

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
Consolidated Balance Sheets
as of 30 June 2008 and 31 December 2007
(TRY)

	Notes	30 June 2008	31 December 2007
ASSETS			
Current Assets		555,336,998	525,998,769
Cash and cash equivalents	2.4	17,751,666	59,673,800
Trade Receivables			
- Other Trade Receivables	2.7	322,516,142	269,866,257
- Trade Receivables Due from Related Parties	2,7,25	9,280,979	10,221,945
Other Receivables	8.0	42,285,704	35,817,496
Inventories	3	130,499,684	122,477,207
Other Current Assets	15	33,002,823	27,942,064
Non - Current Assets		438,813,067	386,284,762
Trade Receivables	2.7	11,054,584	2,725,342
Other Receivables	8	9,417	9,357
Financial Assets	2.5	8,063,363	8,063,363
Tangible Assets	2	408,932,117	364,572,040
Intangible Assets	2.11	3,092,771	3,164,486
Goodwill	2.12	5,988,651	5,988,651
Other Non-Current Assets	15	1,672,164	1,761,523
Total Assets		994,150,065	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 30 June 2008 and 31 December 2007
(TRY)

	Notes	30 June 2008	31 December 2007
LIABILITIES			
Short Term Liabilities		255,964,888	222,577,686
Financial Liabilities	2.6	81,019,232	80,170,450
Trade Payables			
- Other Trade Payables	3	131,915,147	108,086,416
- Trade Payables Due to Related Parties	2,7,25	24,242,531	18,005,949
Other Payables	8.0	2,492,467	2,937,298
Taxes Payable on Profit for the Period	2,13,23	929,244	380,467
Debt Provisions	2.13	4,048,362	3,752,040
Other Short Term Liabilities	15	11,317,905	9,245,066
Long Term Liabilities		70,924,410	48,505,611
Financial Liabilities	2.6	44,665,050	21,650,550
Provisions Related to			
Employee Benefits	2.1	9,473,888	9,592,710
Deferred Tax Liability	2.2	16,785,472	17,262,351
EQUITY		667,260,767	641,200,234
Parent Company Equity		653,622,459	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
Değer Artış Fonları	16	-	-
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		28,177,842	4,730,127
Minority Interests	2.16	13,638,308	15,755,617
Total Liabilities and Equity		994,150,065	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 six month periods ended 30 June 2008 and 2007
(TRY)

		1 January 2008 -	1 April 2008 -	1 January 2007 -	1 April 2007 -
	Notes	30 June 2008	30 June 2008	30 June 2007	30 June 2007
INCOME FROM PRINCIPAL ACTIVITIES					
Sales Income	17	468,639,204	245,021,299	646,520,862	321,647,457
Cost of Sales (-)	17	(424,487,672)	(220,713,619)	(613,186,998)	(310,075,471)
GROSS PROFIT/ (LOSS)		44,151,532	24,307,680	33,333,864	11,571,986
Marketing, Sales and Distribution Expenses (-)	18	(902,432)	(453,023)	(2,083,117)	(989,426)
General Administration Expenses (-)	18	(18,093,618)	(8,692,331)	(34,925,093)	(18,295,584)
Research and Development Expenses (-)	18	(3,920,457)	(2,091,202)	(3,029,425)	(1,399,822)
Other Operating Income	20	6,982,805	5,019,930	22,344,577	18,698,549
Other Operating Expenses (-)	20	(2,427,806)	(1,102,213)	(6,263,584)	(4,000,792)
OPERATING PROFIT / (LOSS)		25,790,024	16,988,841	9,377,222	5,584,911
Financial Income	21	50,785,497	(746,707)	58,558,329	16,707,000
Financial Expenses (-)	22	(40,750,633)	(8,489,525)	(68,040,754)	(27,400,272)
PROFIT/(LOSS) ON PRINCIPAL					
ACTIVITIES BEFORE TAX		35,824,888	7,752,609	(105,203)	(5,108,361)
Tax Income /(Expense) for the Period	2,13,23	(7,034,743)	(929,380)	(1,610,688)	1,431,327
Deferred Tax Income / (Expense)	2.23	476,879	38,713	13,078,921	1,905,281
Tax Income/(Expense) on Principal Activities	2.23	(6,557,864)	(890,667)	11,468,233	3,336,608
PROFIT / (LOSS) FOR THE PERIOD					
ON PRINCIPAL ACTIVITIES		29,267,024	6,861,942	11,363,030	(1,771,753)
PROFIT/(LOSS) FOR THE PERIOD		29,267,024	6,861,942	11,363,030	(1,771,753)
Distribution of Profit/(Loss) for the Period					
Minority Interest		1,089,182.000	445,826.000	6,265,006.00	290,422.00
Parent Company Shares		28,177,842.000	6,416,116.000	5,098,024.00	(2,062,175.00)
Earnings/(Loss) Per Share of the Parent Company	2.24	0.26	0.06	0.05	(0.02)

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 six month periods ended 30 June 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
Effect of subsidiary included in the consolidation	-	-	-	-	-	(7,992)	0	-7,992	-37,542	-45,534
Azınlık hisselerine ilişkin düzeltme	-	-	-	-	-	-	0	0	0	0
Transfer to reserves	-	-	-	-	4,768,868	(4,768,868)	0	0	0	0
Dividend payments	-	-	-	-	-	(17,633,957)	0	-17,633,957	-5,925,822	-23,559,779
Translation difference	-	-	(275,819)	-	-	-	0	-275,819	-972,075	-1,247,894
Profit for the period	-	-	-	-	-	-	5,098,024	5,098,024	6,265,006	11,363,030
Balance as at 30 June 2007	110,000,000	255,174,673	(947,784)	43,606	16,579,576	273,789,311	5,098,024	659,737,406	417,011,574	1,076,748,980
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
Transfer	-	-	-	-	26,197,015	(21,466,888)	(4,730,127)	0	-	0
Dividend payments	-	-	-	-	-	-	-	0	(3,206,491)	(3,206,491)
Profit for the period	-	-	-	-	-	-	28,177,842	28,177,842	1,089,182	29,267,024
Balance as at 30 June 2008	110,000,000	255,174,673	-	43,606	42,776,591	217,449,747	28,177,842	653,622,459	13,638,308	667,260,767

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 six month
periods ended 30 June 2008 and 2007
(TRY)

