Türk Tuborg Bira ve Malt Sanayii Anonim Şirketi and Its Subsidiary

Consolidated Financial Statements and Footnotes
of the Term Expiring on June 30, 2009

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TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. and Its Subsidiary
Consolidated Balance Sheet as of June 30, 2009
(Currency: TRL)

		Reviewed	Reviewed and restated	Reviewed and restated
	Notes	**30 June 2009**	**31 December 2008**	**31 December 2007**
Assets				
Current assets		**107.727.928**	**95.159.859**	**94.819.514**
Cash and cash equivalents	3	6.306.812	6.527.320	1.329.705
Financial investments	4	167.199	167.199	167.199
Trade receivables	6	**75.868.381**	**58.655.809**	**67.585.071**
- Other trade receivables		75.862.695	58.655.809	64.939.428
- Due from related parties	24	5.686	-	2.645.643
Other receivables	7	412.975	4.278.802	1.693.343
Inventory	8	21.965.123	20.918.348	22.205.813
Other current asset	14	3.007.438	4.612.381	1.838.383
		107.727.928	**95.159.859**	**94.819.514**
Non-current assets		**103.957.251**	**105.807.345**	**117.273.340**
Other receivables	7	30.388	6.626	9.022
Tangible assets	9	**103.133.428**	**105.095.256**	**115.868.322**
Intangible assets	10	500.100	662.846	1.213.818
Other non-current assets	14	293.335	42.617	182.178
Total assets		**211.685.179**	**200.967.204**	**212.092.854**

The following notes comprise a supplementary part of the consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. and Its Subsidiary
Consolidated Balance Sheet as of June 30, 2009
(Currency: TRL)

	Notes	Reviewed 30 June 2009	Reviewed and restated 31 December 2008	Reviewed and restated 31 December 2007
Liabilities				
Short-term liabilities		**86.530.196**	**120.648.137**	**200.053.206**
Financial liabilities	5	9.850.380	48.486.380	111.681.454
Trade payables	6	**17.711.974**	**21.630.147**	**20.869.358**
- Other trade payables		17.231.160	21.256.216	17.674.608
- Due to related parties	24	480.814	373.931	3.194.750
Other payables	7	2.040.321	2.002.923	15.003
Provision for liabilities	11	24.587.979	23.904.981	42.412.682
Provision for benefits to employees	13	2.153.742	1.897.046	1.770.974
Other short-term liabilities	14	30.185.800	22.726.660	23.303.735
		86.530.196	**120.648.137**	**200.053.206**
Long-term liabilities		**3.033.636**	**2.839.776**	**2.449.157**
Employee benefits	13	3.033.636	2.839.776	2.449.157
Equity		**122.121.347**	**77.479.291**	**9.590.491**
Equity of main partnership		**122.121.347**	**77.479.291**	**9.590.491**
Share capital	15	99.971.560	99.971.560	99.971.560
Inflation Adjustment on Equity Items	15	277.612.961	277.612.961	277.612.961
Capital Advance	15	212.928.731	175.196.849	-
Share Premium	15	40.913	40.913	40.913
Financial Assets Value Increase Fund		**-**	**-**	**288.873**
- Risk prevention fund		-	-	288.873
Accumulated Losses	15	(475.342.992)	(368.323.816)	(326.353.688)
Net Period Loss		6.910.174	(107.019.176)	(41.970.128)
Total liabilities and share holder's equity		**211.685.179**	**200.967.204**	**212.092.854**

The following notes comprise a supplementary part of the consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. and Its Sıbsidiary
Consolidated Income Statement of the Year Ending on June 30, 2009
(*Currency: TRL)*

	Notes	Reviewed 1 January 2009- 30 June 2009	Reviewed 1 April 2009- 30 June 2009	Reviewed and restated 1 January 2008- 30 June 2008	Reviewed and restated 1 April 2008- 30 June 2008
Operating Income					
Sales Revenue	16	97.301.211	56.978.022	80.912.640	48.218.643
Cost of Sales (-)	16	(56.554.740)	(32.185.392)	(46.445.144)	(26.353.042)
Gross Operating Income		**40.746.471**	**24.792.630**	**34.467.496**	**21.865.601**
Selling, Marketing and Distribution Expenses (-)	17	(24.103.711)	(13.101.761)	(32.198.559)	(18.117.680)
General Administration Expenses (-)	17	(6.590.643)	(3.186.277)	(8.492.828)	(4.163.420)
Other Operating Income	19	3.926.699	3.109.216	889.245	534.894
Other Operating Expense (-)	19	(1.618.430)	(756.304)	(2.415.733)	(2.307.105)
Net Operating Income/ (Loss)		**12.360.386**	**10.857.504**	**(7.750.379)**	**(2.187.710)**
(Non-operating) Finance Income	20	1.971.140	655.082	3.510.642	2.785.299
(Non-operating) Finance Expense(-)	21	(7.421.352)	(3.601.282)	(16.663.377)	(4.931.132)
Gain / (Loss) Before Tax		**6.910.174**	**7.911.304**	**(20.903.114)**	**(4.333.543)**
Tax Expense		**-**	**-**	**(33.064.592)**	**(33.064.592)**
- Current Tax Expense	22	-	-	(33.064.592)	(33.064.592)
- Deferred Tax Credit/(Charge)	22	-	-	-	-
Net Period Loss		**6.910.174**	**7.911.304**	**(53.967.706)**	**(37.398.135)**
Gain/ (Loss) per Share	23	**0,07**	**0,08**	**(0,54)**	**(0,37)**
Operating Gain/(Loss) per Share		**0,07**	**0,08**	**(0,54)**	**(0,37)**

The following notes comprise a supplementary part of the consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. and Its Subsidiary
Consolidated Equity Change Statement of the Year Ending on June 30, 2009
(*Currency: TRL*)

	Capital	Capital Advance	Share Premium	Inflation Adjustments on Equity Items	Risk Prevention Fund	Net Loss For the year	Accumulated Loss	Total Share Capital
1 January 2008-prior reported	**99.971.560**	**-**	**40.913**	**277.612.961**	**288.873**	**(41.970.128)**	**(325.169.430)**	**10.774.749**
The effect of POP expenses	-	-	-	-	-	-	(1.184.258)	**(1.184.258)**
Restated opening	**99.971.560**	**-**	**40.913**	**277.612.961**	**288.873**	**(41.970.128)**	**(326.353.688)**	**9.590.491**
Transfer	-	-	-	-	-	41.970.128	(41.970.128)	-
Risk Prevention Fund	-	-	-	-	2.331.983	-	-	**2.331.983**
Net Loss for the Year	-	-	-	-	-	(53.967.706)	-	**(53.967.706)**
30 June 2008	**99.971.560**	**-**	**40.913**	**277.612.961**	**2.620.856**	**(53.967.706)**	**(368.323.816)**	**(42.045.232)**
1 January 2009-prior reported	**99.971.560**	**175.196.849**	**40.913**	**277.612.961**	**-**	**(107.128.158)**	**(367.139.558)**	**78.554.567**
The effect of POP expenses	**-**					**108.982**	**(1.184.258)**	**(1.075.276)**
Restated opening	**99.971.560**	**175.196.849**	**40.913**	**277.612.961**	**-**	**(107.019.176)**	**(368.323.816)**	**77.479.291**
Transfer	**-**	**-**	**-**	**-**	**-**	**107.019.176**	**(107.019.176)**	**-**
Capital Advance	**-**	**37.731.882**	**-**	**-**	**-**	**-**	**-**	**37.731.882**
Net Loss for the Year	**-**	**-**	**-**	**-**	**-**	**6.910.174**	**-**	**6.910.174**
30 June 2009	**99.971.560**	**212.928.731**	**40.913**	**277.612.961**	**-**	**6.910.174**	**(475.342.992)**	**122.121.347**

The following notes comprise a supplementary part of the consolidated financial statements.

TÜRK TUBORG BİRA VE MALT SANAYİİ A.Ş. and Its Subsidiary
Consolidated Cash Flow Statement of the Year Ending on June 30, 2009
(Currency: TRL)

CASH FLOW STATEMENT	**Notes**	**1 January - 30 June 2009**	**1 January - 30 June 2008**
Operating Activities:			
Net loss for the Year		6.910.174	(53.967.706)
Adjustments to reconcile (loss)/income to net cash provided by operating activities			
Depreciation and amortization	9, 10	8.402.877	10.088.905
Accrued financial expense / income, net		4.851.140	7.826.882
Revaluation of financial assets		-	2.331.983
Allowances for doubtful receivables, net	6	387.033	1.696.009
Provision for employee benefits	13	336.556	443.353
Provision for vacation pay liability	13	256.696	263.608
Provision for Sales premium		-	(789.425)
Loss on sale of property, plant and equipment, net	19	(26.296)	(89.011)
Provision for discount	11	2.536.722	3.188.254
Tax expense / (income)	22	-	33.064.592
Provision for premium of sales-marketing and administrative expenses		-	33.359
Provision for impairment of inventories	8	(105.805)	(624.050)
Default fine for excise duty		-	(2.094)
Other provisions and expense accruals	11	(1.853.724)	64.955
Net cash provided by/(used by) operating activities before changes in assets and liabilities		**21.695.373**	**3.529.614**
Decrease/(increase) in accounts receivable	6	(17.691.002)	(16.593.795)
Increase/(decrease) in inventory	8	(940.970)	(402.061)
Increase/(decrease) in other short-term receivables and current assets	7,14	5.470.770	379.771
Increase/(decrease) in accounts payables	6	(3.864.843)	4.873.737
Increase/(decrease) in short-term liabilities	7,14	7.496.538	9.549.621
Increase/(decrease) in other long-term receivables and non-current assets	7,14	(274.480)	(222.436)
Employee benefits paid	13	(142.696)	(344.682)
Cash flows used in operating activities		**11.748.690**	**769.769**
Investing activities:			
Additions to property, plant and equipment and intangible assets	9, 10	(6.367.003)	(5.142.260)
Proceeds from sales of property, plant and equipment and intangible assets		114.996	338.602
Cash flow used in investing activities		**(6.252.007)**	**(4.803.658)**
Financing activities:			
Bank borrowings received		103.491.745	232.640.083
Bank borrowings repaid		(142.127.745)	(263.103.184)
Interest paid for bank borrowings		(4.813.073)	(7.589.888)
Capital advance	15	37.731.882	44.176.100
Cash flows used in financing activities		**(5.717.191)**	**6.123.111**
Increase/(decrease) in cash and cash equivalents, net	3	(220.508)	2.089.222
Cash and cash equivalents at the beginning of the year	**3**	**6.527.320**	**1.329.705**
Cash and cash equivalents at the end of the year	**3**	**6.306.812**	**3.418.927**

(Currency: TRL)

NOTE 1 – ORGANISATION AND SUBJECT OF ACTIVITY OF THE COMPANY

Türk Tuborg Bira ve Malt Sanayii A.Ş. ("Türk Tuborg" or "Company") was incorporated in 1969 and registered in Izmir, Turkey pursuant to the provisions of the Turkish Commercial Code.

As of 1989, stocks of the company are traded at the İstanbul Stock Exchange.

Major subject of activity of the company is to achieve the production, sales and distribution of beer and malt to be sold in the domestic and international markets.
Number of employees as employed by Turk Tuborg is 189 as of June 30, 2009 (December 31, 2008: 198 employees). Production, sales and distribution of beer comprise the major subject of activity of Turk Tuborg and its subsidiary.

The major shareholder is International Beer Breweries Ltd ("IBBL") with a share of 95,69 %. The share of 95,69% was sold to International Beer NBreweries Ltd, which is a corporation included in the CBC Group by the former major shareholder Carlsberg Breweries A/S as of October 23, 2008.

