AKSA AKRİLİK KİMYA SANAYİİ A.Ş. **ANNUAL REPORT 2009**

AKSA

Tomorrow's technology... Today!

AKKÖK




The future is carbon fiber and carbon fiber is Aksa!
The foremost strategic material of the future, carbon fiber is now produced under the AKSACA brand in Turkey by the biggest acrylic fiber producer under one single roof in the world, Aksa, with 40 years of experience.

From structural reinforcement to the energy sector, sports equipments to industrial products, AKSACA carbon fiber provides the durability, lightness and high-quality that you need with its reliable supply process and competitive prices…

In the construction industry,
In compressed tubes and equipments,
In wind turbines,
In the maritime sector…

Agenda for the Ordinary General Assembly

AGENDA

FOR THE 2009 ORDINARY GENERAL ASSEMBLY OF AKSA AKRİLİK KİMYA SANAYİİ ANONİM ŞİRKETİ HELD ON APRIL 26, 2010

1. Opening, formation of the Chairing Board and authorization of the Chairing Board for the signing of the Meeting minutes.

2. Reading, discussion and ratification of the Annual Report of the Board of Directors, the Auditor and Independent Auditor reports, the balance sheet and income statement and the proposal of the Board of Directors concerning dividend distribution.

3. Discharge of the members of the Board of Directors and the Auditors.

4. Election of the members of the Board of Directors and Auditors, determination of their terms of office, remuneration and per diems and empowering the Members of the Board in connection with matters specified in Articles 334 and 335 of the Turkish Commercial Code.

5. In accordance with Capital Market Legislation, informing the General Assembly about donations and assistance provided by the Company in 2009 and ratification of the Board's resolution regarding the appointment of the Independent Auditing Institution.

6. Presentation for approval by the General Assembly of Article 3 headed "Purpose and Subject" of the Company's Articles of Association, which was revised in accordance with the regulations set forth in the Capital Market Board's decision of 09.09.2009, No. 28/780, on the condition that the revised draft is approved by the Energy Markets Regulatory Authority, the Capital Markets Board and the Ministry of Commerce prior to the date of the General Assembly.

Ömer Dinçkök
Chairman

Aksa and the Acrylic Fiber Sector in Brief

Aksa is the leader once more in 2009 in the Turkish and world acrylic fiber markets…

The acrylic fiber sector experienced a constriction in the global supply of raw materials in the first three quarters of 2008, setting off a 20% decline in demand for acrylic fiber compared with the year before. With the global economic crisis emerging in the last quarter of 2008, it was seen that the drop in raw material prices affected acrylic fibers less than it did other fiber substitutes. Starting in February 2009, the demand for acrylic fiber showed an increase, particularly in the Far East and the Middle East markets. Among the reasons for the increase can be cited the decreasing stocks of semi-finished products and raw materials that had accumulated in previous years, the end of the decline in raw material prices that had started in 2008, the increase in cotton-type fiber production in response to the narrowing of polyester-acrylic fiber price margins, and the growing use of acrylic in the plush and carpeting markets. It was due to this that capacity utilization rates of fiber manufacturers around the world increased by a monthly 5-10%, reaching their normal levels in July and August. Global demand for acrylic fiber in 2009 increased by 6% over 2008, attaining a level of 2 million tons. It is expected that demand for acrylic fiber will remain at the same level in 2010.

Aksa continues to be a leader in Turkey and in international markets in terms of capacity size, pre-and post-service quality, product diversity and flexibility. Aksa sustained its 12.5% market share this year despite the global financial crisis that hit in the last quarter of 2008 and made itself felt in 2009 as well. The Company's general capacity utilization rate was 85% in 2009. As Turkey's sole local producer, Aksa is also the world's largest acrylic fiber manufacturer operating under a single roof.