	Notes	30 June 2008	30 June 2007
A. CASH FLOWS FROM PRINCIPAL ACTIVITIES			
Net profit (+) / loss (-) before tax		35,824,888	(105,203)
<i>Adjustments:</i>			
Depreciation (+)		16,765,369	46,538,838
Termination indemnity		211,477	96,708
Debt provisions		(33,977)	(4,944,509)
Other provisions		-	(519,499)
Income (-) on marketable securities or long term investments		(1,820,164)	(8,905,403)
(Profit) / loss on sales of fixed assets		(231,669)	(4,144,217)
Interest expense (+)		1,876,976	6,439,331
Net Income Before Working Capital Changes (+)		52,592,900	34,456,046
Increase (-) / decrease (+) in trade receivables		(60,038,161)	42,479,303
Increase (-) / decrease (+) in inventories		(6,422,243)	20,641,896
Increase (-) / decrease (+) in other receivables		(6,468,268)	2,820,402
Increase (-) / decrease (+) in other assets		(4,971,400)	(2,868,896)
Increase (+) / decrease (-) in trade payables		30,065,313	4,116,487
Increase (+) / decrease (-) in other payables		(444,831)	(545,711)
Increase (+) / decrease (-) in other liabilities		2,072,839	(5,391,843)
Interest payments (-)		(544,066)	(3,345,324)
Tax payments (-)		(6,485,966)	(4,304,831)
Net cash (used in) / provided from principal activities		(643,883)	88,057,529
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisition (-)/disposal (+) of financial assets, net		-	(64,485)
Increase (-) in goodwill		-	(14,209,894)
Acquisition of tangible assets (-)		(63,126,748)	(72,001,736)
Acquisition of intangible assets (-)		(128,446)	(124,470)
Cash inflows from sales of tangible and intangible assets (+)		832,898	6,440,809
Interest received (+)		1,820,164	8,905,403
Net cash provided from/(used in) investing activities		(60,602,132)	(71,054,373)
C. CASH FLOWS FROM FINANCIAL ACTIVITIES			
Cash inflows / (outflows) related to short and long term liabilities		22,530,372	(30,992,812)
Dividends Paid (-)		-	(17,633,957)
Effect of subsidiary included in the consolidation		-	(7,992)
Translation differences		-	(275,819)
Effect of capital increase in subsidiaries on minority interests		(3,206,491)	(6,842,191)
Net cash (used in) / provided from financial activities		19,323,881	(55,752,771)
Increase / (decrease) in cash and cash equivalents		(41,922,134)	(38,749,615)
Cash and cash equivalents at the beginning of the period	2.4	<u>59,673,800</u>	<u>191,938,804</u>
Cash and cash equivalents at the end of the period	2.4	<u>17,751,666</u>	<u>153,189,189</u>

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

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:

<u>Parent Company:</u>	<u>Sector</u>
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
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* 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 its affiliate are companies included in the Akkök Group.

The Parent Company is registered at the Capital Markets Board and 37,82 % of its shares are traded at the Istanbul Stock Exchange.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

1. Organization and Principal Activities (continued)

As of 30 June 2008 and 31 December 2007, the shareholding structure of the Parent Company is as follows:

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

* Represents shareholdings of less than 10%.

As of 30 June 2008, the average number of employees is 912 (31 December 2007 – 911).

2. Presentation of the Financial Statements

i. Basis of Presentation:

The Parent Company and its Subsidiaries maintain their books of account and prepare their 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) which is compliant with the Turkish Accounting / Financial Reporting Standards (TAS/IFRS), 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 and as a consequence of this, it is promulgated that TAS/IFRS which are in full compliance with IFRS will be the basis of all financial statements.

However, the Turkish Accounting Standards Board (“TASB”) has not issued the differences between the IAS/IFRS that are accepted by the EU and the actual IAS/IFRS issued by the International Accounting Standards Board (“IASB”) yet; and therefore the accompanying financial statements are prepared in accordance with the IAS/IFRS which are in full compliance with the TAS/IFRS issued by the TASB. As required by the TFRS, 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/IFRS.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

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 30 June 2008 in accordance with the Communiqué Nr. XI/29 have been approved by the Board of Directors at 27 August 2008.

The Company retains the power to change its interim financials through the Board of Directors and CMB and the annual financial statements through the General Assembly and CMB.

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

TAS 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 accompanying 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 Statistical Institute (TSI). Such indices and conversion factors are as follows:

<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

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.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

2. Presentation of the Financial Statements (continued)

ii. Adjustment of Financial Statements During Hyper-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)”

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 :

	<u>30 June 2008</u>	<u>31 December 2007</u>
<u>Subsidiaries</u>		
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.

30 June 2008 31 December 2007

Affiliates

Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş. *	33,33 %	33,33 %
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* 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.

Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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 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 8 June 2007.
- As the cost of acquired subsidiary 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 determine 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 Equity Section of the consolidated balance sheet and in the statement of income.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

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 30 June 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 six month periods ended 30 June 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 six months period ended 30 June 2007 by TRY 199.623 and TRY 278.425 respectively, and increased the retained earnings by TRY 76.697 as of 31 December 2007.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

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 6 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 price 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 6 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.

Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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 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 and services 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.

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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 services directly from the suppliers.

Fair Value

The recorded values of trade payables 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.

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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	2-50 years
Machinery, plant and equipment	3-20 years
Motor vehicles	4- 8 years
Furniture and fixtures	2-50 years
Other tangible assets	5 years

Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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	1-5 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.

Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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/IFRS 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%. 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.

Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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 30 June 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 30 June 2008 (31 December 2007 – TRY 2.030,19).

The termination indemnity liability has been determined 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.

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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 30 June 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 30 June 2008 and 31 December 2007 actuarial assumptions for calculating termination indemnity are as follows:

	<u>30 June 2008</u>	<u>31 December 2007</u>
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.

Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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/IFRS, 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) Conditional 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 conditional liabilities and assets.

(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 30 June 2008, the borrowing costs amounting to TRY (512.674) directly related to the investments in progress are deducted from the cost of the related asset (31 December 2007 – TRY (820.382)).

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Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

2. Presentation of the Financial Statements (continued)

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

(r) Segment Reporting :

For the six months interim period ended 30 June 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.

As of 30 June 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.

(s) Government Incentives and Aids :

The government incentives used by the Parent Company are those related to income and they are recognized in the statement of income.

3. Segment Reporting

As of 30 June 2008, segment reporting consists of the following (TRY):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
ASSETS					
Current Assets	523.362.523	11.062.845	129.709.922	(108.798.292)	555.336.998
Cash and Cash Equivalents	12.290.016	2.422.425	3.039.225	-	17.751.666
Trade Receivables					
- Other Trade Receivables	212.737.989	143.694	109.634.459	-	322.516.142
- Trade Receivables from Related Parties	109.764.641	6.054.488	16.349.273	(122.887.423)	9.280.979
Other Receivables	28.146.652	4.931	-	14.134.121	42.285.704
Inventories	127.831.649	2.074.374	638.651	(44.990)	130.499.684
Other Current Assets	32.591.576	362.933	48.314	-	33.002.823
Non-current Assets	434.569.502	15.412.747	2.873.091	(14.042.273)	438.813.067
Trade Receivables	11.054.584	-	-	-	11.054.584
Other Receivables	9.417	-	-	-	9.417
Financial Investments	27.178.240	39.361	63.000	(19.217.238)	8.063.363
Tangible Assets	394.391.069	12.560.606	2.794.128	(813.686)	408.932.117
Intangible Assets	272.288	2.806.165	14.318	-	3.092.771
Goodwill	-	-	-	5.988.651	5.988.651
Other Non-current Assets	1.663.904	6.615	1.645	-	1.672.164
TOTAL ASSETS	957.932.025	26.475.592	132.583.013	(122.840.565)	994.150.065