Head office of the company is located at the following address:

Türk Tuborg Bira ve Malt Sanayii A.Ş.
Kemalpaşa Caddesi No: 52
Işıkkent 35070
İzmir

Subsidiary

Name of Subsidiary	Public Entity	Activity	Main activity
Bimpaş Bira ve Meşrubat Pazarlama A.Ş.	No	Sales and marketing	Sales and marketing of beer

The company sells almost all of the beer which it produces to sell in the domestic market to its subsidiary Bimpas Bira ve Mesrubat Pazarlama A.S. ("Bimpas" or "Subsidiary") in which it holds a share of 99,93% (December 31, 2008: 99,93%) and Bimpas performs domestic sales and distribution of such products.

Approval of financials

The consolidated financial statements of the Group were approved by the Board of Directors and delegated to publish on August 27, 2009. The general meeting of shareholders of the Company and/or governmental authorities are entitled to modify the financial statements as enclosed herein.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 BASIS OF PREPARATION

a) Continuity of the Company

Consolidated financial statements as attached hereto have been issued on the basis of the continuity of the Entity and the Subsidiary ("Group"). The accumulated deficit of the Group is 475,3 million TRL as of June 30, 2009. Unlike previous periods Group's activities resulted as 12,4 million TRL operating profit and 6,9 million TRL net profit at the end of six months ending with June 30, 2009, nevertheless the continuity of the profitability is not clear. This fact points out some uncertainty on the Group's ability to maintain its continuity, but as the Group management has committed themselves to keep providing the resource and support required for the Group to take any measures strengthening the financial structure of the Group as contained in Note 28. The fund transferred to Group under the name of capital advance by main shareholder (TRL 175.2 million from previous shareholder) is TRL 212,9 million.

b) Basis of presentation of consolidated financial statements:

The Company and its Turkish subsidiary maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation.

The consolidated financial statements of the Group as attached hereto have been issued in compliance with the Communiqué Serial XI No. 29 "Essentials Concerning Financial Reporting in the Capital Market" ("Communiqué") as published in the Official Gazette no. 26482 dated April 9, 2008 of the Capital Market Board ("CMB").

This Communiqué has become effective to be valid as from the initial intermediate financial statements expiring later than January 1, 2008. Pursuant to the Article 5 of the Communiqué, businesses apply the International Accounting/Financial Reporting Standards ("IAS/IFRS") as agreed upon by the European Union. However, pursuant to the Interim Article 2 as contained in the Communiqué, TAS/TFRS which are the same as the IAS/IFRS are applied until the Turkish Accounting Standards Board ("TASB") announces the differences of the IAS/IFRS as agreed by the European Union from those issued by the International Accounting Standards Board ("IASB") in the application of the Article 5 of the Communiqué. In this context, the Group has issued its consolidated financial results fort he fiscal term expiring on June 30, 2009 in compliance with the TAS/TFRS.

The accompanying consolidated financial statements are based on the statutory records, with adjustments and reclassifications, for the purpose of fair presentation in accordance with IFRS.

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

c) Functional currency

The functional currency of the Group is Turkish Lira (TRL).

(Currency: TRL)

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 BASIS OF PREPARATION (continued)

d) Inflation accounting:

The financial statements of the Company and its Turkish subsidiaries for the periods before 1 January 2006 were adjusted to compensate for the effect of changes in the general purchasing power of the Turkish Lira based on IAS 29 "Financial Reporting in Hyperinflationary Economies". Turkish Economy is accepted to come off its highly inflationary status as of 1 January 2008. Based on this consideration, IAS 29 has not been applied in the preparation of the consolidated financial statements since 1 January 2006. Amounts expressed in the measuring unit current at 31 December 2005 were treated as the basis for the carrying amounts after 1 January 2006.

e) Restatement of prior period financial statements and recalssification of comparative amounts

In the current year, the Group had reclassified certain comparative balances in order to conform to current year's presentations.

- In December 31, 2008 and December 31 2007, the Group had presented credit card receivables in the amount of TRL 2.327.593 and TRL 2.666.622 in cash and cash equivalents line item on the face of the balance sheet. In the current year, credit card receivables is presented in trade receivables.

- According to May 2008 amendments to IAS 38, balance sheets for the periods ending 31 December 2008 and 31 December 2007 and income statement for the period ending 30 June 2008 are restetated. Marketing materials in the amount of TRL 1.075.276 at 31 December 2008 and TRL 1.184.258 at 31 December 2007 and which had been presented in inventory line item in 2008 is transferred to income statement in the marketing and selling expenses line in the current period. The loss effect of these restatements to income statement of six months are TRL 154.717 for the period ending 30 June 2009 and TRL 364.160 for the period ending 30 June 2008.

- In December 31, 2008 and December 31 2007, the Group had presented deposits and guarantees given in the amount of TRL 43.523 and TRL 6.160 in trade receivables line item on the face of the balance sheet. In the current year, deposits and guarantees given is presented in other trade receivables.

- In June 30, 2008 the Group had presented some benefits to the customers in the amount of TRL 10.283.767 in sales and marketing expense line item on the face of the income statement. In the current year, this amount is presented in sales discounts.

- In June 30, 2008 the Group reclassify in the amount of TRL 875.200 in the lines of Financial Income and Financial Expense on the face of the income statement.

f) Consolidation:

The details of the Company's subsidiary at 31 December 2009 are as follows:

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest (%) %	Proportion of voting power held (%) %	Principal Activity
Bimpaş Bira ve Meşrubat Pazarlama A.Ş.	Türkiye	%99,93	%99,93	Distribution and marketing

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 BASIS OF PREPARATION (continued)

f) Consolidation (continued)

i) Consolidated financial statements contain the accounts of the parent company Türk Tuborg Bira ve Malt Sanayi A.Ş. and its Subsidiary within the scope of those issues as contained in the paragraphs (i), (ii) and (iii) below. The financial statements of the Subsidiary which are contained in the scope of consolidation are issued in compliance with the TFRS by observing the uniform accounting principles and practices as of the date of the conoslidated financial statements.

ii) The Subsidiary represents those companies which the Company it empowered and entitled to control the financial and operational policies in compliance with the interests of the Company either (a) through its power to exercise more than 50% of the voting right attached to its shares in the company as a result of the shares as directly and/or indirectly owned by it or (b) by exercising its actual influence of prevalence on the financial and operational policies although it is not empowered to erercise more than 50% of the voting right.

iii) The balance sheet and income statement of the Subsidiary are consolidated by the use of the full consolidation method and the registered value and the capital stock of the Subsidiary reciprocally offset. In-group operations and balances between the Company and the Subsidiary are mutually deleted within the scope of consolidation. The registered values of the shares as owned by the Company and the dividends arising therefrom are offset by the respective capital stock and income statement accounts.

The Company's capital stock investments which the Company is entity to control by less than 20 percent, which are not traded in the organised markets and of which reasonable value may not be definitely determined are accounted on their cost values by subtracting the provision for devaluation, if any. Such investments are classified as ready-to-sell financial assets (NOTE 4).

As the Subsidiary's net assets and minority shares in term's results do not have any significant impact on the net value of the Company, its financial condition and operations, the they are not separately classified as a non-parent-company share in the balance sheet and income statement.

2.2 CHANGES IN ACCOUNTING POLICIES

The Accounting principles are continuously applied by the Group and are consistent with those accounting principles as applied in the preceding terms. Any significant changes in the accounting policies are retrospectively applied and the financial statements of the preceding terms are re-issued. The Group has made some changes in its accounting policies due to the effects of the improvements in IAS 38 in the current year. Please find the details of such changes in the Note 28 hereof.

2.3 CHANGES and ERRORS IN ACCOUNTING FORECASTS

Any important changes made and significant accounting errors identified in the accounting policies are retrospectively applied and the financial statements of the preceding term are revised. Should any changes in the accounting forecasts only belong to one term, then they are applied in the current term when such cange is made or if it is related to forthcoming terms, then they are applied in both the term when such change is made as well as prospectively in the forthcoming terms.

There are no changes made and errors identified in the accounting policies of the Group.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.4 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group has adopted all of the new and revised Standards, Amendments and Interpretations issued by the International Accounting Standards Board ("the IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2009. The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies in the following areas:

- IAS 1(Revised) , "Presentation of financial statements"

The revised standard prohibits the presentation of items of income and expenses (referred to as 'non-owner changes in equity') in the statement of changes in equity. Non-owner changes in equity are to be presented separately from owner changes in equity and are required to be disclosed in a Statement of Comprehensive Income. Entities have the option of either presenting one statement or two statements. The Group has applied IAS1 (Revised) from 1 January 2009 and have chosen to present both a statement of income / (loss) and a statement of comprehensive income / (loss).

IAS 1(Revised) further requires entities to present a restated balance sheet at the beginning comparative period in addition to presenting balance sheets at the end of the current period and comparative period when entities restate or reclassify comparative information. The Group reclassified and restated certain comparative information as described in Note 2, therefore an additional opening statement of financial position as at 1 January 2008 is also presented.

- IFRS 7 (Amendments), "Financial Instruments: Disclosures"

Amendments to IFRS 7 which was issued in March 2009 is applicable to the Group beginning on 1 January 2009. The amendments require enhanced disclosure on fair value measurements as well as on liquidity risks. Specifically, the amendments require the Group to disclose changes in valuation techniques for classes of financial instruments where valuation techniques were used to determine fair values. In addition for each class of financial instrument, the Group is required to disclose the level in the fair value hierarchy into which the fair value measurements are categorized. When valuation techniques used to determine fair values of financial instrument changes, the transfers between levels of the fair value hierarchy are required to be disclosed. Furthermore, the Group is required to provide a reconciliation of fair values measurements that are determined based on unobservable inputs.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.4 ADOPTION OF NEW AND REVISED STANDARDS (continued)

Sensitivity analysis on changes in assumptions related to unobservable inputs should also be presented if such changes would produce significant fair value changes.

IFRS 7 further clarifies that the current maturity analysis for non-derivative financial instruments should include issued financial guarantee contracts, and requires the Group to add disclosure of a maturity analysis for derivative financial liabilities.

The Group has implemented the amendments to IFRS 7 in 2009.

- IFRS 8 'Operating Segments'

IFRS 8 replaces IAS 14 'Segment reporting' and requires segment information to be presented under a 'management approach', where segment information is to be shown on the same basis as that used for internal reporting purposes.

The Group has adopted the provisions of IFRS 8 Operating Segments in 2009. Due to the fact that the Group only operates in a single industrial field, that a substantial part of its sales occur in Turkey and that all of its assets are located in Turkey, the financial data are not required to be reported by segments.

- IAS 23 (Revised) 'Borrowing Costs'

The Group has adopted the revised standard IAS 23 on borrowing costs starting 1 January 2009. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. In prior years, the Group had expensed the related borrowing costs in the statement of income in the year that the costs were incurred.