International activities in the acrylic fiber sector in 2009:

- International Trade Fair for Roller Shutters, Doors/Gates and Sun Protection 2010/ Germany
- Nanofibers for the 3rd Millennium - Nano for Life (TM) Conference/Czech Republic
- Achema 2009/Germany
- Techtextil International Textiles Fair/Germany
- Dornbirn Man-Made Fibers Congress/Austria
- The Future of Pigments 2009 Congress/ Germany
- SpinExpo Fair/China
- SpinExpo Fair/USA

Domestic activities in the acrylic fiber sector in 2009:

- Autex 2009 World Textile Conference/ Izmir

International activities in the carbon fiber sector in 2009:

- JEC Paris Fair/France
- China International Composites Industrial Expo/China
- JEC Asia Fair/Singapore
- Composites World Fair/Chicago, USA
- Carbon Fiber 2009 Conference/San Diego, USA

GLOBAL ACRYLIC FIBER PRODUCTION AND DEMAND (2009) (TONS)

Region	Production	Consumption	Balance
Europe	400,000	150,000	(250,000)
Middle East	310,000	440,000	130,000
Africa	0	50,000	50,000
America	160,000	230,000	70,000
Asia	1,140,000	1,140,000	0
Total	**2,010,000**	**2,010,000**	**0**

Mission, Vision and Corporate Values

Mission

To be the first choice of the world acrylic-based textiles and technical fiber industry, the manufacturer that works productively and in harmony with the environment, always operating with an innovative, customer-focused approach.

Vision

To invest in technology that will carry added value to its utmost level for the Company and for the customer and to create new and profitable areas of utilization for acrylic fiber.

Corporate Values

Business Ethics: Aksa chooses to work only with persons and enterprises that abide by the Company's code of ethics.

Sustainable Profitability: Aksa's sustainable profitability policies are based on productivity and operational excellence.

Customer Focus: Aksa ensures customer satisfaction through innovative products and services that create added value for the customer. Aksa's goal is to be the best in quality, service, productivity and price while also meeting deadlines.

Creativity and Innovation: The ability to meet the customer's changing needs is at the forefront of all Aksa production and marketing processes.

Health, Safety and the Environment: Aksa's perfectionist approach in matters of health, safety and the environment is not only meticulously implemented in the workplace and the physical surroundings, but also in products and all production processes. Occupational health and safety is a matter of greatest priority at all stages-from design to after-sales services.

Continuous Learning and Development: Aksa gathers its strength of creativity and progress from its employees. The Company places great importance on participation, teamwork and the promotion of employees to positions of authority by creating continuous learning and development opportunities.

Milestones

Pioneering innovation since its establishment…

The 60's

1968 • Established in Yalova.

The 70's

1971 • Started production with a 5,000 ton/year capacity.

1974 • Increased capacity for the first time.

1977 • Started exporting.

The 80's

1984 • Started production using its own technology.

1986 • Shares started being traded on the ISE in March. • Capacity rose to 116,000 tons/year.

The 90's

1990 • Organizational changes were made to facilitate the transition from a system of quality control to a system of quality management.

1991 • Work started on ISO 9000 and Total Quality Management.

1993 • Received the ISO 9002 Quality Assurance System Certificate. • Signed the Responsible Care Commitment.

1995 • Received the ÖKO-TEX 100 Certificate of Compliance with Health Standards in Textiles. • Won the Responsible Care Award from the Turkish Chemical Industry Council.

1996 • Won the Environmental Incentive Award of the Istanbul Chamber of Industry.

1997 • Capacity rose to 200,000 tons/year. • Received the ISO 14001 Environment Management System Certificate. • Became a member of the European Foundation for Quality Management (EFQM). • Won the Istanbul Chamber of Industry's Special Jury Award for the Environment.

1999 • The ISO 9002 Certificate was renewed as ISO 9001.

The 2000's

2000 • Production capacity increased to 250,000 tons/year. • Won the TKSD R&D Award.

2001 • Started Turkey's first "Community Consulting Panel." • Was awarded the Responsible Care Grand Prize by the Turkish Chemical Industry Council and another prize for its "Social Consultancy Panel" project. • Won a prize for being "The Enterprise with the Largest Number of Implemented Energy Conservation Projects" for its projects over the period 1997-1999 in the "Energy Conservation Project Competition" held by the Energy Conservation Center of the Ministry of Energy and Natural Resources. • Put its new product, pigment printed fiber, on the market.

2002 • New General Manager Mustafa Yılmaz joined the Company. • Awarded an ISO 9000:2000 Quality Management System Certificate.

2003 • Gaziantep office opened. • "Aksa Egypt" was established in Alexandria, Egypt • Fitco B.V. was established for planned new investments.

2005 • Aksa Egypt started production. • Received the Istanbul Chamber of Industry's Sector Environment Award.