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

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**Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008**

3. Segment Reporting (continued)

As of 30 June 2008, segment reporting consists of the following (TRY) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
LIABILITIES					
Short Term Liabilities	233.436.443	2.635.140	126.041.969	(106.148.664)	255.964.888
Financial Debts	65.887.257	162.443	14.969.532	-	81.019.232
Trade Payables					
- Other Trade Payables	129.851.647	768.320	1.295.180	-	131.915.147
- Trade Payables to Related Parties	22.906.858	1.120.817	109.373.119	(109.158.263)	24.242.531
Other Payables	1.918.987	233.281	337.389	2.810	2.492.467
Taxes Payable on Profit for the Current Period	624.812	247.775	56.657	-	929.244
Debt Provisions	1.031.481	-	10.092	3.006.789	4.048.362
Other Short Term Liabilities	11.215.401	102.504	-	-	11.317.905
Long Term Liabilities	70.499.186	2.962.640	397.941	(2.935.357)	70.924.410
Financial Debts	44.665.050	-	-	-	44.665.050
Provision for Termination Indemnity	7.119.562	1.870.087	484.239	-	9.473.888
Deferred Tax Liability	15.707.785	1.092.553	(86.298)	71.432	16.785.472
Debt Provisions	3.006.789	-	-	(3.006.789)	-
EQUITY	653.996.396	20.877.812	6.143.103	(13.756.544)	667.260.767
Parent Company Equity	653.996.396	20.877.812	6.143.103	(27.394.852)	653.622.459
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
Value Increase Funds	-	-	-	-	-
Translation Differences	-	-	-	-	-
Restricted Profit Reserves	119.337.456	10.254.838	2.585.771	(89.401.474)	42.776.591
Retained Earnings / (Accumulated Losses)	138.163.566	811.682	(14.509.477)	92.983.976	217.449.747
Net Profit / (Loss) for the Period	29.651.151	1.345.702	636.659	(3.455.670)	28.177.842
Minority Interest	-	-	-	13.638.308	13.638.308
TOTAL LIABILITIES	957.932.025	26.475.592	132.583.013	(122.840.565)	994.150.065

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

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

3. Segment Reporting (continued)

As of 30 June 2008, segment reporting consists of the following (TRY) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
OPERATING ACTIVITIES					
Sales Income	457.042.409	15.130.330	184.286.754	(187.820.289)	468.639.204
Cost of Sales (-)	(407.828.523)	(12.661.974)	(188.113.410)	184.116.235	(424.487.672)
GROSS PROFIT/(LOSS)	49.213.886	2.468.356	(3.826.656)	(3.704.054)	44.151.532
Marketing, Sales and Distribution Expenses (-)	(2.897.952)	-	-	1.995.520	(902.432)
General Administration Expenses (-)	(13.743.738)	(1.365.744)	(2.763.104)	(221.032)	(18.093.618)
Research and Development Expenses (-)	(3.939.022)	-	-	18.565	(3.920.457)
Other Operating Income	8.697.345	222.030	373.635	(2.310.205)	6.982.805
Other Operating Expenses (-)	(581.429)	-	(301.368)	(1.545.009)	(2.427.806)
OPERATING PROFIT / (LOSS)	36.749.090	1.324.642	(6.517.493)	(5.766.215)	25.790.024
Financial Income	54.195.961	466.539	7.510.164	(11.387.167)	50.785.497
Financial Expenses (-)	(55.308.628)	(70.803)	(194.905)	14.823.703	(40.750.633)
PROFIT/(LOSS) ON OPERATING ACTIVITIES BEFORE TAX	35.636.423	1.720.378	797.766	(2.329.679)	35.824.888
Tax Income/(Expense) for the Period	(6.321.624)	(555.684)	(157.435)	-	(7.034.743)
Deferred tax Income / (Expense)	336.352	181.008	(3.672)	(36.809)	476.879
Tax Income/(Expense) Related to Operating Activities	(5.985.272)	(374.676)	(161.107)	(36.809)	(6.557.864)
PROFIT/(LOSS) FOR THE PERIOD ON OPERATING ACTIVITIES	29.651.151	1.345.702	636.659	(2.366.488)	29.267.024
PROFIT/(LOSS) FOR THE PERIOD	29.651.151	1.345.702	636.659	(2.366.488)	29.267.024

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

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**Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008**

3. Segment Reporting (continued)

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

				Classification and Elimination	Total
*	Chemistry sector includes the financial data related to the Parent Company.				
	Chemistry *	Textile	Marketing		
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
- Trade Receivables 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	381.331.074	16.104.666	2.891.295	(14.042.273)	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

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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
- Trade Payables 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.

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**Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008**

3. Segment Reporting (continued)

As of 30 June 2007, segment reporting consists of the following (TRY) (continued):

	Chemistry *	Textiles	Energy	Marketing	Classification and Elimination	Total
OPERATING ACTIVITIES						
Sales Income	447.448.943	46.720.779	213.203.716	201.208.492	(262.061.068)	646.520.862
Cost of Sales(-)	(410.624.772)	(41.676.874)	(214.626.495)	(190.996.447)	244.737.590	(613.186.998)
GROSS PROFIT/(LOSS)	36.824.171	5.043.905	(1.422.779)	10.212.045	(17.323.478)	33.333.864
Marketing, Sales and Distribution Expenses(-)	(3.484.971)	(1.289.871)	-	-	2.691.725	(2.083.117)
General Administration Expenses (-)	(15.881.050)	(4.838.564)	(11.182.495)	(2.855.295)	(167.689)	(34.925.093)
Research and Development Expenses (-)	(2.820.970)	-	(220.935)	-	12.480	(3.029.425)
Other Operating Income	21.100.310	11.992.692	1.452.550	308.753	(12.509.728)	22.344.577
Other Operating Expenses (-)	(8.048.185)	(2.531.029)	(1.613.462)	(2.882)	5.931.974	(6.263.584)
OPERATING PROFIT / (LOSS)	27.689.305	8.377.133	(12.987.121)	7.662.621	(21.364.716)	9.377.222
Financial Income	44.772.938	7.893.882	8.321.971	1.845.221	(4.275.683)	58.558.329
Financial Expenses (-)	(65.466.693)	(8.171.470)	(8.046.397)	(8.077.560)	21.721.366	(68.040.754)
PROFIT/(LOSS) ON OPERATING ACTIVITIES BEFORE TAX	6.995.550	8.099.545	(12.711.547)	1.430.282	(3.919.033)	(105.203)
Tax Income/(Expense) for the Period	(799.045)	(567.190)	-	(244.453)	-	(1.610.688)
Deferred Tax Income / (Expense)	1.104.916	70.761	11.831.694	(34.553)	106.103	13.078.921
Tax Income/(Expense) Related to Operating Activities	305.871	(496.429)	11.831.694	(279.006)	106.103	11.468.233
PROFIT/(LOSS) ON OPERATING ACTIVITIES FOR THE PERIOD	7.301.421	7.603.116	(879.853)	1.151.276	(3.812.930)	11.363.030
PROFIT / (LOSS) FOR THE PERIOD	7.301.421	7.603.116	(879.853)	1.151.276	(3.812.930)	11.363.030