- Improvements to IFRSs issued in May 2008

The improvements include 35 amendments across 20 different Standards that largely clarify the required accounting treatment where previous practice had varied, and have resulted in a number of changes in the detail of the Group's accounting policies. The only amendment included in improvements to IFRSs that has had a material impact on the Group's accounting policies is the amendment to IAS 38 "Intangible Assets", which has been amended to state that an entity is permitted to recognize a prepayment asset for advertising or promotional expenditure only up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services. Mail order catalogues have been specifically identified as a form of advertising and promotional activities. In the past, the Group recognized its inventories of catalogues held as an asset up to the date of dispatch. The impact of the restatement on opening balance sheet is disclosed in Note 28.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.4 ADOPTION OF NEW AND REVISED STANDARDS (continued)

Standards, amendments and interpretations effective in 2009 but not relevant

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2009 but they are not relevant to the Group's operations:

- IFRS 1 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' (Amendment relating to cost of an investment on first-time adoption)
- IFRS 2 'Share-based Payment' (Amendment relating to vesting conditions and cancelations)
- IAS 1 'Presentation of Financial Statements" and IAS 32 'Financial Instruments – Presentation' (Amendments relating to disclosure of puttable instruments and obligations arising on liquidation)
- IAS 39 'Financial Instruments: Recognition and Measurement' (Amendments for embedded derivatives when reclassifying financial instruments)
- Amendments resulting from May 2008 Annual Improvements to IFRSs (IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 19 "Employee Benefits", IAS 20 "Government Grants and Disclosure of Government Assistance", IAS 23 "Borrowing Costs", IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investment in Associates", IAS 31 "Interests in Joint Ventures", IAS 29 "Financial Reporting in Hyperinflationary Economies", IAS 36 "Impairment of Assets", IAS 39 "Financial Instruments: Recognition and Measurement", IAS 40 "Investment Property", IAS 41 "Agriculture"
- IFRIC 13 'Customer Loyalty Programmes'
- IFRIC 15, "Agreements for the Construction of Real Estate"
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

- IFRS 2 'Share-based Payment' (Amendment relating to group cash-settled share-based payment transactions)
- IFRS 3 "Business Combinations", IAS 27 'Consolidated and separate financial statements', IAS 28 "Investment in Associates", IAS 31 "Interests in Joint Ventures" (Comprehensive revision on applying the acquisition method)
- IAS 39 'Financial Instruments: Recognition and Measurement' (Amendments for eligible hedged items)
- IFRIC 17 "Distributions of Non-cash Assets to Owners"
- Amendments resulting from May 2008 Annual Improvements to IFRSs (IFRS 5 , "Non-current Assets Held for Sale and Discontinued Operations)
- Amendments resulting from April 2009 Annual Improvements to IFRSs (IFRS 2 "Share-based Payment", IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations, IFRS 8 "Operating Segments", IAS 1 "Presentation of Financial Statements", IAS 7 "Statement of Cash Flows", IAS 17 "Leases", IAS 36 "Impairment of Assets, IAS 38 "Intangible Assets", IAS 39 "Financial Instruments: Recognition and Measurement"

Additionally, IFRIC 18 "Transfers of Assets From Customers" is effective for all transfers received on or after 1 July 2009.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.4 ADOPTION OF NEW AND REVISED STANDARDS (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (continued)

IFRS 2 “Share-Based Payments”

The amendments clarify the definition of vesting conditions and introduce the concept of a ‘non-vesting condition’ which is a condition that is neither a service condition nor a performance condition. The standard also requires the application of similar criteria to be used in the recognition of awards cancelled by either an entity or the counterparty (employer or employee). The adoption IFRS 2 in future periods will have no material impact on the financial statements of the Group.

IFRS 3 “Business Combinations”

The amendments require the recognition of an acquisition related cost of a business combination as an expense in the period in which the cost is incurred. It also requires subsequent changes in the fair value of a contingent consideration recognized in business combination to be recognized in the statement of income rather than in equity. This change is not expected to have any influence on the financial statements of the Group.

IAS 39, “Financial Instruments: Recognition and Measurement” (Amendments relating to eligible hedged items)

The amendment clarifies that inflation may only be hedged if changes in inflation are a contractually specified portion of cash flows of a recognized financial instrument.

IFRIC 17 “Distributions of Non-Cash Assets To Owners”

IFRIC 17 applies to all reciprocal non-cash distributions of assets by an entity to its owners, including the distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Group.

IFRIC 18 “Transfers of Assets From Customers”

The Interpretation clarifies the accounting for cash received from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Group.

The Group does not believe the adoption of these standards and amendments would have a material impact on the consolidated financial statements.

2.5 SIGNIFICANT ACCOUNTING POLICIES

2.5.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, and other similar allowances.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.1 Revenue recognition (continued)

Sale of goods:

Revenue from sale of goods is recognized when all the following conditions are satisfied:
- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income
Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease.

2.5.2 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value and the expense is included in statement of income/(loss) in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

2.5.3 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated and carried at cost less accumulated impairment.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.3 Property, plant and equipment (continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Tangible fixed assets are entered in the accounts on the revised acquisition values represented by the purchasing power of TRL on December 31, 2004 for those items acquired proir to January 1, 2005 and on their acquisition values for those items acquired later than January 1, 2005. They are reflected in the consolidated financial statements on their net values realised upon the subtraction of the said values by the accumulated depreciation and permanent devaluation, if any. Tangible fixed assets are subject to depreciation in accordance with the useful life principle by the straight-line depreciation method.

2.5.4 Financial Leasing

Leasing - the Group as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group’s general policy on borrowing costs.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.5 Intangible Assets

Intangible assets acquired separately

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (three to five years).

2.5.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5.7 Borrowing costs

Borrowing costs include interest charges and other costs related with borrowing. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

In 2009 the Group does not have any qualified assets, and borrowing costs are recognised in income statetment in the period in which they are incurred.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.8 Financial instruments

Financial assets

Investments are recognized and derecognized on a trade date where the purchase or sale of an investments under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.
Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges.

Held-to-maturity investments

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized on an effective yield basis.

Available-for-sale financial assets

Investments other than held-to-maturity debt securities and held for trading securities are classified as available-for-sale, and are measured at subsequent reporting dates at fair value except available-for-sale investments that do not have quoted prices in active markets and whose fair values cannot be reliably measured are stated at cost and restated to the equivalent purchasing power. Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.8 Financial instruments (continued)

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The Group's cash and cash equivalents are classified under the category of 'Loans and Receivables'.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.8 Financial instruments (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 48.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

2.5.9 Foreign currency transactions

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies);

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.10 Gain/Loss per Share

The loss pers hare as indicated in the consolidated income statement is determined by dividing the net loss by the weighted average number of the stocks issued during the relevant term.

2.5.11 Events Subsequent to the Balance Sheet Date

Events subsequent to the balance sheet date cover all the events occurring betwen the balance sheet date and the authorisation date fort he publication of the balance sheet even if they have been revealed aftre the other selected financial data have been made public.

The Group revises those amounts entered in the consolidated financial statements in accordance with such new situation in case any events which require revision are to be revealed after the balance sheet date. Those events revealed after the balance sheet date which do not require revision are explained in the footnotes of the financial statements if they are important.

2.5.12 Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.13 Operating segments

The Group has adopted the provisions of IFRS 8 Operating Segments in 2009. Due to the fact that the Group only operates in a single industrial field, that a substantial part of its sales occur in Turkey and that all of its assets are located in Turkey, the financial data are not required to be reported by segments.

2.5.14 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.5.15 Taxation and deferred income taxes

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.15 Taxation and deferred income taxes (continued)

Deferred tax (continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over cost.

2.5.16 Provision for Employee Termination Benefits

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) “Employee Benefits” (“IAS 19”).

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation.

2.5.17 Consolidated Cash Flow Statement

In the consolidated cash flow statement, the consolidated cash flows for the term are classified and reported basing upon the major, investment and financing activities.

Consolidated cash flows originating from major activities indicate the consolidated cash flow originating from the Group’s activities.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.5 SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5.17 Consolidated Cash Flow Statement (continued)

Consolidated cash flows related with the investment activities indicate the consolidated cash flows which the Group uses and acquires in its investment activities.

Cash flows related with the financing activities indicate the consolidated resources which the Group uses in its financing activities and the repayments of such resources.

Cash and cash-like assets include the cash and bank deposits as well as short-term high-liquidity in vestments with certain amounts and with maturities equal to or less than 3 months, which may be easily liquidated.

2.5.18 Capital and Stock Issuance Premiums

Ordinary shares are classified as capital. As approved, the proportionate capital increases as applied to existing shareholders are reported at their nominal values. Dividend payments of ordinary shares are entered in teh records in the term when they are described in the capital. And stock issuance premiums represent the difference between the face values of the publicly traded stocks and their sales prices.

2.6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, which are described in note 2.5, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt with below).

Impairment of available-for-sale (AFS) financial assets

The Group reviews its portfolio of available-for-sale financial assets for potential impairment. The determination of impairment requires management to use significant judgment especially in AFS financial assets that do not have independent market valuation benchmarks. In making its assessment, the Group evaluates various factors including the financial health of and outlook of the investee, the significance in the decline in the fair value of the investment and whether the decline is prolonged or temporary.

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. Currently, there are deferred tax assets resulting from operating loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized.

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY (continued)

Deferred taxes(continued)

The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. If based on the weight of all available evidence, it is the Group's belief that taxable profit will not be available sufficient to utilize some portion of these deferred tax assets, then some portion of or all of the deferred tax assets are not recognized. The Group has not recognized deferred tax assets because there are deductible carried forward losses and it is not apparent that taxable profit will be available sufficient to recognize deferred tax assets. If future results of operations exceed the Group's current expectations, the existing unrecognized deferred tax assets may be recognized, resulting in future tax benefits.

Income taxes

The Group operates in various tax jurisdictions and is subject to the related tax regulations. Significant judgment is required to determine the Group provision for income taxes. The Group estimates its liabilities for tax obligations as well as the utilization of available loss carry forwards. When the final tax outcome is known, the actual positions may vary from these estimates and adjustments to deferred income tax positions may be required.

Provision for bad trade claims

Devaluation loss in the trade claims and other claims are based upon the Group Management's evaluation about the volume of the amount of trade, past experiences and overall economic conditions.

Useful lives of the assets

The useful economic lives of the assets of the Group are determined on the acquisition date of such assets and reviewed at regular intervals by the Group Management. The Group determines the useful life of an asset in consideration of the estimated benefit of such asset. Such evaluation is based upon the Group's experience with similar assets. In determining the useful life of an asset, the Group further considers the condition of the assets becoming useless in a technical and/or commercial manner as a consequence of the changes or developments in the market.

Adjustment of asset and liability of returnable bottles

For the returnable bottles and crates presented in the fixed assets, Entity calculates the quantity of lost and broken bottles and crates in the point of sales based on estimation depending experience and researches and they are disposed from fixed asset inventory. In accordance with the estimation of lost and broken bottles, the liability of deposits is released proportionaly.

(Currency: TRL)

NOTE 2 – ESSENTIALS ON PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.6 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY (continued)

Provision for severance pay

The Group Management employs actuary evaluation methods in order to estimate the severance pay liability. The provision for severance pay has been calculated at its current net amount of any liability amounts which shall arise in the future due to the reteirement of all the employees and reflected in the consolidated financial statements enclosed herein. Accordingly, the following forecasts have been employed in the calculation of the total liability:

	June 30, 2009	December 31, 2008
Discount rate	%6,26	%6,26
Turnover rate for forecasting possibility of retirement	%95	%95

Basic assumption is the increase of the ceiling liability determined for each annual service in proportion with the inflation rate. Thus, the discoıunt rate applied shows the actual rate which has been cleared of the expected impacts of the inflation.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of available-for-sale (AFS) financial assets

The Group reviews its portfolio of available-for-sale financial assets for potential impairment. The determination of impairment requires management to use significant judgment especially in AFS financial assets that do not have independent market valuation benchmarks. In making its assessment, the Group evaluates various factors including the financial health of and outlook of the investee, the significance in the decline in the fair value of the investment and whether the decline is prolonged or temporary.

Adjustment of asset and liability of returnable bottles

For the returnable bottles and crates presented in the fixed assets, Entity calculates the quantity of lost and broken bottles and crates in the point of sales based on estimation depending experience and researches. Since it is impractible to perform a physical inventory count for returnables every year, a percentage of "lost and brokens" is used. Were the percentage of "lost and brokens" differ by 10% from management's estimates, the amount of disposals from fixed assets in the period would be increased by TL 110.566 if the proportion performed were increased, or would be decreased by TL 110.566 if the proportion performed were decreased.