2006 • Investments began for the production of carbon fiber. • Became the first chemicals factory to be a signatory to the Global Compact. • Passed the Responsible Care inspections of SGS-UK, becoming the first company in Turkey to receive a Responsible Care Management Systems Certificate. • Received an ISO 14001:2004 Environment Management System Certificate. • Developed its Information Management System and the Intellectual Capital Model.

2007 • Production capacity reached 308,000 tons/year. • The required preliminary process was initiated to apply for the 2008 National Quality Award. • The Balance Scorecard (QPR) and Cognos projects were completed. • The Company broke consecutive "accident-free occupational safety" records, achieving close to 1.5 million man-hours of accident-free labor. • Received the Occupational Health and Safety Management Systems Certificate (TS 18001). • Received an Ethical Accountability and Transparency Award in a joint evaluation by the London-based magazine AccountAbility, Su CSR (Corporate Social Responsibility Company) and Capital magazine.

2008 • Received a "National Quality Grand Prize" from KalDer in the category of Large-Scale Enterprises. • Initiated pilot-scale carbon fiber production. • Launched the Leadership Development Program. • Started the Community School project. • Received a TS-18001: 2007 Occupational Health and Safety Management Systems Certificate on the basis of zero non-compliance.

2009

• Established Turkey's 45th Research and Development Center. • Commissioned its 1,500 ton/year-capacity carbon fiber production plant. • Granted a license for electricity production. • The production of its new product, carbon fiber, was included within the scope of the ISO 9001:2008 Quality Management Systems, ISO 14001:2004 Environment Management Systems and the TS 18001:2007 Occupational Health and Safety Management Systems certificates. • Ranked third and won an award for its listing in Capital Magazine's roster of Turkey's 500 Largest Private Companies. • The application the Company sent to CEFIC (Avrupa European Chemical Industry Council) in the contest organized to determine the recipient of the CEFIC Responsible Care Award 2009 was awarded a commendation.

Key Financial Indicators

Weathering the effects of the global economic crisis environment that prevailed in 2008 and continued throughout 2009, Aksa went on with its strategic carbon fiber and energy investments, closing off the year with positive results. The Company displayed an 8.93% increase in EBTIDA compared to 2008 as well a 14.49% rise in total assets.

STAND-ALONE BALANCE SHEET SUMMARY			
USD	**31.12.2007***	**31.12.2008****	**31.12.2009****
Assets	**748,069,541**	**723,569,279**	**828,405,319**
Current Assets	423,002,372	383,400,399	401,125,882
Liquid Assets	42,097,275	39,846,007	70,579,486
Trade Receivables	235,965,992	251,120,874	211,674,596
Inventories	114,514,101	63,737,622	73,591,934
Other Current Assets	30,425,004	28,695,896	45,279,866
Fixed Assets	325,067,169	340,168,880	427,279,437
Trade Receivables	8,034	8,374,931	7,791,927
Subsidiaries/Affiliates	23,334,970	17,945,031	18,023,690
Tangible/Intangible F.A.	301,723,466	290,580,414	367,340,831
Other Fixed Assets	699	23,268,504	34,122,989
Liabilities	**748,069,541**	**723,569,278**	**828,405,320**
Short-term Liabilities	170,915,214	165,349,548	219,273,399
Financial Liabilities (Net)	56,150,882	66,719,223	87,856,246
Trade Laiibilities	104,650,684	75,028,919	109,854,229
Other Short-term Liabilities	10,113,648	23,601,406	21,562,924
Long-term Liabilities	41,097,617	96,441,783	111,080,588
Financial Liabilities (Net)	18,588,950	80,070,000	91,253,333
Financial Liabilities	-	-	1,697,212
Provisions	8,733,328	4,923,202	6,306,406
Deferred Tax Liabilities	13,775,339	11,448,581	11,823,637
Shareholders' Equity	**536,056,710**	**461,777,947**	**498,051,333**

STAND-ALONE INCOME STATEMENT SUMMARY			
Net Sales	669,506,931	684,847,738	585,855,845
Operating Profit	16,555,040	36,778,846	49,843,580
EBITDA	43,285,720	63,609,612	69,290,369
Net Profit	19,458,393	57,236,868	33,332,744

FINANCIAL RATIOS			
Current Ratio	2.47	2.32	1.83
Liquidity Ratio	1.80	1.93	1.49
EBITDA Profit Margin (%)	6.47	9.29	11.83
Net Profit Margin (%)	2.91	8.36	5.69
Return on Invested Captial (ROIC) (%)	2.60	7.91	4.02
Return on Equity (ROE) (%)	3.63	12.39	6.69

* Drawn up according to the provisions of Series XI/Communiqué No. 25.