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

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3. Segment Reporting (continued)

Distribution of depreciation expenses per segments stated in the statement of income for the six months interim period ended 30 June 2008 is as follows (TRY):

	<u>Chemistry *</u>	<u>Textile</u>	<u>Marketing</u>	<u>Total</u>
Tangible Assets	15.154.837	1.330.770	79.601	16.565.208
Intangible Assets	<u>89.486</u>	<u>106.865</u>	<u>3.810</u>	<u>200.161</u>
Total depreciation and amortisation for the current period	<u>15.244.323</u>	<u>1.437.635</u>	<u>83.411</u>	<u>16.765.369</u>

Distribution of depreciation expenses per segments stated in the statement of income for the six months interim period ended 30 June 2007 is as follows (TRY):

	<u>Chemistry *</u>	<u>Textiles</u>	<u>Energy</u>	<u>Marketing</u>	<u>Elimination</u>	<u>Total</u>
Tangible Assets	16.582.291	2.078.298	26.920.644	58.947	(5.273)	45.634.907
Intangible Assets	<u>84.665</u>	<u>218.374</u>	<u>598.031</u>	<u>2.861</u>	<u>-</u>	<u>903.931</u>
Total depreciation and amortisation for the current period	<u>16.666.956</u>	<u>2.296.672</u>	<u>27.518.675</u>	<u>61.808</u>	<u>(5.273)</u>	<u>46.538.838</u>

* 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) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Cash	254.061	54.449
Banks		
- TRY demand deposit	2.538.992	6.377.849
- Foreign currency demand deposit	1.184.464	4.922.248
- TRY time deposit *	5.800.236	9.936.684
- Foreign currency time deposit **	2.734.247	23.400.830
Cheques received	<u>5.239.666</u>	<u>14.981.740</u>
	<u>17.751.666</u>	<u>59.673.800</u>

* As of 30 June 2008, the interest rate on TRY time deposit accounts varies between 16,75% and 19,00% (31 December 2007 – 18,65% - 21,00%).

** As of 30 June 2008, the interest rates applied to USD time deposits vary between 2,50% and 4,25% (31 December 2007 - USD 4,50% - 8,59%).

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5. Financial Investments

Financial investments consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
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	<u>54</u>	<u>54</u>
	<u>8.063.363</u>	<u>8.063.363</u>

6. Financial Liabilities

Financial liabilities consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Short term bank loans	80.919.995	80.104.886
Principal payments of long term bank loans and related interests	<u>99.237</u>	<u>65.564</u>
Short term financial debts	<u>81.019.232</u>	<u>80.170.450</u>
Long term financial debts	<u>44.665.050</u>	<u>21.650.550</u>

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

As of 30 June 2008, the interest rate on long term USD bank loans vary between 2,72% and 4,25% (31 December 2007 - USD – 2,95% - 5,65%).

As of 30 June 2008, the interest rate on long term USD bank loans is 4,70% (31 December 2007 - USD - 6,86%).

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7. Trade Receivables and Payables

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Customers	174.845.163	125.631.749
Notes receivable and post-dated cheques	151.861.404	148.024.430
Rediscount on receivables (-)	(4.190.425)	(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	<u>322.516.142</u>	<u>269.866.257</u>
Trade receivables from related parties (Note 25)	<u>9.280.979</u>	<u>10.221.945</u>
Total short term trade receivables	<u>331.797.121</u>	<u>280.088.202</u>

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Notes receivable and post-date cheques	13.202.941	2.907.091
Rediscount on receivables (-)	(2.148.357)	(181.749)
Total long term trade receivables	<u>11.054.584</u>	<u>2.725.342</u>

Trade payables consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Suppliers	133.845.314	109.472.260
Rediscount on payables (-)	(1.930.167)	(1.385.844)
Other trade payables	<u>131.915.147</u>	<u>108.086.416</u>
Trade payables to related parties (Note 25)	<u>24.242.531</u>	<u>18.005.949</u>
Total trade payables	<u>156.157.678</u>	<u>126.092.365</u>

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8. Other Receivables and Payables

Other receivables consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Short term other receivables	27.954.305	20.795.867
Due from personnel	155.757	143.931
Deposits and guarantees given	<u>41.521</u>	<u>38.247</u>
Other receivables	<u>28.151.583</u>	<u>20.978.045</u>
Non-trade receivables from related parties (Note 25)	<u>14.134.121</u>	<u>14.839.451</u>
Other receivables	<u>42.285.704</u>	<u>35.817.496</u>

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Deposits and guarantees given	9.417	9.357

Other payables consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Taxes, duties and other withholdings payable	1.539.300	2.040.087
Social security premiums payable	911.583	886.876
Due to personnel	14.243	4.673
Other miscellaneous debts	23.495	1.816
Deposits and guarantees received	<u>1.036</u>	<u>1.036</u>
Other payables	<u>2.489.657</u>	<u>2.934.488</u>
Non-trade payables to related parties (Note 25)	<u>2.810</u>	<u>2.810</u>
Total other payables	<u>2.492.467</u>	<u>2.937.298</u>

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9. Inventories

Inventories consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Raw materials and supplies	84.752.275	93.158.517
Semi-finished goods	10.200.756	7.558.176
Finished goods	34.900.350	21.375.316
Merchandise	638.641	295.172
Other inventories	<u>7.662</u>	<u>90.026</u>
	<u>130.499.684</u>	<u>122.477.207</u>

10. Tangible Assets

Tangible assets consist of the following (TRY) :

As of 30 June 2008;

Cost ;	Opening 1 January 2008	Additions	Transfers	Capitalized Finance Cost	Disposal	Closing 30 June 2008
Land	54.577.547	515.088	-	-	-	55.092.635
Land improvements	31.667.828	-	106.050	-	-	31.773.878
Buildings	79.206.377	38.234	1.696.810	-	-	80.941.421
Machinery and equipment	495.005.286	21.678.089	26.767.400	-	-	543.450.775
Motor vehicles	1.207.263	1.245	-	-	(195.230)	1.013.278
Furniture and fixtures	14.357.832	215.151	473.667	-	(13.224)	15.033.426
Other tangible assets	9.899	-	-	-	-	9.899
Investments in progress	89.719.957	41.282.734	(29.135.043)	(512.674)	(584.576)	100.770.398
Sub total	<u>765.751.989</u>	<u>63.730.541</u>	<u>(91.116)</u>	<u>(512.674)</u>	<u>(793.030)</u>	<u>828.085.710</u>
Accumulated depreciation (-)						
Land improvements	(23.052.115)	(703.212)	-	-	-	(23.755.327)
Buildings	(27.544.920)	(831.923)	-	-	-	(28.376.843)
Machinery and equipment	(337.497.494)	(16.136.096)	-	-	-	(353.633.590)
Motor vehicles	(1.067.350)	(29.500)	-	-	181.159	(915.691)
Furniture and fixtures	(12.008.773)	(464.456)	-	-	10.642	(12.462.587)
Other tangible assets	(9.297)	(258)	-	-	-	(9.555)
Sub total	<u>(401.179.949)</u>	<u>(18.165.445)</u>	<u>-</u>	<u>-</u>	<u>191.801</u>	<u>(419.153.593)</u>
Net Value	<u>364.572.040</u>	<u>45.565.096</u>	<u>(91.116)</u>	<u>(512.674)</u>	<u>(601.229)</u>	<u>408.932.117</u>