(Currency: TRL)

NOTE 3 – CASH AND CASH EQUIVALENTS

	30 June 2009	31 December 2008
Cash	99.244	31.617
Banks		
- demand deposit	954.568	495.703
- repurchase agreement	5.253.000	6.000.000
Total	**6.306.812**	**6.527.320**

The nature and level of the risks for the cash and cash equivalent accounts are explained in Note 25.

NOTE 4 – FINANCIAL INVESTMENTS

	30 June 2009		31 December 2008	
Ready to sell Financial Investments	Amount	Share percentage (%)	Amount	Share percentage (%)
Desa Enerji	2.757.188	4,05	2.757.188	4,05
Bintur	1.016.309	4,66	1.016.309	4,66
Çamlı Yem	283.057	0,19	283.057	0,19
	4.056.554		**4.056.554**	
Less: Allowance for impairment in value	(3.889.355)		(3.889.355)	
Total	**167.199**		**167.199**	

As the Group's ready-to-sell financial assets are not traded in the active capital market nor their reasonable values may be reliably measured, they are carried forward to the consolidated financial statements with devaluation cleared of from the purchasing power in effect on the date when the inflation accounting ceased to apply.

NOTE 5 – FINANCIAL LIABILITIES

	30 June 2009			
	Currency	Original Amount	TRY Amount	Interest Rate
Short term borrowings				
	TRY	-	9.850.380	%18-%23
Total TRY			**9.850.380**	

	31 December 2008			
	Currency	Original Amount	TRY Amount	Interest Rate
Short term borrowings				
	TRY	-	48.486.380	%24 - %30
Total TRY			**48.486.380**	

		30 June 2009		31 December 2008	
	Currency	Interest Rate	TRY	Interest Rate	TRY
Rotative loans without guarantee	TRY	%18-%23	9.850.380	%24 - %30	48.486.380
			9.850.380		**48.486.380**

(Currency: TRL)

NOTE 5 – FINANCIAL LIABILITIES (continued)

Repayment schedules of the financial liabilities are as follows:

	30 June 2009	31 December 2008
0-6 months	9.850.380	48.486.380
6-12 months	-	-
Total	**9.850.380**	**48.486.380**

The Company does not have any long-term financial liabilities as of June 30, 2009. The Company's financial liabilities are short-term ones and rotative loans made available by banks, and rotative loans are disbursed at the end of quarterly periods.

NOTE 6 – TRADE CLAIMS AND LIABILITIES

Trade receivables	30 June 2009	31 December 2008
Cheques and notes receivables	54.835.836	37.477.543
Credit Card Receivables	986.682	2.327.593
Trade Receivables	38.555.556	36.881.936
	94.378.074	**76.687.072**
Less: Allowance for doubtful receivables	(17.346.053)	(16.959.020)
Less: Discount on trade receivables	(1.163.640)	(1.072.243)
Trade receivables - net	**75.868.381**	**58.655.809**

Time checks and credit notes have maturities less than three months. Credit Card receivables have maturities less than one month.

The Group allocates loss provisions on customer basis for its trade claims which have become non-performing. Amounts of such provisions covers those claims which are considered not to be repaid by relevant customers or whose guarantees received for such claims may not be achieved.

Movements of the provision for bad debts within the fiscal terms expiring on June 30, 2009 and June 30, 2008 are as follows :

Provision for bad debts

	30 June 2009	30 June 2008
Opening Balance	(16.959.020)	(14.880.433)
Provision for the year	(571.188)	(2.087.980)
Write-off	-	-
Collections	184.155	391.971
Closing Balance	**(17.346.053)**	**(16.576.442)**

Trade payables	30 June 2009	31 December 2008
Trade payables	18.159.701	22.024.544
Less : Discount on trade payables	(447.727)	(394.397)
Trade payables - net	**17.711.974**	**21.630.147**

The currency rate risk and loan risk for the trade receivables and trade liabilities accounts are explained in Note 25.

(Currency: TRL)

NOTE 7 – OTHER CLAIMS AND LIABILITIES

Other short term receivables	**30 June 2009**	**31 December 2008**
VAT receivable	-	3.876.636
Advances given	175.201	217.632
Sales premium	131.350	-
Prepaid taxes	87.584	133.282
Other	18.840	51.252
Total	**412.975**	**4.278.802**

Other long term receivables	**30 June 2009**	**31 December 2008**
Deposits and guarantees given	30.388	6.626
Total	**30.388**	**6.626**

Other short term payables	**30 June 2009**	**31 December 2008**
Advances received	2.040.321	2.002.923
Total	**2.040.321**	**2.002.923**

NOTE 8 – INVENTORIES

	30 June 2009	**31 December 2008**
Raw material	5.730.799	6.214.638
Semi-finished goods	12.299.623	10.467.527
Finished goods	1.978.544	2.098.582
Other	2.111.750	2.398.999
	22.120.716	**21.179.746**
Less : Provision for stock impairment	(155.593)	(261.398)
Total	**21.965.123**	**20.918.348**

Other inventories include spare parts of TRL 1.440.289,- (December 31, 2008: TRL 1.317.858,-)

Devaluation provision and amounts returned from devaluation provision are included into the costs of sold goods.

Insurance charges of the inventories is EUR 8.707.840,- as of June 30, 2009 (December 31, 2008: EUR 8.707.840,-).

(Currency: TRL)

NOTE 9 – TANGIBLE FIXED ASSETS

Cost	Opening 1 January 2009	Additions	Disposals	Transfers	Closing 30 June 2009
Land and buildings	77,845,911	5,357	-	1,273,028	79,124,296
Machinery and equipment	284,414,092	126,697	-	902,612	285,443,401
Furniture and fixtures	88,452,540	1,999,083	(291,007)	-	90,160,616
Motor vehicles	1,849,740	125,858	(150,629)	-	1,824,969
Returnable bottles,pallet and crates	12,695,021	1,368,274	(1,105,474)	-	12,957,821
Constructions in progress	3,171,840	2,648,551	-	(2,184,160)	3,636,231
	468,429,144	**6,273,820**	**(1,547,110)**	**(8,520)**	**473,147,334**

Less:Accumulated amortization	**1 January 2009**	**Additions**	**Disposals**	**Transfers**	**30 June 2009**
Buildings	45,307,509	1,024,615	-	-	46,332,124
Machinery and equipment	238,686,540	2,779,060	-	-	241,465,600
Furniture and fixtures	72,125,530	2,626,195	(202,121)	-	74,549,604
Motor vehicles	1,591,735	41,640	(150,629)	-	1,482,746
Returnable bottles,pallet and crates	5,622,574	1,666,918	(1,105,660)	-	6,183,832
	363,333,888	**8,138,428**	**(1,458,410)**	**-**	**370,013,906**
Net book value	**105,095,256**				**103,133,428**

Of the term's depreciation costs, TRL 5.921.829,- is allocated to production costs (June 30, 2008: TRL 6.860.225,-), TRL 95.577,- to managerial overheads (June 30, 2008: TRL 546.484,-) and TRL 2.121.022,- to marketing, sales and distribution costs (June 30, 2008: TRL 2.332.494,-). The total net book value of the Group's assets contained in the tangible fixed assets and leased under financial leasing contract is TRL 371.936,- as of June 30, 2009 (June 30, 2008: TRL 471.464,-).

(Currency: TRL)

NOTE 9 - TANGIBLE FIXED ASSETS (continued)

Cost	Açılış 1 January 2008	Additions	Disposals	Transfers	Closing 30 June 2008
Land and buildings	78,523,989	-	(115,839)	-	78,408,150
Machinery and equipment	275,419,624	1,354,046	(1,185)	7,002,797	283,775,282
Furniture and fixtures	85,059,602	2,159,970	(207,849)	51,642	87,063,365
Motor vehicles	2,240,182	13,560	(279,037)	-	1,974,705
Returnable bottles,pallet and crates	14,325,537	56,530	(1,477,986)	-	12,904,081
Constructions in progress	7,252,243	1,480,451	-	(7,054,439)	1,678,255
	462,821,177	**5,064,557**	**(2,081,896)**	**-**	**465,803,838**

Less:Accumulated amortization	1 January 2008	Additions	Disposals	Transfers	30 June 2008
Buildings	43,430,835	1,512,555	(1,372)	-	44,942,018
Machinery and equipment	232,000,466	3,352,155	(5)	-	235,352,616
Furniture and fixtures	67,286,473	2,869,936	(143,153)	-	70,013,256
Motor vehicles	2,038,774	65,888	(275,443)	-	1,829,219
Returnable bottles,pallet and crates	2,196,307	1,938,669	(1,412,332)	-	2,722,644
	346,952,855	**9,739,203**	**(1,832,305)**	**-**	**354,859,753**
Net book value	**115,868,322**				**110,944,085**

(Currency: TRL)

NOTE 9 - TANGIBLE FIXED ASSETS (continued)

The tangible fixed assets depreciation periods indicating the estimated useful lives of the said assets are as follows:

	Years
Buildings	25-40
Machinery and equipment	5-15
Inventory	3-15
Motor vehicles	5- 8
Returnable bottles, pallets and crates	5-10

Acquired fixed assets by financial leasing

Net book value	Machinery and equipment	Motor vehicles	Total
30 June 2009	309.654	62.282	**371.936**
31 December 2008	335.460	84.218	**419.678**

Assets acquired by financial leasing are depreciated according to expected useful life of the related fixed asset. As of 2009, June 30, there is no financial lease payables for the assets listed above. (December 31, 2008: None).

Insurance charge of the tangible fixed assets as of June 30, 2009 is EUR 117.711.620,- (December 31, 2008: EUR 117.711.620,-).

NOTE 10 – INTANGIBLE FIXED ASSETS

	Opening 1 January 2009	**Additions**	**Disposals**	**Transfers**	**Closing 30 June 2009**
Rights	7.820.648	93.183	-	8.520	7.922.351
Accumulated amortization	7.157.802	264.449	-	-	7.422.251
	662.846	**(171.266)**		**8.520**	**500.100**

Of the term's redemptions, TRL 189.336,- is allocated to production costs (June 30 2008: TRL 184.584,-), TRL 72.692,- to managerial overheads (June 30, 2008: TRL 162.826,-) and TRL 2.421,- to marketing, sales and distribution costs (June 30, 2008: TRL 2.292,-).

	Opening 1 January 2008	**Additions**	**Disposals**	**Transfers**	**Closing 30 June 2008**
Rights	7.719.435	77.703	(9.976)	-	7.787.162
Accumulated amortization	6.505.617	349.702	(9.976)	-	6.845.343
	1.213.818	**(271.999)**	**-**	**-**	**941.819**

(Currency: TRL)

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short term provisions	**30 June 2009**	**31 December 2008**
Provision for excise duties	17.851.346	17.851.346
Provision for legal cases fee	905.884	1.002.825
Provision for discounts	3.346.722	810.000
Provision for consultancy liabilities	-	1.446.894
Provision for licence fee	1.013.759	1.624.849
Other	1.470.268	1.169.067
Total	**24.587.979**	**23.904.981**

As explained in detail below, the Group management filed several legal actions with tax courts for the return of the Excise Tax which it thought to have been overpaid to the tax office and with the Council of State for the repeal of the Decree of Council of Ministers ("DCM") which is the cause of such overpayment in 2004, 2005 and 2006.

Once the Council of State made a decree for suspension of execution regarding such legal actions, the Group management calculated the ET returns for some terms in 2005 and 2006 at the higher of the percentage and amount as stipulated for beer in the List no. 3 attached to the Excise Tax Act published in the Official Gazette dated December 31, 2004 and made payments accordingly. The Group management allocated a provision in the consolidated financial statements for the difference between the higher ET amount which must be paid pursuant to the DCM which was suspended to execute and the lower amount which it actually paid.