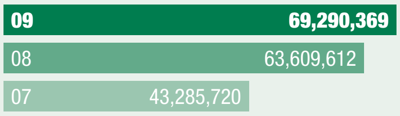
** Drawn up according to the provisions of Series XI/Communiqué No. 29.

EBITDA

(USD)

Weathering the effects of the global economic crisis environment that prevailed in 2008 and continued throughout 2009, Aksa displayed an 8.93% increase in EBITDA.

69,290,369

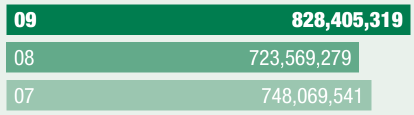


Total Assets

(USD)

Despite the crisis environment, Aksa went on with its strategic carbon fiber and energy investments, with total assets increasing by 14.49% over 2008.

828,405,319



Capital and Shareholding Structure

Aksa accepted the registered capital system outlined in the provisions of Law No. 2499 and adopted this system on the basis of Permission No. 90 granted by the Capital Markets Board on February 20, 1992. The Company's registered capital was raised from TL 40,000,000 to TL 425,000,000 by Permission No. 908 granted by the Capital Markets Board on January 16, 2007. Paid-in capital stands at TL 185,000,000. One hundred percent of Aksa stock is traded on the Istanbul Stock Exchange.

The Company's issued capital increased from TL 110,000,000 up to TL 185,000,000 by adding TL 60,000,000 as capital inflation adjustment and TL 15,000,000 as dividend to be distributed as bonus share from the 2008 year profit.

The shareholders with capital shares of 5% or more are as follows:

SHAREHOLDER	SHARE (%)	VALUE (TL)
Akkök Sanayi ve Yatırım Geliştirme A.Ş.	39.58	73,223,000
Emniyet Ticaret A.Ş.	18.72	34,632,000
Other	41.70	77,145,000
Total	**100.00**	**185,000,000**

Message from the Chairman

Aksa: Pride of a rapidly developing country…

Despite all the economic turmoil and the structural and strategic shortcomings of the past year, Aksa continued to maintain its position in the sector as leading exporter of acrylic fiber-based products.

Dear Shareholders, Customers and Stakeholders,

The echoes of the financial crisis that started in the US and quickly took hold of the whole world, particularly in the last quarter of 2008, significantly reverberated in the real sector, becoming strikingly felt in the first quarter of 2009. Following a period of global stagnation, thanks to the expansive measures taken by the governments of developed and developing countries, markets began to exhibit slow-moving improvements. This stimulated the hope that the sectors affected by the crisis would be able to survive with a minimum of damage.

In the light of developments that allowed a more optimistic perspective on the future, it is believed that once global recession is overcome, the developing countries will be an important element in the steady and gradual growth period ahead. Accordingly, it is expected that the shrinking of the global economy, which was 1.1% as at the end of 2009, will turn into a 3% growth in 2010.

With the rapid increase in the volume of foreign trade, since 2000, Turkey has almost doubled its share in world trade. Today, Turkey is the eighth biggest economy in Europe and the 17th largest in the world. Although shrinking by 6% as at the end of 2009 in response to the constriction in the global economy, the Turkish economy's performance in crisis management was nonetheless more successful than expected, an impressive outcome that called attention to the country in this period.

In 2009, when economies started to show signs of recovery, both on a global scale and in terms of individual countries, the textiles sector, as in 2008, was unable to find the support it needed. The performance and competitive power of the Turkish textiles sector was significantly affected by the structural changes that came about. Because the sector was unable to take the right strategic steps and complementary sectors could not be created, Turkey's share in the world textiles and clothing sector did not reach its potential level of 10% in 2009 either.

Although in the last period of 2009, oil prices remained stationary at the level of USD 70-80, the prices of acrylonitrile, the oil-based main raw material of acrylic fiber, exhibited waves of unexpected and uncontrollable fluctuations. This fluctuation is predicted to continue in the coming period but as of February 2009, there has been an increase in demand for acrylic fiber, especially in Far and Middle East markets. The rise in demand is reported to have been stimulated by the decrease in the semi-finished goods and raw material stocks accumulated in previous years and the halt in the fall of raw material prices that began in 2008. Accordingly, capacity rates of global acrylic fiber manufacturers reached their customary levels in July and August.