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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 Costs	Disposals	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

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11. Intangible Assets

Intangible assets consist of the following (TRY):

As of 30 June 2008;

Cost ;	Opening 1 January 2008	Additions	Transfers and Disposals	Closing 30 June 2008
Rights	1.615.798	8.978	-	1.624.776
Special costs	5.705.488	-	91.116	5.796.604
Other intangible assets	1.338.568	28.352	-	1.366.920
Sub total	8.659.854	37.330	91.116	8.788.300
Accumulated amortization (-)				
Rights	(1.580.385)	(11.795)	-	(1.592.180)
Special costs	(2.878.436)	(108.867)	-	(2.987.303)
Other intangible assets	(1.036.547)	(79.499)	-	(1.116.046)
Sub total	(5.495.368)	(200.161)	-	(5.695.529)
Net Value	3.164.486	(162.831)	91.116	3.092.771

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

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12. Goodwill

Goodwill consists of the following (TRY) :

As of 30 June 2008;

	Opening 1 January 2008	Additions	Disposals	Closing 30 June 2008
Ak-Tops Tekstil Sanayi A.Ş.	5.988.651	-	-	5.988.651
	<u>5.988.651</u>	<u>-</u>	<u>-</u>	<u>5.988.651</u>

As of 31 December 2007;

	Opening 1 January 2007	Exclusions from Consolidation	Additions	Disposals	Closing 31 December 2007
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
	<u>22.548.997</u>	<u>(22.548.997)</u>	<u>5.988.651</u>	<u>-</u>	<u>5.988.651</u>

13. Provisions, Contingent Assets and Liabilities

Debt provisions consist of the following (TRY) :

	30 June 2008	31 December 2007
Provision for litigation	3.006.789	2.844.992
Provision for leaves	1.031.481	701.182
Provisions for other debts and expenses	<u>10.092</u>	<u>205.866</u>
	<u>4.048.362</u>	<u>3.752.040</u>

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13. Provisions, Contingent Assets and Liabilities (continued)

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Current period tax provision (Note 23)	7.034.743	1.552.888
Prepaid taxes and funds	<u>(6.105.499)</u>	<u>(1.172.421)</u>
	<u>929.244</u>	<u>380.467</u>

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

- As of 30 June 2008, contingent liabilities amount to TRY 77.390.432, USD 113.257.000 and EURO 1.108.800 (31 December 2007 – TRY 63.394.567, EURO 1.108.800, USD 94.382.500).
- As of 30 June 2008, guarantees received for short term trade receivables amount to TRY 71.176.455 (31 December 2007 – TRY 46.205.910).
- As of 30 June 2008, there is no ongoing litigation commenced by the Parent Company and its Subsidiaries against third parties (31 December 2007 – None).
- 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 30 June 2008, provision is made for a total of TRY 3.006.789 including a principal amount of TRY 657.500 and the related interest of TRY 2.349.289 (31 December 2007 - TRY 2.844.992).
- As of 30 June 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).

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14. Employee Benefits

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Provision for termination indemnity at the beginning of the period	9.592.710	11.722.036
Provision for leaves	294.743	195.452
Effect of subsidiaries excluded from consolidation	-	(3.477.393)
Charge for the current period	(413.565)	<u>1.152.615</u>
Provisions for termination indemnity and leaves at the end of the period	<u>9.473.888</u>	<u>9.592.710</u>

15. Other Assets and Liabilities

Other current assets consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Order advances given	13.201.565	12.690.472
Other VAT	10.137.232	8.597.322
Deferred VAT	8.854.328	2.440.069
Prepaid taxes and funds	-	2.553.056
Personnel advances	227.341	1.269.649
Expenses related to future months	553.156	295.886
Job advances	<u>29.201</u>	<u>95.610</u>
	<u>33.002.823</u>	<u>27.942.064</u>

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Order advances given	1.617.575	1.760.709
Expenses related to future years	<u>54.589</u>	<u>814</u>
	<u>1.672.164</u>	<u>1.761.523</u>

Other liabilities consist of the following (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Other VAT	10.137.232	8.597.321
Expense accruals	101.145	102.353
Order advances received	<u>1.079.528</u>	<u>545.392</u>
	<u>11.317.905</u>	<u>9.245.066</u>

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16. Equity

(a) Paid-in capital:

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

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

* 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):

	<u>30 June 2008</u>	<u>31 December 2007</u>
Legal reserves	16.579.576	16.579.576
Profit on sales of investments	<u>26.197.015</u>	<u>-</u>
	<u>42.776.591</u>	<u>16.579.576</u>

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.

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16. Equity (continued)

(c) Retained Earnings / (Accumulated Losses)

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
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	<u>-</u>	<u>(34.164.012)</u>
	<u>217.449.747</u>	<u>238.916.635</u>

Retained earnings/(accumulated losses) for the respective periods are as follows (TRY) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Retained earnings/(Accumulated losses)	21.170.548	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	779.006	491.768
Extraordinary reserves of subsidiaries	<u>53.632</u>	<u>38.630</u>
	<u>217.449.747</u>	<u>238.916.635</u>

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.

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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):

	<u>30 June 2008</u>	<u>31 December 2007</u>
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	<u>23.261.756</u>	<u>23.261.756</u>
	<u>138.677.573</u>	<u>138.677.573</u>

Inflation adjustment differences may be used in rights issue and netting 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) :

	<u>30 June 2008</u>	<u>31 December 2007</u>
Share capital	18.468.486	18.468.486
Legal reserves	6.339.405	5.917.288
Extraordinary reserves	192.101	182.100
Retained earnings/(accumulated losses)	(12.450.866)	(11.858.383)
Profit/(loss) for the period	<u>1.089.182</u>	<u>3.046.126</u>
	<u>13.638.308</u>	<u>15.755.617</u>

17. Sales and Cost of Sales

Sales income consists of the following (TRY) :

	<u>1 January 2008- 30 June 2008</u>	<u>1 April 2008- 30 June 2008</u>	<u>1 January 2007- 30 June 2007</u>	<u>1 April 2007- 30 June 2007</u>
Domestic sales	285.361.646	146.066.346	433.358.482	218.947.050
Exports	198.280.450	106.369.685	227.516.970	109.856.420
Other sales	278.842	119.308	332.449	115.081
Sales returns (-)	(1.706.934)	(1.320.330)	(583.485)	(246.676)
Sales discounts (-)	-	-	(107.944)	-
Other deductions (-)	(13.574.800)	(6.213.710)	(13.995.610)	(7.024.418)
	<u>468.639.204</u>	<u>245.021.299</u>	<u>646.520.862</u>	<u>321.647.457</u>