The decree of suspension of execution made in the legal action filed fort he repeal of the Decree of Council of Ministers no. 05/8410 with the Office No. 7 of the Council of State became null and void once the Council of State made a decree for separation in the same legal action. Therefore, the ET amounts underpaid for the June, July and August basing upon such decree of suspension of execution were paid to the competent tax office as TRL 51.846.839,- including the default penalties and the provision of TRL 22.308.547,- allocated for the principal amount of tax was cancelled. Legal actions have been filed for the return of such amount to Türk Tuborg.

NOTE 11 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Contingent Assets and Liabilities

Türk Tuborg has filed legal actions against the Hasan Tahsin Tax Office Directorate fort he cancellation of the accruals and return of the amounts of the Excise Tax and Value Added Tax which it paid under reservation earlier and which it claims to have been collected against law for the June-December 2004 term, February-May 2005 term, June-August 2005 term, August 26-31, 2005, September 2005, December 23-31, 2005, January 2006, and February 1-13, 2006 respectively. Legal actions with repeal requests have also been filed claiming incongruity with the Constitution and law of the Decree of Council of Ministers ("DCM") which stipulated the amounts of the said ET and thereby Value Added Tax. In the legal actions filed fort he repeal of the Decree of Council of Ministers No. 04/6992, 04/7792, 05/9281 and 05/9796 stipulating the amounts of ET for the terms subject to legal action which have been referred to above, the Office No. 7 of the Council of State decreed the suspension of execution of the first three Decrees of Council of Ministersand that the the last Decree of Council of Ministers to be null and void. Nine of the legal actions filed for the return of the VAT amounts (legal actions filed under filing no. 2004/605, 2004/978, 2006/327 and 2006/328 with the Tax Court No. 2 of İzmir; 2004/706, 2004/799, 2005/115, 2005/334 with the Tax Court No. 3 of İzmir; and 2006/238 with the Tax Court No. 4 of İzmir respectively) were concluded against Türk Tuborg and such decree have been finalised. In its decree made under decree no. 2008/1953, the Office No. 7 of the Council of State decreed that any administrative action might not be filed with the Council of State in the same petition for the repeal of the Decree of Council of Ministers falling into the jurisdiction of the Council of State and the return of the tax paid under reservation falling into the jurisdiction of of tax courts pursuant to the article 6 of the Law Concerning the Establishment and Duties of Regional Administrative Courts, Administrative and Tax Courts and that the request for the suspension of execution provided that the Company would be entitled to file separate legal actions against the regulatory operation and practical operation for the initial 3 legal actions. Basing upon such court decree , the Group management has filed 11 legal actions. The Group has allocated a provision of TRL 17.851.346 (for the excise duty and its penalty) for the difference between the higher ET amount which must be paid (related to the period October-December 2005) pursuant to the DCM which were suspended to execute and the lower amount actually paid in the enclosed condolidated financial statements as of the date of this report.

As of June 30, 2009, the Group has letters of guarantee delivered amounting to TRL 3.318.284 (December 31, 2008: TRL 3.794.728).

As of June 30, 2009, the Group has a contingent claim of TRL 119.211.252 related with the Excise Tax action (December 31, 2008: TRL 86.498.436).

(Currency: TRL)

NOTE 12 – COMMITMENTS

Operations Leasings in Which the Group Is a Lessee

Operational leasing liabilities as of June 30, 2009 and December 31, 2008 are indicated below:

30 June 2009

	1 year		More than 1 year	
Foreign Currency	**Foreign Currency Amount**	**TRY Amount**	**Foreign Currency Amount**	**TRY Amount**
USD	166.875	255.335	1.104.375	1.689.804
EURO	116.328	249.746	69.900	150.068
TRY		48.065		-
Total		**553.146**		**1.839.872**

31 December 2008

	1 Year		More than 1 year	
Foreign Currency	**Foreign Currency Amount**	**TRY Amount**	**Foreign Currency Amount**	**TRY Amount**
USD	188.214	284.636	1.188.750	1.797.747
EURO	116.328	249.036	69.900	149.642
TRY		27.774		-
Total		**561.446**		**1.947.389**

NOTE 13 – BENEFITS TO EMPLOYEES

a) Short term benefits to employee

	30 June 2009	31 December 2008
Provision for vacation pay liability	2.153.742	1.897.046

b)Provision for Severance Pay

Under Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay provisions who retired by gaining right to receive retirement pay provisions according to current 506 numbered Social Insurance Law's 6 March 1981 dated, 2422 numbered, 25 August 1999 dated and 4447 numbered with 60th article that has been changed. Some transition provisions related to the pre-retirement service term was excluded from the law since the related law was changed as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRL 2.260,05 (2008: TRL 2.173,19) for each period of service at 30 June 2009.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2009, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5,40% and a discount rate of 12%, resulting in a real discount rate of approximately 6,26% (31 December 2008: 6,26%). The anticipated rate of forfeitures is considered as 95% (2008: 95%). As the maximum liability is revised semi annually, the maximum amount of TRL 2.260,05 effective from 1 January 2010 has been taken into consideration in calculation of provision from employment termination benefits.

(Currency: TRL)

NOTE 13 – BENEFITS TO EMPLOYEES (continued)

Movements of the provision for severance pay during the year is as follows:

	30 June 2009	30 June 2008
Opening Balance	**2.839.776**	**2.449.155**
Service cost	252.452	373.430
Interest expense	84.104	69.923
Amount paid	(142.696)	(344.682)
Closing Balance	**3.033.636**	**2.547.826**

The average number of staff members as employed as of June 30, 2009 by the Group is a total of 505 (December 31, 2008: 531). Amounts paid are expensed in general administration expenses line item.

NOTE 14 – OTHER ASSETS AND LIABILITIES

Other Current Assets	30 June 2009	31 December 2008
Prepaid Expenses	1.167.764	1.914.125
Advances given for inventories	1.563.528	2.698.256
Income Accruals	276.146	-
Total	**3.007.438**	**4.612.381**

Of the costs of forthcoming months, TRL 918.249,- (December 31, 2008: TRL 1.082.715,-) comprises of prepaid insurances and TRL 238.024,- (December 31, 2007: TRL 81.801,-) comprises of prepaid advertising and sponsorship amounts. Invetory purchase order advances comprise of the payments made for the purchases of primary materials and substances.

Other Non-Current Assets	30 June 2009	31 December 2008
Prepaid Expenses	221.145	42.617
Advances given for fixed assets	72.190	-
Total	**293.335**	**42.617**

Other Short Term Liabilities	30 June 2009	31 December 2008
Taxes and Funds Payable	21.462.214	15.513.281
Deposits taken	8.020.928	6.306.882
Expense accruals	437.680	474.017
Others	264.978	432.480
Total	**30.185.800**	**22.726.660**

(Currency: TRL)

NOTE 15 – EQUITIES

Capital

The Group's approved and paid-in capital of nominal value is as follows:

	30 June 2009	December 2008
Registered share capital ceiling (historical amount)	400.000.000	400.000.000
Paid-in and approved share capital as nominal value	99.971.560	99.971.560
Capital advance	212.928.731	175.196.849

The Company received a capital advance of TRL 37.731.882,- from the major shareholder International Beer Breweries in 2009. In 2008, capital advances of TRL 6.044.798,- and TRL 169.152.051,- from the major shareholder International Beer Breweries and the former major shareholder Carlsberg Breweries A/S respectively.

The Company increased the ceiling of registered capital from TRL 200.000.000,- to TRL 400.000.000,- in 2008. Companies in Turkey may exceed the registered capital ceiling in case they issue free stocks and deliver them to their shareholders.

Shareholders of the Company and their shares in the capital are indicated below:

	30 June 2009		31 December 2008	
Shareholders	**Amount**	**Share %**	**Amount**	**Share %**
International Beer Breweries Ltd	95.659.375	95,69	95.659.375	95,69
Public share	4.312.185	4,31	4.312.185	4,31
Total paid in capital	**99.971.560**	**100,00**	**99.971.560**	**100,00**

As of October 23, 2008, Carlsberg Breweries A/S transferred the share of 95,69% which it held to International Beer Breweries Ltd, which is a subsidiary of the CBC Group.

There are 9.997.156.000 shares with a face value of Kr 1,- each (December 31, 2008: 9.997.156.000). There are no privileged stocks.

	Historical Values	Restated Value	Inflation Adjustment
Share Capital	99.971.560	377.584.521	277.612.961

(Currency: TRL)

NOTE 15 – EQUITIES (continued)

Restricted Reserves Allocated out of the Profit

	30 June 2009	31 December 2008
Share Premium	40.913	40.913
Inflation Adjustments on Equity Items	277.612.961	277.612.961
Risk Prevention Fund	-	-
Total Capital Reserves	**277.653.874**	**277.653.874**

Pursuant to the Turkish Commercial Code, legal reserves are divided into two: primary and secondary reserves. Pursuant to the Turkish Commercial Code, primary legal reserves are allocated at 5% of the legal net profit until they reach 20% of the paid-in capital of the Company. Secondary legal reserves are the portion of 10% of the distributed profit which exceeds 5% of the paid-in capital. Pursuant to the Turkish Commercial Code, legal reserves may only be ofset losses unless they exceed 50% of the paid-in capital and it is not possible to utilise them for any other reason whatsoever.

Publicly traded companies carry out their dividend distribution in the following manner as prescribed by CMB:

To be effective as from January 1, 2008 pursuant to the new regulations of CMB concerning profit distribution, for those incorporated companies whose shares are traded in stock exchange it was decided that the minimum percentage of profit distribution shall be applied as 20% which is the one as set forth in the first paragraph of the aerticle 5 of the “Communiqué Concerning the Principles Which the Incorporated Companies Subject to Capital Market Shall Observe in the Distribution of Dividends and Dividend Advances” Serial IV: No: 27;

NOTE 15 – EQUITIES (continued)

Restricted Reserves Allocated out of the Profit (continued)

- that such distribution may be performed in cash or in the form of free distribution of the shares to be issued by the addition of the dividend to the capital or in the form of distribution of free shares in cash at certain percentage and in the form of free shares at certain percentage depending on the resolution to be made by their general meetings of shareholders;
- that in case the amount of primary dividend to be determined pursuant to the article 1 of the Communiqué is less than 5% of the current paid-in/issued capital, then the amount in question may be kept in the company but not distributed;
- that as for the periods of time concerning dividend distribution times as set forth in the article 6 of the Communiqué,
    - *(i)* the practice of dividend distribution until the end of the fifth month following the fiscal term shall continue in case all of the dividend shall be distributed;
    - *(ii)* if the dividend shall be distributed in the form of shares, an application shall be filed with CMB until the end of the fifth month following the fiscal term and the dividend distribution shall be completed until the end of the sixth month following the fiscal term so that the shares to be issued for this purpose may be entered in records by CMB;
    - *(iii)* in case the options as set forth in the subparagraphs *(i)* and *(ii)* are to be applied together, the operations set forth in the said subparagraphs shall be separately performed within the periods of time as prescribed in the said subparagraphs;
- that in case a resolution is made as to the dividend distribution proposal to be submitted to the general meetings of shareholders of the incorporated companies whose shares are traded in stock exchange and/or the dividend distribution is directly resolved upon at the general meetings of shareholders of such companies, such statements shall be issued as a schedule to the special condition explanation whcih such companies are to provide in relation with such resolutions pursuant to the "Communiqué of Essentials Concerning the Public Announcement of Special Conditions" Serial VIII No. 39 and a copy of such statements shall be communicated to CMB.

Preceding Years' Losses

The preceding years' losses as indicated in the balance sheet that the Group has issued pursuant to the CMB Communiqué Serial XI No. 29 are TRL 475.342.992,- as of June 30, 2009 (December 31, 2008: TRL 368.323.816,-).