Despite all the economic turmoil and the structural and strategic shortcomings of the past year, Aksa continued to maintain its position in the sector as leading exporter of acrylic fiber-based products. The Company takes pride in its significant contribution to the 250,000 jobs created in the acrylic fiber sector. As the world's biggest acrylic fiber manufacturer organized under a single roof, Aksa maintained its market share in 2009, working with the highest capacity utilization ratio. Aksa is Turkey's sole domestic manufacturer of acrylic fiber; its general capacity utilization rate was recorded as 85%.

In 2009, the Company executed 86 projects in designated strategic areas with a total investment amounting to USD 97,938,818. In its expansion into new fields, in 2009, Aksa prioritized on the manufacture of carbon fibers. A material lighter and more durable than steel, carbon fiber addresses a wide range of sectors. Aksa achieved a competitive edge in the manufacture of carbon fiber because of its capability of producing its own raw material. Aksa continues to strive for its target of capturing a 10% market share in carbon fibers and also aims to create new business opportunities with the investment in polymer science that it is planning for the long-term. Progressing through a fundamental structural transformation today, in the coming period, Aksa will be accelerating its investments in areas such as power production, new products in technical textiles, capacity increases in carbon fiber and production-based operational perfection projects.

Aksa maintained its leadership in the industry in 2009 and behind each achievement stands the dedicated Aksa Staff, each member of which is a valued part of the Aksa Family. In closing, I would like to express my gratitude first of all to all the Aksa employees who continue to carry Aksa into the future with their unbounded sense of teamwork. I also extend my thanks to our business partners, custormers and all of the Company's social and economic stakeholders.

Ömer Dinçkök
Chairman

Message from the General Manager

A world giant in the acrylic fiber sector…

In the second half of 2009, Aksa successfully commissioned its carbon fiber production plant, a facility with a 1,500 ton/year capacity. With the inauguration of this new plant, Aksa is readying itself to take on a 10% share of the market under the AKSACA brand.

Dear Stakeholders,

The recession that stemmed from the global financial crisis prevailed over the Turkish economy in the first half of 2009, but later gave way to a slow but steady recovery process. Although the force of the crisis diminished somewhat, the risks that posed a threat for the world economy have not completely disappeared and the acrylic fiber sector was not able to overcome its difficulties, mostly due to its dependence on petroleum products for raw materials. In such a period of uncertainty and muddy waters, Aksa takes pride in acknowledging that it made its mark on 2009 through its leadership in introducing innovations into the acrylic fiber sector.

As a company that focused on energy and carbon fiber production investments in 2009, Aksa continued to occupy a leadership position in the sector, particularly due to its concentrated efforts since 2008 in the area of carbon fiber, thus adding a new element to its already powerful competitive edge. Aksa's involvement with carbon fiber production proved to change the entire perception of the sector regarding this area. Having inaugurated its 1,500 ton/year-capacity carbon fiber production plant in the second half of 2009, Aksa is now targeting a 10% market share with its new product, which is marketed under the brand name AKSACA.

The Company also engaged in some new investments in power production, a key factor in sustaining high operational performance. In 2008, Aksa had been looking into alternative power production methods to reduce energy costs and increase its competitive power. This came to fruition in the second quarter of 2009 when the Company took over a 70.04 MWe-capacity power production plant from Akenerji. Aksa ventured out in the last quarter of the year with a new investment in this area, obtaining a license for a 100 MWe-capacity production facility and increasing its total energy production capacity to 170 MWe. The improved power plant is expected to be commissioned in 2010.

Another important project completed in 2009 was the establishment of a Research and Development Center that would bring together all of Aksa's R&D activities in different units under one roof. The Center, which is geared to coordinate research and development efforts and render them more effective, will speed up its work in the next period, seeking new markets in line with Company strategies and creating new products to reduce costs and increase productivity and efficiency.

Aksa also worked nonstop on its technology and modernization investments in 2009. Despite the intensity of crisis conditions in 2009, total product capacity of the Company's facilities was 308,000 ton/year; the capacity utilization rate was 85%. Besides its new products, it was also Aksa's meticulously adopted concept of service that allowed the Company to avoid suffering the adverse effects of fluctuations in financial markets that were prevalent over the year. Aksa was thus able to preserve its 12.5% share in the world acrylic fiber market. The Company was awarded a prize by the Capital magazine in the category of "Companies in Turkey that Increased their Profits the Most."