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Notes to the Interim Consolidated Financial Statements
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17. Sales and Cost of Sales (continued)

Cost of sales consist of the following (TRY) :

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Cost of goods sold	390.605.136	204.330.577	579.361.435	297.626.542
Cost of trade goods sold	19.483.827	9.292.496	23.758.131	7.467.828
Cost of services	12.531.418	6.212.497	8.686.817	4.329.051
Cost of other sales	<u>1.867.291</u>	<u>878.049</u>	<u>1.380.615</u>	<u>652.050</u>
	<u>424.487.672</u>	<u>220.713.619</u>	<u>613.186.998</u>	<u>310.075.471</u>

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

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Raw materials and supplies	314.135.688	166.591.692	500.110.403	257.451.411
Depreciation expense	13.453.664	8.008.920	41.980.041	22.503.629
General production expense	51.718.521	24.444.278	19.353.912	8.772.641
Labour expense	<u>11.297.263</u>	<u>5.285.687</u>	<u>17.917.079</u>	<u>8.898.861</u>
	<u>390.605.136</u>	<u>204.330.577</u>	<u>579.361.435</u>	<u>297.626.542</u>

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) :

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Marketing, Sales and Distribution Expenses	902.432	453.023	2.083.117	989.426
Research and Development Expenses	3.920.457	2.091.202	3.029.425	1.399.822
General Administration Expenses	<u>18.093.618</u>	<u>8.692.331</u>	<u>34.925.093</u>	<u>18.295.584</u>
	<u>22.916.507</u>	<u>11.236.556</u>	<u>40.037.635</u>	<u>20.684.832</u>

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

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

Marketing, Sales and Distribution Expenses ;

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Personnel expenses	539.843	276.260	802.671	449.473
Sample expenses	55.716	7.434	59.838	13.985
Transport and rent expenses	76.597	33.972	232.513	118.486
Travel expenses	70.748	42.134	52.958	20.048
Insurance expenses	-	-	239.921	57.972
Rent expenses	38.373	20.752	52.394	19.565
Depreciation expenses	16.843	7.341	58.055	26.174
Communication expenses	3.625	262	137.369	57.505
Advertisement, press and promotion expenses	5.676	4.125	135.780	1.093
Other expenses	<u>95.011</u>	<u>60.743</u>	<u>311.618</u>	<u>225.125</u>
	<u>902.432</u>	<u>453.023</u>	<u>2.083.117</u>	<u>989.426</u>

Research and Development Expenses ;

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Personnel expenses	1.910.927	1.114.703	969.265	480.284
Depreciation expenses	1.318.929	584.018	1.367.546	657.777
Subcontractor expenses	190.588	95.135	146.931	68.831
Maintenance, repair and cleaning expenses	132.566	83.585	65.641	36.380
Auxiliary material expenses	118.341	73.517	64.660	40.558
Other outsourced benefits and services	58.988	38.983	287.796	55.159
Other expenses	<u>190.118</u>	<u>101.261</u>	<u>127.586</u>	<u>60.833</u>
	<u>3.920.457</u>	<u>2.091.202</u>	<u>3.029.425</u>	<u>1.399.822</u>

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Notes to the Interim Consolidated Financial Statements
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18. Research and Development Expenses; Marketing, Sales and Distribution Expenses; General Administration Expenses (continued)

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

General Administration Expenses

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Personnel expenses	8.058.945	3.815.658	14.974.489	6.966.074
Communication expenses	308.874	175.347	487.676	282.558
Consultancy expenses	2.781.607	1.403.797	4.114.535	2.166.184
Social expenses	1.297.445	666.707	1.474.569	829.803
Depreciation expenses	542.550	248.374	1.607.317	764.068
Office expenses	952.439	570.744	409.588	48.885
Insurance expenses	52.577	29.695	564.439	280.644
Rent expenses	327.954	177.165	781.505	555.808
Various tax expenses	143.518	130.316	1.460.564	1.195.335
Travel expenses	447.109	186.564	751.966	374.773
Advertisement expenses	22.584	5.084	119.563	72.782
Disallowable expenses	1.198.923	251.180	3.437.224	2.143.504
Other outsourced benefits and services	1.189.764	519.469	1.782.465	663.293
Court and notary expenses	21.903	13.283	153.082	59.670
Other expenses	<u>747.426</u>	<u>498.948</u>	<u>2.806.111</u>	<u>1.892.203</u>
	<u>18.093.618</u>	<u>8.692.331</u>	<u>34.925.093</u>	<u>18.295.584</u>

19. Expenses by Nature

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

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Cost of goods sold	13.453.664	8.008.920	41.980.041	22.503.629
Research and development expenses	1.318.929	584.018	1.367.546	657.777
Marketing expenses	16.843	7.341	58.055	26.174
General administration expenses	542.550	248.374	1.607.317	764.068
Cost of services sold	1.433.383	688.658	1.525.879	729.542
Depreciation on inventory	<u>1.600.237</u>	<u>120.910</u>	<u>1.365.355</u>	<u>(619.820)</u>
	<u>18.365.606</u>	<u>9.658.221</u>	<u>47.904.193</u>	<u>24.061.370</u>

20. Other Operating Income and Expenses

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Notes to the Interim Consolidated Financial Statements
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Other operating income consists of the following (TRY):

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Disallowable expenses	118.952	107.873	8.293.164	7.992.496
Prior period				
income and profits	-	-	169.790	6.797
Loss on sales of				
fixed assets	233.347	220.037	4.145.986	4.129.643
R&D incentive premium				
income *	1.666.520	1.666.520	-	-
Other income and				
profits	<u>4.963.986</u>	<u>3.025.500</u>	<u>9.735.637</u>	<u>6.569.613</u>
	<u>6.982.805</u>	<u>5.019.930</u>	<u>22.344.577</u>	<u>18.698.549</u>

* For the purpose of benefiting from tax advantages, the R&D incentive premium income recognized in the legal books within the equity account group will be stated in the equity account group in the future accounting periods.