(Currency: TRL)

NOTE 16 – SALES AND COSTS OF SALES

Income from sales	**1 January 2009-30 June 2009**	**1 April 2009-30 June 2009**	**1 January 2008-30 June 2008**	**1 April 2008-30 June 2008**
Domestic sales	186.105.027	112.056.880	186.978.537	111.553.631
Export sales	22.173.478	12.322.012	13.064.090	8.034.609
Sales returns	(525.822)	(290.120)	(1.261.476)	(664.200)
Sales discounts	(34.019.277)	(20.845.379)	(39.519.501)	(24.454.875)
Excise Duty	(76.432.195)	(46.265.371)	(78.349.010)	(46.250.522)
Total	**97.301.211**	**56.978.022**	**80.912.640**	**48.218.643**

Cost of sales	**1 January 2009-30 June 2009**	**1 April 2009-30 June 2009**	**1 January 2008-30 June 2008**	**1 April 2008-30 June 2008**
Total production cost	**58.266.798**	**31.291.571**	**48.632.858**	**26.723.180**
Direct raw materials and supplies expenses	38.449.558	21.221.102	28.689.797	16.294.852
Labor cost	3.425.899	1.865.556	3.664.932	2.053.559
Depreciation and amortization expense	6.111.165	3.076.353	7.044.809	3.559.390
Other production expenses	10.280.176	5.128.560	9.233.321	4.815.380
Changes in semi-finished goods	**(1.832.096)**	**(609.813)**	**(966.320)**	**(782.297)**
Semi-finished goods at beginning of period	10.467.527	11.689.810	8.901.353	9.085.376
Semi-finished goods at period end	12.299.623	12.299.623	9.867.673	9.867.673
Changes in finished goods	**120.038**	**1.503.634**	**(1.221.395)**	**412.158**
Finished goods at beginning of period	2.098.582	3.482.178	1.141.903	2.775.456
Finished goods at period end	1.978.544	1.978.544	2.363.298	2.363.298
Total	**56.554.740**	**32.185.392**	**46.445.144**	**26.353.042**

(Currency: TRL)

NOTE 17 – MARKETING, SALES AND DISTRIBUTION COSTS, MANAGERIAL OVERHEADS

General administration expenses	**1 January 2009-30 June 2009**	**1 April 2009-30 June 2009**	**1 January 2008-30 June 2008**	**1 April 2008-30 June 2008**
Personnel expenses	3.196.383	1.519.784	3.627.075	1.533.467
Services provided from third parties	1.006.057	456.538	1.508.726	759.970
Consultancy fees	210.706	81.846	1.049.031	513.542
Employee termination indemnity expenses	336.556	56.637	443.353	170.902
Depreciation and amortization	168.269	81.668	709.310	559.729
Duties, taxes and levies	179.679	25.530	79.276	33.420
Rent expenses	254.504	125.306	190.467	144.829
Communication expenses	95.454	43.044	132.609	67.224
Travel expenses	74.275	30.286	135.946	72.479
Representation expenses	402.306	388.299	28.621	28.621
Other	666.454	377.339	588.414	279.237
Total	**6.590.643**	**3.186.277**	**8.492.828**	**4.163.420**

Selling, marketing and distribution expenses	**1 January 2009-30 June 2009**	**1 April 2009-30 June 2009**	**1 January 2008-30 June 2008**	**1 April 2008-30 June 2008**
Marketing expenses	4.181.161	2.600.688	9.102.035	5.960.656
Personnel expenses	7.572.891	3.896.680	7.768.618	3.886.766
Transportation expenses	4.622.394	2.639.203	5.511.595	3.291.538
Depreciation and amortization	2.123.443	1.029.533	2.334.786	1.141.904
Services provided from third parties	1.470.254	765.717	1.762.069	1.123.478
Rent expenses	1.289.368	653.152	1.016.984	438.586
Energy expenses	808.586	406.504	1.154.520	591.456
Repairment and maintenance expense	552.320	327.173	650.587	431.433
Court and notary expense	275.499	129.385	603.788	439.359
Communication expenses	210.768	104.782	259.167	136.218
Other	997.027	548.944	2.034.411	676.286
Total	**24.103.711**	**13.101.761**	**32.198.559**	**18.117.680**
Total operating expenses	**30.694.354**	**16.288.038**	**40.691.387**	**22.281.100**

NOTE 18 – EXPENSES BY NATURE

	1 January 2009-30 June 2009	**1 April 2009-30 June 2009**	**1 January 2008-30 June 2008**	**1 April 2008-30 June 2008**
Income from sales (net)	97.301.211	56.978.022	80.912.640	48.218.643
Other income	3.926.699	3.109.216	889.245	534.894
Changes in semi-finished goods and finished goods	1.712.058	(893.821)	2.187.714	370.139
Direct raw material and supplies expenses	(38.449.558)	(21.221.102)	(28.689.797)	(16.294.852)
Personnel expenses	(14.531.729)	(7.338.657)	(15.503.978)	(7.644.693)
Depreciation and amortization	(8.402.877)	(4.187.554)	(10.088.905)	(5.261.023)
Other expenses	(29.195.418)	(15.588.599)	(37.457.298)	(22.110.818)
Financial income/expense	(5.450.212)	(2.946.201)	(13.152.735)	(2.145.832)
Total expenses	**(94.317.736)**	**(52.175.934)**	**(102.704.999)**	**(53.087.079)**
Gain / Loss before tax	**6.910.174**	**7.911.304**	**(20.903.114)**	**(4.333.543)**
Tax credit/charge	-	-	(33.064.592)	(33.064.592)
Net gain / loss for the year	**6.910.174**	**7.911.304**	**(53.967.706)**	**(37.398.135)**

(Currency: TRL)

NOTE 19 – INCOMES/EXPENSES FROM OTHER ACTIVITIES

Other operating income	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Bad debt provision reversal	184.155	64.790	-	-
Indemnity income	209.254	56.599	214.113	92.318
Income from spare part stock sales	64.282	37.690	141.331	141.331
Income and profit from previous years	87.955	52.155	88.051	88.051
Stock impairment provision	107.878	20.947	-	(20.636)
Sales returns impairment provision reversal	450.653	92.578	-	-
Carlsberg Breweries current account settlement income *	2.615.467	2.615.467	-	-
Sales Premium	-	-	185.952	185.952
Gain from sale of promotion materials	1.071	1.071	14.767	13.610
Gain from sale of fixed assets	60.855	54.699	89.011	43.921
Other	145.129	113.220	156.020	(9.653)
Total	**3.926.699**	**3.109.216**	**889.245**	**534.894**

Other operating expense	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Bad debt provision (Note 26)	571.188	(2.481)	1.696.009	1.936.342
Loss from sale of fixed assets	34.559	29.715	-	-
Commission expenses	246.142	151.079	289.790	200.391
Loss and expense from previous years	95.988	18.814	112.224	2.784
Loss from sale of promotion materials	-	-	-	-
Other	670.553	559.177	317.710	167.588
Total	**1.618.430**	**756.304**	**2.415.733**	**2.307.105**
Net other operating expense	**2.308.269**	**2.352.912**	**(1.526.488)**	**(1.772.211)**

***** In 2009, as the result of reconciliation between the Group and previous main shareholder of entity, Carlsberg Breweries ("Carlsberg"), payables to Carlsberg due to license and consultancy services are deleted a dn Group recorded income as an amount of 2,615,467 TRL.

NOTE 20 - FINANCIAL INCOMES

Financial income	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Foreign exchange gains	1.185.919	534.320	3.146.457	2.667.174
Interest income	435.867	333.499	216.880	54.612
Unearned financial income	-	(277.454)	147.305	63.513
Other	349.354	64.717	-	-
Total	**1.971.140**	**655.082**	**3.510.642**	**2.785.299**

NOTE 21 - FINANCIAL EXPENSES

Financial expenses	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Interest expense	5.826.674	2.747.723	7.331.010	3.680.500
Foreign exchange losses	1.452.921	847.496	8.505.098	645.565
Unaccrued financial expense	38.067	(53.774)	643.412	509.188
Other	103.690	59.837	183.857	95.879
Total	**7.421.352**	**3.601.282**	**16.663.377**	**4.931.132**

(Currency: TRL)

NOTE 22 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED ASSETS AND LIABILITIES)

Total temporary differences and the deferred tax liabilities as caused by the former are as follows as of June 30, 2009:

	30 June 2009		31 December 2008	
	Accumulated Temporary Differences	**Deferred Tax Liability**	**Accumulated Temporary Differences**	**Deferred Tax Liability**
Tangible and Intangible assets	654.114	(130.823)	1.691.606	(338.321)
The difference on stocks	68.566	(13.713)	519.010	(103.802)
Unaccrued interest income/expense-net	-	-	262.876	(52.575)
Other	2.568.853	(513.771)	1.145.655	(229.131)
Losses from previous years	(3.291.533)	658.307	(3.619.147)	723.829
Total	-	-	-	-

As the Group may not subject the following reducible temporary timing differences, investment allowance and preceding years' losses to reduction in the forthcoming years, it does not reflect the deferred tax asset effect of such differences in the consolidated financial statements.

	30 June 2009	**31 December 2008**
Deductible temporary timing differences	39.446.427	38.619.336
Investment allowance	-	31.398.523
Losses from previous years	133.129.805	164.040.011
Total	**172.576.232**	**234.057.870**

While making this evaluation, the Group considers such factors as the developments in the sector in which it operates, taxable profit forecasts in the forthcoming terms, Turkey's general economic and political condition as well as international general economic and political conditions which may affect Turkey and/or the Group.

The majority of the aforementioned reducible temporary timing differences are originated from the temporary timing differences consisting of tangible fixed assets, provision for severance pay, provision for bad debts and provision for Excise Tax.

Corporate Tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective rate of tax in 2009 is 20% (2008: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2009 is 20% (2008: 20%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

(Currency: TRL)

NOTE 22 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (continued)

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% commencing from 23 July 2008. Undistributed dividends incorporated in share capital are not subject to income withholding taxes. Withholding tax at the rate of 19, 8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the Group. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentive certificates are revoked commencing from 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2008, was 30%. If the Company cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled. The investment incentive that was available for companies has now been cancelled. The Consolidated Group companies have used 20% as its corporate tax rate for the year 2009 and 2008.

Inflation adjusted legal tax calculation

The Company has adjusted its statutory financial statements as of 31 December 2004 in accordance with Law No. 5024 published in the Official Gazette No. 25332 on 30 December 2003 which requires the application of inflation accounting in Turkey in 2005 and future years for tax purposes, if the actual rate of inflation meets certain thresholds, using principles which do not differ substantially from the principles in IAS 29 and inflation adjusted balances as at 31 December 2004 were taken as opening balances as of 1 January 2005.

Deferred Tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for IFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for IFRS and tax purposes and they are given below.

For calculation of deferred tax asset and liabilities, the rate of 20% (2008: 20%) is used.

In Turkey, the companies cannot declare a consolidated tax return, therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

Accordingly, the taxable revenues and costs as contained in the consoldiated profit-and-loss statement are as follows:

	30 June 2009	31 December 2008
Current year tax expense	-	(33.064.592)
Deferred tax asset	-	-
Total tax income / (expense)	**-**	**(33.064.592)**

(Currency: TRL)

NOTE 22 – TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (continued)

In the fiscal terms expiring on June 30, 2009 and June 30, 2008, the imncome tax calculated is different from the amount which is indicated below and which is found by applying the legal tax percentage to the pre-tax loss:

	30 June 2009	**31 December 2008**
Loss before tax	7.064.885	(20.538.953)
Taxes on reported profit per statutory tax rate	(1.412.977)	4.107.791
Tax penalty	-	(33.064.592)
Other tax exempted income	3.530.682	(2.554.053)
Disallowable expenses	(2.117.705)	(1.553.738)
Taxation charge	**-**	**(33.064.592)**

NOTE 23 – GAIN/LOSS PER SHARE

	30 June 2009	**30 June 2008**
Net loss for the year	**6.910.174**	**(53.967.706)**
Number of ordinary shares (with a nominal value of 1 Kr)	9.997.156.000	9.997.156.000
Loss per share (Kr per share)	**0,07**	**(0,54)**

NOTE 24 – EXPLANATIONS ABOUT RELATED PARTIES

a) Trade claims from related parties

As of June 30, 2009, the Group does not have any trade claims from related parties.

b) Other claims from related parties

As of June 30, 2009, the Group have the amount of 5.686 TRL other claims from related parties.

