two willing parties in an arm's length transaction. It is primarily considered the same as the quoted value of the financial instrument; however in case there is no quoted value, the purchase or sales value of an instrument is deemed to be the fair value of the financial instrument. The significant accounting policies of the Parent Company and its subsidiaries related to financial instruments are disclosed in Note 2 "Presentation of Financial Statements" (a) "Financial Instruments".

28. Subsequent Events

The termination indemnity upper limit which stood at TRY 2.087,92 as of 31 March 2008 has been increased to TRY 2.122,59 as of 1 July 2008 (31 December 2007 – TRY 2.030,19).

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

As of 31 March 2008, insurance on assets amounts to TRY 24.417.216 and USD 240.746.823 (31 December 2007 – TRY 49.834.811 and USD 201.215.418).