Other operating expenses consist of the following (TRY) :

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Commission expenses	1.302.668	454.811	1.683.818	981.935
TRT Share	-	-	1.474.692	707.239
Prior period expenses				
and losses	5.988	960	137.990	77.920
Loss on sales of				
fixed assets	1.678	1.678	1.769	795
Other expenses and				
losses	<u>1.117.472</u>	<u>644.764</u>	<u>2.965.315</u>	<u>2.232.903</u>
	<u>2.427.806</u>	<u>1.102.213</u>	<u>6.263.584</u>	<u>4.000.792</u>

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

21. Financial Income

Financial income consists of the following (TRY) :

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Foreign exchange gains	42.351.434	(2.345.663)	39.735.654	13.109.905
Rediscount interest income	6.613.899	785.199	9.980.016	(371.779)
Interest income	<u>1.820.164</u>	<u>813.757</u>	<u>8.842.659</u>	<u>3.968.874</u>
	<u>50.785.497</u>	<u>(746.707)</u>	<u>58.558.329</u>	<u>16.707.000</u>

22. Financial Expenses

Financial expenses consist of the following (TRY) :

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Foreign exchange losses	30.694.766	4.909.036	55.488.385	26.486.315
Rediscount interest expenses	8.162.068	2.693.360	8.219.867	(807.612)
Short term borrowing expenses	<u>1.893.799</u>	<u>887.129</u>	<u>4.332.502</u>	<u>1.721.569</u>
	<u>40.750.633</u>	<u>8.489.525</u>	<u>68.040.754</u>	<u>27.400.272</u>

23. Tax Assets and Liabilities

a) Corporation Tax ;

The corporation tax rate for 2008 is 20% in Turkey (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):

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Current period Corporation Tax	(7.034.743)	(929.380)	(1.610.688)	1.431.327
Deferred tax income / (expense)	<u>476.879</u>	<u>38.713</u>	<u>13.078.921</u>	<u>1.905.281</u>
Total tax income / (expense)	<u>(6.557.864)</u>	<u>(890.667)</u>	<u>11.468.233</u>	<u>3.336.608</u>

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Notes to the Interim Consolidated Financial Statements
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23. Tax Assets and Liabilities (continued)

a) Corporation Tax (continued) ;

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

	<u>30 June 2008</u>	<u>31 December 2007</u>	<u>30 June 2007</u>
Profit per statutory books	40.265.231	8.012.394	19.375.600
Disallowable expenses	6.749.772	558.720	15.990.030
Tax exempt income	(8.670.402)	(806.672)	(23.597.019)
Income from affiliates	(2.271.384)	-	-
R&D allowance used	(899.501)	-	-
Offsetting of prior period losses	<u>-</u>	<u>-</u>	<u>(3.715.169)</u>
Sub total	<u>35.173.716</u>	<u>7.764.442</u>	<u>8.053.442</u>
Tax rate (%)	20	20	20
Tax provision (Note 13)	<u>7.034.743</u>	<u>1.552.889</u>	<u>1.610.688</u>

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Adjustment on rediscount on receivables	5.188.284	5.077.268
Provision for termination indemnity	9.179.145	9.397.258
Provision for leaves	1.326.224	896.634
Provision for litigation	177.773	907.580
Valuation of foreign exchange buying/selling rates	-	661.001
Adjustment on loan discount	2.261	2.212
Transactions related to consolidation	<u>-</u>	<u>-</u>
Deferred tax asset base	<u>15.873.687</u>	<u>16.941.953</u>
Adjustment on rediscount on payables	1.930.167	1.385.844
Transactions related to consolidation	357.158	173.115
Difference between the book values of tangible/intangible assets and their tax bases, net	<u>97.513.724</u>	<u>101.694.747</u>
Deferred tax liability base	<u>99.801.049</u>	<u>103.253.706</u>
Deferred tax liability base (net)	<u>83.927.362</u>	<u>86.311.753</u>
Tax rate	20 %	20 %
Deferred tax liability (net)	<u>16.785.472</u>	<u>17.262.351</u>

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23. Tax Assets and Liabilities (continued)

b) Deferred Tax Assets and Liabilities (continued) ;

Deferred Tax Income / (Expense) (TRY):

	<u>30 June 2008</u>	<u>30 June 2007</u>
Current period deferred tax asset / (liability)	(16.785.472)	(17.953.038)
Reversal of prior period deferred tax (liability) / asset	<u>17.262.351</u>	<u>31.031.959</u>
Deferred tax income / (expense)	<u><u>476.879</u></u>	<u><u>13.078.921</u></u>

24. Earnings/(Loss) Per Share

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

	<u>1 January 2008- 30 June 2008</u>	<u>1 April 2008- 30 June 2008</u>	<u>1 January 2007- 30 June 2007</u>	<u>1 April 2007- 30 June 2007</u>
Profit/(loss) for the period (TRY)	28.177.842	6.416.116	5.098.024	(2.062.175)
Weighted number of ordinary shares (Per share of TRY 1 Nominal value)	110.000.000	110.000.000	110.000.000	110.000.000
Parent Company earnings per share (TRY)	0,26	0,06	0,05	(0,02)

25. Related Party Disclosures

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Ak-Al Tekstil Sanayii A.Ş.	7.932.159	10.515.163
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	1.786.262	418.843
Rediscount on receivables (-)	(437.442)	(712.061)
Total (Note 7)	<u><u>9.280.979</u></u>	<u><u>10.221.945</u></u>

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	10.370.514	10.281.098
Akport Tekirdağ Liman İşletmeleri A.Ş.	3.735	21.973
Aksa Egypt Acrylic Fiber Industry SAE	4.665	4.440
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	-	129.108
Akmetem Poliüretan Sanayi ve Ticaret A.Ş.	3.278.257	3.862.907
Akmerkez Lokantacılık Gıda Sanayi ve Ticaret A.Ş.	476.950	528.958
Other	<u>-</u>	<u>10.967</u>
Total (Note 8)	<u><u>14.134.121</u></u>	<u><u>14.839.451</u></u>

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25. Related Party Disclosures (continued)

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

	<u>30 June 2008</u>	<u>31 December 2007</u>
Akkim Kimya San. ve Tic. A.Ş.	10.856.634	9.448.788
Akenerji Elektrik Üretim A.Ş.	12.547.895	7.093.185
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	445.167	793.491
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	201.097	-
Dinkal Sigorta Acenteliği A.Ş.	100.514	118.261
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	32.799	-
Ak-Han Bakım Yönt. Serv.		
Hizm. Güven. Malz. A.Ş.	54.518	552.224
Akiş Gayrimenkul Yatırımı A.Ş.	<u>3.907</u>	<u>-</u>
Total (Note 7)	<u>24.242.531</u>	<u>18.005.949</u>

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

Due to shareholders (Note 8)	2.810	2.810
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25. Related Party Disclosures (continued)

Sales to related parties in the six month interim periods ended 30 June 2008 and 2007 (TRY):

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	1.666.193	1.026.070	6.420.090	2.933.069
Ak-Al Tekstil Sanayii A.Ş.	14.278.654	6.690.818	-	-
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	106.928	49.373	87.475	42.772
Akkim Kimya San. ve Tic. A.Ş.	2.607.683	1.709.909	13.807.360	6.979.750
Akenerji Elektrik Üretim A.Ş.	1.914.072	1.249.429	1.476.620	815.597
Akport Tekirdağ Liman İşletmeleri A.Ş.	15.286	9.676	40.077	14.604
Ak-Han Bakım Yönt. Serv.Hizm. Güven. Malz. A.Ş.	5.192	4.740	254	166
Dinkal Sigorta Acenteliği A.Ş.	13.960	7.090	569	326
Akiş Gayrimenkul Yatırımı A.Ş.	21.987	11.787	2.535	2.535
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş	38.338	33.238	-	-
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	668	127	-	-
Akmerkez Lokantacılık Gıda Sanayi ve Tic. A.Ş.	5.141	3.346	-	-
Other	<u>72.321</u>	<u>20.566</u>	<u>43.456.326</u> *	<u>20.125.860</u> *
	<u>20.746.423</u>	<u>10.816.169</u>	<u>65.291.306</u>	<u>30.914.679</u>

* 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.