(December, 31 2008: None)

(Currency: TRL)

NOTE 24 – EXPLANATIONS ABOUT RELATED PARTIES (continued)

c) Trade liabilities to related parties

	30 June 2009	31 December 2008
Desa Enerji Elektrik Üretim A.Ş.	480.668	370.822
Other	146	3.109
Total	**480.814**	**373.931**

The currency rate risk and loan risk for the trade liabilities to related parties is explained in Note 25.

d) Purchases of Goods and Services

	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Desa Enerji Elektrik Üretim A.Ş.	2.345.506	1.229.980	2.531.945	1.294.285
Carlsberg Breweries A/S	-	-	1.388.991	441.654
Polska	-	-	566.196	323.560
Carlsberg IT	-	-	199.403	1.330
Total	**2.345.506**	**1.229.980**	**4.686.535**	**2.060.829**

The Group received various promotional materials and advisory services from Carlsberg Breweries A/S and information technologies services from the companies Polska and Carlsberg IT in 2008[1]. And Desa Enerji satisfies the electricity needs of the Group.

e) Sales of Goods and Services

	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Carlsberg Breweries A/S	-	-	3.741.067	1.886.220
Carlsberg Canada	-	-	673.794	571.820
Carlsberg Italy	-	-	222.457	0
Carlsberg Malawi	-	-	54.006	54.006
Pivara	-	-	50.603	21.712
IBBL	209.648	209.648	-	-
Other	-	-	7.468	2.899
Total	**209.648**	**209.648**	**4.749.395**	**2.536.657**

Sales of goods result from the beer exports to Carlsberg Breweries A/S, Pivara, Carlsberg USA, Italy and Canada in 2008.

f) Amount of Royalty

	1 January 2009- 30 June 2009	1 April 2009- 30 June 2009	1 January 2008- 30 June 2008	1 April 2008- 30 June 2008
Carlsberg Breweries A/S	-	-	1.616.011	937.319
Total	**-**	**-**	**1.616.011**	**937.319**

Of the licence costs occurring in 2008, TRL 447.459,- are accounted under sales costs and the remaining TRL 1.168.552,- under the costs of goods sold.

Under the share transfer agreement executed on October 23, 2008, Carlsberg Breweries A/S transferred its shares to International Beer Breweries Ltd., which is a company within the CBC Group.

(Currency: TRL)

NOTE 24 – EXPLANATIONS ABOUT RELATED PARTIES (continued)

g) Transactions with Top-Ranked Administrative Staff Members

Top-ranked administrative staff members comprise of the Group's directors and top managers.

As of June 30, 2009 and 2008, there is no loan made available to the Group's directors and top managers by the Group.

The Group provides fringe benefits to its directors and top managers in addition to their wages.

Total benefits to top-ranked administrative staff members are as follows as of June 30, 2009 and June 30, 2008:

	30 June 2009	30 June 2008
Salaries	1.928.894	2.125.221
Bonus Payments	339.706	725.275
Other	319.140	449.929
Total	**2.587.740**	**3.300.425**

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Financial Risk Management

The Group is exposed to the following various risks in the course of its activities.

- Loan Risk
- Liquidity Risk
- Market Risk

This footnote is presented to provide information about the Group's goals, policies and processes in the management of such risks in case the Group is exposed to the above mentioned risks.

The Group's Board of Directors is generally responsible for the construction and supervision of the Group's risk management framework.

Group's risk management policies have been established in order to identify and analyse the risks to which the Group may be exposed. The purpose of the risk management policies is to establish risk limit controls suitable for the Group's risks, monitor the risks and adhere to the limits. The Group assists all of its employees to understand their roles and responsibilities by creating a disciplined and constructive controlling environment through various training and management standards and processes.

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Loan risk

Possession of financial assets bears the risk of the other party's failure to perform the obligation of the contract. Such risks are controlled by credit evaluations and the limitarion of the total risk from a single other party.

Possession of financial assets brings about the risk of the other party's failure to perform the obligation of the contract. The Company management covers such risks by restricting the average risk fort he other party (excluding related parties) in each contract and receiving guarantees if and when necessary. The Group does business throu a dealers system to a great extent in the country. The Company reduces its collection risk with letters of guarantee, mortgages and pre-sales binding notes which it received from its dealers and controls the purchase orders of its dealers not covered by such guarantees by comparing such guarantees received from dealers with its claims. Considering the past experience in the collection of the trade claims of the Company, one can see that the provisions allocated are within the anticipated limits. Therefore, the Management does not anticipate Dany additional risks related with the Company's trade claims.

Liquidity risk

Liquidity risk is managed by obtaining sufficient financing facilities from various financial institutions to be able to fund the present and future potential borrowing requirement. Liquidity risk represents the Company's risk of failure to cover its financial liabilities when they are due. The Company's liquidity management approach is to have sufficient liquidity in each and every term and to cover any liabilities both under normal and hard conditions when they are due without causing any unacceptable loss nor damaging the reputation of the Company in the market.

Market risk

Market risk represents the change in such market prices as interest rates and share prices. As the changes in the market prices affect the Company's revenues, the Company is exposed to market risk. The Company is exposed to the interest rate risk arising from the effect of the change in the interest rates to which its assets and liabilities bearing an interest rate. The Company manages this risk through natural measures established by offsetting its assets and liabilities that are sensitive to interest rate and evaluates its interest-bearing assets in short-term investment instruments.

Interest rate Risk

The Company is exposed to interest rate risk due to the effect of the changes in interest rates on its interest-sensitive assets and liabilities.

Currency rate Risk

The Company is exposed to currency rate risk in relation with its importation operations. The Company management realises such operations on Euro and US Dollar basis.

Risk Management Explanations

The Company is exposed to various financial risks including the effects of the lending and capital market prices, currency rates and interest rates due to its activities. The Company's total risk management programme is focused on the unpredictability of the financial markets and is intended to minimise their potential adverse effects on the Company's financial performance.

(Currency: TRL)

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Interest rate risk

The Group does not have any interest rate risks as of June 30, 2009 and December 31, 2008.

Currency rate risk

Foreign currency risk is the one arising out of the change of the value of a financial instrument depending on the change in the currency rates. The Company's net assets is exposed to foreign currency rate risk due to the export sales and raw material imports it realises. The Company follows a policy offsetting its foreign currency position in order to be able to reduce the currency rate risk. The basic currencies constituting the said risk are US Dollar and Euro.

The assets and liabilities which the Group has in foreign currency are as follows as of June 30, 2009 and December 31, 2008:

	30 June 2009	**31 December 2008**
Assets	4.131.162	8.244.452
Liabilities	(3.125.762)	(3.478.136)
Net foreign currency position	**1.005.400**	**4.766.316**

	30 June 2009				
	TRY (functional currency)	**USD**	**EUR**	**CHF**	**Other**
Cash and Cash Equivalents	-	-	-	-	-
Trade Receivables	2.597.684	1.391.739	218.074	-	-
Monetary Financial Assets	1.533.478	1.000	711.160	3.674	-
Current Assets	4.131.162	1.392.739	929.234	3.674	-
Total Assets	**4.131.162**	**1.392.739**	**929.234**	**3.674**	**-**
Trade Payables	1.047.868	21.282	464.118	-	44.241
Financial Liabilities	2.077.894	1.358.012	-	-	-
Short-term Liabilities	3.125.762	1.379.294	464.118	-	44.241
Total Liabilities	**3.125.762**	**1.379.294**	**464.118**	**-**	**44.241**
Net foreign currency asset/ (liabilitiy) position	**1.005.400**	**13.446**	**465.116**	**3.674**	**(44.241)**

	31 December 2008				
	TRY (functional currency)	**USD**	**EUR**	**CHF**	**Other**
Cash and Cash Equivalents	-	-	-	-	-
Trade Receivables	5.563.656	2.960.981	507.177	-	-
Monetary Financial Assets	2.680.796	1.381	1.212.303	58.327	-
Current Assets	8.244.452	2.962.362	1.719.480	58.327	-
Total Assets	**8.244.452**	**2.962.362**	**1.719.480**	**58.327**	**-**
Trade Payables	3.478.136	98.641	1.415.564	-	16.938.318
Short-term Liabilities	3.478.136	98.641	1.415.564	-	16.938.318
Total Liabilities	**3.478.136**	**98.641**	**1.415.564**	**-**	**16.938.318**
Net foreign currency asset/ (liabilitiy) position	**4.766.316**	**2.863.721**	**303.916**	**58.327**	**(16.938.318)**

(Currency: TRL)

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Currency rate risk (continued)

The Group's foreign currency risk is explained in detail for the relevant currency rate risk above. According to such foreign currency position, devaluation of Turkish Lira by 10% against other currencies shall reduce the net term's loss by TRL 100.540,- as of June 30, 2009. This analysis has been made assuming that all the variables including the interest rates shall be stable as of June 30, 2009 and December 31, 2008.

Currency Rate Sensitivity Analysis Statement

	30 June 2009	
	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
Net USD asset/liabilitiy	2.057	(2.057)
USD risk averse portion (-)	-	-
Net USD Effect	**2.057**	**(2.057)**
Assumption of devaluation/appreciation by 10% of Euro against TL		
Net Euro asset/liabilitiy	99.856	(99.856)
Euro risk averse portion (-)	-	-
Net Euro Effect	**99.856**	**(99.856)**
Assumption of devaluation/appreciation by 10% of other currencies against TL		
Other currencies asset/liabilitiy	(1.373)	1.373
Other currencies risk averse portion (-)	-	-
Net other currency effect	**(1.373)**	**1.373**
TOTAL	**100.540**	**(100.540)**

	31 December 2008	
	Profit / (Loss)	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
Net USD asset/liabilitiy	433.080	(433.080)
USD risk averse portion (-)	-	-
Net USD Effect	**433.080**	**(433.080)**
Assumption of devaluation/appreciation by 10% of Euro against TL		
Net Euro asset/liabilitiy	65.063	(65.063)
Euro risk averse portion (-)	-	-
Net Euro Effect	**65.063**	**(65.063)**
Assumption of devaluation/appreciation by 10% of other currencies against TL		
Other currencies asset/liabilitiy	(21.511)	21.511
Other currencies risk averse portion (-)	-	-
Net other currency effect	**(21.511)**	**21.511**
TOTAL	**476.632**	**(476.632)**

(Currency: TRL)

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Suplementary Information about Financial Instruments

Loan Risk

Registered value of the financial assets indicates the maximum loan risk to which the Company is exposed. The maximum loan risk to which the Company is exposed as of the reporting date is as follows:

	Notes	30 June 2009	31 December 2008
Cash and cash equivalent	3(*)	6.207.568	6.495.703
Trade receivables	6	75.868.381	58.655.809
Other short term receivables	7(**)	211.973	4.237.824
Other long term receivables	7	30.388	6.626
Total		**82.318.310**	**69.395.962**

(*) Prompt cash is not included into the cash and cash equivalents.

(**) Such non-financial instruments as costs of forthcoming months and prepaid taxes and funds are not included into the other claims and other current/liquid assets.