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25. Related Party Disclosures (continued)

Purchases from related parties in the six month interim periods ended 30 June 2008 and 2007 (TRY):

	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008	1 January 2007- 30 June 2007	1 April 2007- 30 June 2007
Ak-Han Bakım Yönt. Serv.Hizm. Güven. Malz. A.Ş.	348.445	192.598	506.737	227.444
Bozüyük Orman Ürünleri Sanayi Tesisleri A.Ş.	-	-	189.000	94.500
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	92.734	28.414	279.663	99.351
Dinkal Sigorta Acenteliği A.Ş.	866.037	151.168	2.197.057	137.906
Akkim Kimya San. ve Tic. A.Ş.	31.223.540	15.583.102	27.285.651	13.791.771
Üçgen Bakım ve Yönetim Hiz. A.Ş.	-	-	48.277	23.955
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	2.667.208	1.389.179	2.626.294	1.430.579
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	655.796	305.544	834.754	321.039
Ak-Al Tekstil Sanayii A.Ş.	990.780	90.109	-	-
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	1.041.888	994.432	144.706	144.706
Akmetem Poliüretan Sanayi ve Ticaret A.Ş.	53.744	43.086	-	-
Akenerji Elektrik Üretim A.Ş.	45.449.572	22.369.240	-	-
Akport Tekirdağ Liman İşletmeleri A.Ş.	2.207	2.207	-	-
Other *	-	-	21.073.455	9.743.429
	<u>83.391.951</u>	<u>41.149.079</u>	<u>55.185.594</u>	<u>26.014.680</u>

* 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 30 June 2008, remuneration provided to top executives such as the CEO and members of the Board of Directors amount to TRY 2.119.226 (30 June 2007 – TRY 4.984.178).

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Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

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 debited and credited amounts 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 30 June 2008 had all foreign currencies gained/lost 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 15.636.222 (31 December 2007 – TRY 16.142.203 TRY) due to the foreign exchange loss/profit arising from the net foreign currency position.

As of 30 June 2008 and 31 December 2007, the assets and liabilities denominated in foreign currencies consist of the following (TRY):

On total basis;

	30 June 2008	31 December 2007
A. Foreign Currency Assets	346.863.593	327.126.685
B. Foreign Currency Liabilities	(235.262.807)	(187.418.554)
Net Foreign Currency Position (A-B)	111.600.786	139.708.131

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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

i. Foreign Currency Risk (continued)

As of 30 June 2008 and 31 December 2007, the assets and liabilities denominated in foreign currencies consist of the following (TRY) (continued):

Detailed on foreign currency basis;

		30 June 2008		31 December 2007	
	Foreign Currency	Amount	TRY Equivalent	Amount	TRY Equivalent
Cash and cash equivalents	USD	6.330.420	7.746.535	23.881.577	27.814.872
	EURO	424.409	817.879	274.998	470.302
	GBP	727	1.766	6.494	15.104
Trade receivables	USD	254.775.629	311.768.938	235.987.164	274.854.250
	EURO	13.198.968	25.435.731	13.448.608	22.999.809
Non-trade receivables	USD	808.678	989.580	723.842	843.059
	EURO	51.101	98.477	69.129	118.224
	GBP	-	-	1.494	3.475
Advances given	USD	-	-	-	-
	EURO	2.432	4.687	4.438	7.590
TOTAL ASSETS			346.863.593		327.126.685
Trade payables	USD	(101.012.005)	(123.608.390)	(85.079.767)	(99.568.851)
	EURO	(571.774)	(1.101.866)	(458.362)	(787.649)
	GBP	(97)	(236)	(4.768)	(11.148)
	CHF	(7)	(8)	-	-
Financial debts	USD	(90.342.655)	(110.552.307)	(74.380.304)	(87.047.270)
Non-trade payables	USD	-	-	(3.107)	(3.636)
TOTAL LIABILITIES			(235.262.807)		(187.418.554)
TOTAL			<u>111.600.786</u>		<u>139.708.131</u>

The total exports and imports of the Parent Company and its subsidiaries for the six month periods as of 30 June 2008 and 31 December 2007 are as follows (TRY):

	30 June 2008	30 June 2007
Total imports	266.801.353	219.619.739
Total exports	329.252.211	330.924.392

As of 30 June 2008 and 31 December 2007, the hedging rate of the Company's total foreign currency liability is as follows (TRY):

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

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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

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.

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.

As of 30 June 2008, the distribution of financial assets and liabilities of the Parent Company and its subsidiaries as per the related maturities is as follows (TRY):

	30 June 2008			
	Up to 3 months	3-12 months	1 year and over	Total
Current Assets	230.037.791	161.796.700	-	391.834.491
Cash and cash equivalents	17.751.666	-	-	17.751.666
Trade receivables (net)	174.845.163	147.670.979	-	322.516.142
Due from related parties (net)	9.280.979	-	-	9.280.979
Other receivables	28.151.583	-	-	28.151.583
Non-trade receivables from related parties (net)	8.400	14.125.721	-	14.134.121
Non-current assets	-	-	11.064.001	11.064.001
Trade receivables (net)	-	-	11.054.584	11.054.584
Other receivables (net)	-	-	9.417	9.417
Short term liabilities	197.866.451	41.798.503	4.423	239.669.377
Financial debts	65.887.257	15.131.975	-	81.019.232
Trade payables	105.248.619	26.666.528	-	131.915.147
Due to related parties (net)	24.242.531	-	-	24.242.531
Other payables (net)	2.488.044	-	-	2.488.044
Non-trade payables to related parties	-	-	4.423	4.423
Long term liabilities	-	-	44.665.050	44.665.050
Financial debts (net)	-	-	44.665.050	44.665.050

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Notes to the Interim Consolidated Financial Statements
for the six months period ended 30 June 2008

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	216.672.027	158.907.471	-	375.579.498
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

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.

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Notes to the Interim Consolidated Financial Statements for the six months period ended 30 June 2008

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

- a) The termination indemnity upper limit which stood at TRY 2.087,92 as of 30 June 2008 has been increased to TRY 2.173,19 as of 1 July 2008 (31 December 2007 – TRY 2.030,19).
- b) As per the Board resolution of the Parent Company dated 14 July 2008 Nr. 10, decision is made to transfer to Akkök Sanayi Yatırım ve Geliştirme A.Ş. at a total price of TRY 199.650 the entire 16.500 participation shares (TRY 16.500 nominal value) of Akhan Bakım Yönetim Servis Hizmetleri Güvenlik Malzemeleri Tic. A.Ş., a company under the ownership of the Parent Company, in accordance with the Valuation Report of June 2008 prepared by Kapital Karden Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.

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

As of 30 June 2008, insurance on assets amounts to TRY 19.788.900 and USD 240.746.823 (31 December 2007 – TRY 49.834.811 and USD 201.215.418).