The explanation of credit quality of finacial assets

Loan risk distribution on customer groups basis is as follows as of June 30, 2009:

Trade Receivables	30 June 2009	31 December 2008
Wholesale customers	62.454.340	45.305.968
Retail customers	13.414.041	13.349.841
Total trade receivables	**75.868.381**	**58.655.809**

(Currency: TRL)

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

	Trade Receivables		Other Receivables	Deposits	
30 June 2009	**Related Party**	**Other Parties**	**Other Parties**	**on Banks**	**Other**
Exposure to maximum credit risk as of reporting date	**5.686**	**75.862.695**	**412.975**	**6.207.568**	**3.318.284**
-The portion of maximum risk covered by any guarantee	-	51.233.189	-	-	-
impaired nor overdue	5.686	69.566.400	412.975	6.207.568	-
not impaired	-	-	-	-	-
- The portion covered by any guarantee	-	-	-	-	-
Net carrying value of impaired assets	-	798.249	-	-	-
- Over due (gross book value)	-	6.296.295	-	-	-
- Impairment (-)	-	22.880.440	-	-	-
- Covered portion of net book value (with utter of guarantee etc.)	-	(16.584.145)	-	-	-
-Undue (gross book value)	-	6296295	-	-	-
-Impairment (-)	-	761.908	-	-	-
- Covered portion of net book value (with utter of guarantee etc.)	-	(761.908)	-	-	-
Off balance sheet items with credit risks	-	-	-	-	3.318.284

	Trade Receivables		Other Receivables	Deposits	
31 December 2008	**Related Party**	**Other Parties**	**Other Parties**	**on Banks**	**Other**
Exposure to maximum credit risk as of reporting date	**-**	**58.655.809**	**4.278.802**	**6.495.703**	**3.794.728**
-The portion of maximum risk covered by any guarantee	-	37.108.322	-	-	-
Net carrying value of financial assets which are neither impaired nor overdue	-	51.875.934	4.278.802	-	-
Net carrying value of financial assets which are overdue but not impaired	-	-	-	-	-
- The portion covered by any guarantee	-	941.424	-	-	-
Net carrying value of impaired assets	-	6.779.875	-	-	-
- Over due (gross book value)	-	23.229.550	-	-	-
- Impairment (-)	-	(16.449.675)	-	-	-
- Covered portion of net book value (with utter of guarantee etc.)	-	6.779.875	-	-	-
-Undue (gross book value)	-	509.345	-	-	-
-Impairment (-)	-	(509.345)	-	-	-
- Covered portion of net book value (with utter of guarantee etc.)	-	-	-	-	-
Off balance sheet items with credit risks	-	-	-	-	3.794.728

(Currency: TRL)

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Devaluation risk

Explanation about the ages of those assets that are overdue but not devalauted is as follows as of June 30, 2009 and December 31, 2008:

	30 June 2009	31 December 2008
Overdue 1-30 day	1.764.556	1.149.129
Overdue 1-3 month	380.275	861.441
Overdue 3-12 month	4.151.464	4.769.305
Overdue 1-5 year	-	-
Overdue more than 5-year	-	-
The portion covered by guarantee	6.296.295	6.779.875

Breakdown of the Company's guarantees received of those assets that are overdue but not devalauted is as follows as of June 30, 2009 and December 31, 2008:

	30 June 2009	31 Aralık 2008
Pledges Received	4.757.649	5.383.186
Other	1.538.646	1.396.689
Total	**6.296.295**	**6.779.875**

Breakdown of the Company's guarantees received for the terms June 30, 2009 and December 31, 2008 are as follows:

	30 June 2009	31 December 2008
Guarantee Letters Received	44.637.747	42.512.747
Pledges Received	34.702.371	36.322.820
Other	6.000	6.000
Total	**79.346.118**	**78.841.567**

Liquidity Risk

Liquidity risk is the risk of Group's failure to cover its net funding requirements. Liquidity risk is reduced by offsetting the cash inputs and outputs by the support from the loan limits made available by reliabile lending institutions.
Distribution by due dates of the Group's monetary assets and liabilities is as follows as of June 30, 2009 and December 31, 2008:

	30 June 2009				
	Book Value	**Total contractual cash outflows**	**0-3 Months**	**3-12 Months**	**1-5 Years**
MONETARY DEBTS					
Short term debts	9.850.380	10.504.582	10.504.582	-	-
Other trade payables	17.231.160	17.678.887	17.678.887	-	-
Other payables	2.040.321	2.040.321	2.040.321	-	-
Due to related parties	480.814	480.814	480.814	-	-
Debt Provision	26.741.721	26.741.721	5.830.749	20.910.972	-
Other short term liabilities	30.185.800	30.185.800	22.164.872	8.020.928	-
Total Monetary Debts	**86.530.196**	**87.632.125**	**58.700.225**	**28.931.900**	**-**

(Currency: TRL)

NOTE 25 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (continued)

Liquidity Risk(continued)

	31 December 2008				
	Book Value	**Total contractual cash outflows**	**0-3 Months**	**3-12 Months**	**1-5 Years**
MONETARY DEBTS					
Short term debts	48.486.380	50.910.699	50.910.699	-	-
Other trade payables	21.256.216	22.024.544	22.024.544	-	-
Other payables	2.002.923	2.002.923	2.002.923	-	-
Due to related parties	373.931	373.931	373.931	-	-
Debt Provision	25.802.027	25.802.027	6.325.832	19.476.195	-
Other short term liabilities	22.726.660	22.726.660	16.419.778	6.306.882	-
Total Monetary Debts	**120.648.137**	**123.840.784**	**98.057.707**	**25.783.077**	**-**

NOTE 26 – FINANCIAL INSTRUMENTS (REALISTIC VALUE EXPLANATIONS AND EXPLANATIONS UNDER RICK PROTECTION ACCOUNTING)

30 June 2009		**Loans and receivables including cash and cash equivalents**	**Available for sale investments**	**Financial liabilities at amortized cost**	**Carrying value**
Financial assets					
Cash and cash equivalents	3	6.306.812	6.306.812	6.527.320	6.527.320
Trade receivables	6	75.868.381	75.868.381	58.655.809	58.655.809
Other short term assets (*)	7	211.973	211.973	4.237.824	4.237.824
		82.387.166	**82.387.166**	**69.420.953**	**69.420.953**
Financial liabilities					
Borrowings	5	9.850.380	9.850.380	48.486.380	48.486.380
Trade payables	6	17.711.974	17.711.974	21.630.147	21.630.147
Other short term liabilities	14	30.185.800	30.185.800	22.726.660	22.726.660
Other payables	7	2.040.321	2.040.321	2.002.923	2.002.923
Debt Provisions	11	26.741.721	26.741.721	25.802.027	25.802.027
Provision for Emloyee Termination Indemntiy	13	3.033.636	3.033.636	2.839.776	2.839.776
		89.563.832	**89.563.832**	**123.487.913**	**123.487.913**

(*) Such non-financial instruments as costs of forthcoming months and prepaid taxes and funds are not included into the other claims and other current/liquid assets.

NOTE 27 – EVENTS OCCURRİNG LATER THAN BALANCE SHEET DATE

None.

NOTE 28 – OTHER ISSUES WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OF WHICH REQUIRE EXPLAINING SO THAT FINANCIAL STATEMENTS MAY BE CLEAR, ONSTRUABLE AND COMPREHENSIBLE

a) Management plans about the continuity of the business

Unexpected high-percentage increases made in excise tax in October 2003 and afterwards have an adverse effect on the Group's consolidated profitability and consolidated cash flows to a great extent. Due to the market conditions and competition, the Group has not been able to reflect all of such tax incresaes on its prices and have had to bear the extra costs so incurred in 2009 as well. The Group Management has taken a series of measures in order to be able sustain its activities in a profitable manner again. Accordingly,

NOTE 28 – OTHER ISSUES WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OF WHICH REQUIRE EXPLAINING SO THAT FINANCIAL STATEMENTS MAY BE CLEAR, ONSTRUABLE AND COMPREHENSIBLE (continued)

a) Management plans about the continuity of the business (continued)

i. the Group continued the application of its cost-effective policies in 2008 as well. In particular, the efforts of re-structuring related with the work force had continued since 2005 and affirmative reults obtained. Full year effect of the efforts made in 2008 reflects on 2009 in an affirmative manner as well.
ii. Focusing on the quality of guarantees and average collection maturities shall be essentially continued in 2009 in order to make the Group's consolidated cash flow better.
iii. The Group's export potential has been successfully evaluated by entering new markets. The increase in exports is planned to continue in 2009 and afterwards as well.

The Group has applied the May 2008 improvements concerning the IAS 38 "Intangible Fixed Assets" Standard which is in effect for the fiscal term of January 1, 2009 or those commencing after the date in question within the current year. The marketing materials presented under "inventories" in the previous application have been entered in the income statement under the designation of marketing, sales and distribution costs. Once TMS 38 has started to be applied as from the term commencing on January 1, 2008, the financial statements of the preceding terms have been re-issued basing upon the International Financial reporting Standard No. 8 entitled "Modifications and Errors in Accounting Policies and Accounting Forecasts" ("IAS 8").

The Group presented the credit card receivables under "cash and cash equivalents" in the preceding years. While issuing the financial statements dated December 31, 2008, the Group has presented the credit card receivables under "trade receivables" and reissued the financial statements of the preceding terms basing upon the International Financial reporting Standard No. 8 entitled "Modifications and Errors in Accounting Policies and Accounting Forecasts" ("IAS 8"), commencing from January 1, 2008.

(Currency: TRL)

NOTE 28 – OTHER ISSUES WHICH SUBSTANTIALLY AFFECT THE FINANCIAL STATEMENTS OF WHICH REQUIRE EXPLAINING SO THAT FINANCIAL STATEMENTS MAY BE CLEAR, ONSTRUABLE AND COMPREHENSIBLE (continued)

b) Restatements of prior year financials (continued)

December 31, 2008

	Those Reported Before	Revision regarding marketing materials	Reclassify regarding credit card receivables	Reclassify regarding Deposits and guarantees given	Those re-issued
Cash and cash equivalents	8.854.913	-	(2.327.593)	-	6.527.320
Trade claims	56.371.739	-	2.327.593	(43.523)	58.655.809
Other Receivables	4.235.279			43.523	4.278.802
Inventories	21.993.624	(1.075.276)	-		20.918.348
Marketing, sales and distribution costs	(64.911.648)	108.982	-		(64.802.666)
Net term's loss	(107.128.158)	108.982	-		(107.019.176)
Preceding years' losses	(367.139.558)	(1.184.258)	-		(368.323.816)
Earning per share (Kr)	(1.07)				(1.07)

June 30, 2008

	Those Reported Before	Revision regarding marketing materials	Reclassify regarding benefits to customers	Reclassify regarding Financial Income Expense	Those re-issued
Sales Discount	(29.235.734)	-	(10.283.767)	-	(39.519.501)
Marketing, sales and distribution costs	(42.118.166)	(364.160)	10.283.767	-	(32.198.559)
Financial Income	4.385.842	-	-	(875.200)	(3.510.642)
Financial Expense	(17.538.577)	-	-	875.200	16.663.377
Preceding years' losses	(367.139.558)	(1.184.258)	-	-	(368.323.816)

January 1, 2008

	Those Reported Before	Revision regarding marketing materials	Reclassify regarding credit card receivables	Reclassify regarding Deposits and guarantees given	Those re-issued
Cash and cash equivalents	3.996.327	-	(2.666.622)	-	1.329.705
Trade claims	64.924.609	-	2.666.622	(6.160)	67.585.071
Other Receivables	1.687.183	-		6.160	1.693.343
Inventories	23.390.071	(1.184.258)	-	-	22.205.813
Preceding years' losses	(367.139.558)	(1.184.258)	-	-	(368.323.816)