Acting as an integrated unit with its customers, employees and suppliers, the Aksa Family will continue to strengthen its position as "reliable supplier" in the eyes of both domestic and international stakeholders as it resumes its journey into excellence. With the giant step it took in 2009 into the carbon fiber market, Aksa is determined to increase the share of special products in its portfolio to 11% by 2012. Aksa's targets encompass increasing profitability through the attainment of these strategic goals and, in doing so, to increase the value of its shares on the ISE as well as enhance the dividends distributed per share. I would like to thank all members of the Aksa Family who have stood by Aksa on its journey and continue to share with the Company the responsibility of creating added value.

Mustafa Yılmaz
General Manager

Senior Management

Necdet Çolpan
Director of Acrylic Fiber Marketing and Sales

M. Mithat Okay
Director of Carbon Fiber Marketing and Sales

Dr. Wilfried Walkenhorst
Director of Outdoor and Special Fibers

Sabri Arca
Director of New Business Development and Acquisitions

Sibel Bekler
Director of Human Resources and Management Systems

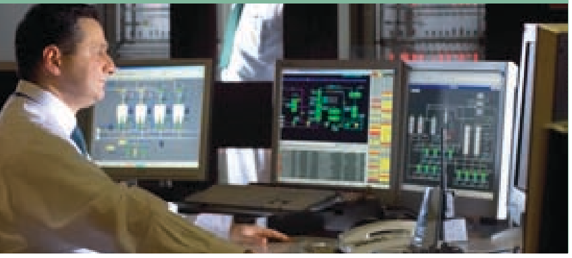
Betül Sadıkoğlu
Director of Finance

Dr. M. Yalçın Tanes
Director of Research & Development Center

Investor Relations and Dividend Distribution Policy

Transparency and stakeholder satisfaction…

The Dividend Distribution Policy of Aksa Akrilik Kimya Sanayii A.Ş. foresees that stakeholders receive stock yields as well as regular income earnings from their shares.



Investor Relations

The responsibility of investor relations at Aksa, as specified in the Company's Disclosure Policy, has been assigned to the Director of Finance. The Director of Finance is responsible for periodically informing shareholders about the Company's financial statements and performance, responding to shareholders' questions and requests and ensuring that the implementation of applications is protective of their rights. The e-mail address yatirimciiliskileri@aksa.com has been established for communication with shareholders. Questions directed to Aksa by telephone, fax or electronic mail are answered in writing or verbally within a maximum of five business days by the Director of Finance or by persons delegated by that executive. All detailed information related to Aksa's relations with investors and stakeholders may be found in Aksa's Principles of Corporate Governance and in the Report on Compliance with the Principles of Corporate Governance.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş. (2009)	
Market Value	**TL 481 million**
Public Share Ratio	41.70%
Ratio Transacted on the ISE	37.92%
Foreign Investor Share	25.48%

Aksa's performance in 2009 relative to the ISE 100 Index was 38.1%. Aksa's performance relative to the Chemicals Index, of which it is a part, was 40%.

Dividend Distribution Policy

Aksa Akrilik Kimya Sanayii A.Ş. always distributes dividends in compliance with Capital Markets Board legislation on the basis of the Company's financial performance, the status of the sector and the economic climate in Turkey. Profit shares are paid out to shareholders in cash or with bonus shares.

The Dividend Distribution Policy of Aksa Akrilik Kimya Sanayii A.Ş. foresees that stakeholders receive stock yields as well as regular income earnings from their shares. In order to reach the goals set down in the Company's mission and vision and in the light of the future investment expeditures and other funds needed until 2010, the decision to disperse at least 20-50% of distributable profit in cash or bonus shares, provided there is no conflict with current Capital Markets Board regulations, has been implemented every year since 2006.

The Board of Directors of Aksa Akrilik Kimya Sanayii A.Ş. may review the Dividend Distribution Policy annually to ensure more profitable financial performance and sustainability in the light of planned investment projects and conditions in both the sector and the economy.

Operations in 2009

Success that comes from a diversity of products…

Products and Capacity

Aksa, starting off 2009 with a 50% capacity utilization rate due to market conditions, concluded the year with an average rate of 85%. Aksa's portfolio included a range of products, including tow, staple fiber, tops and micro-fiber.

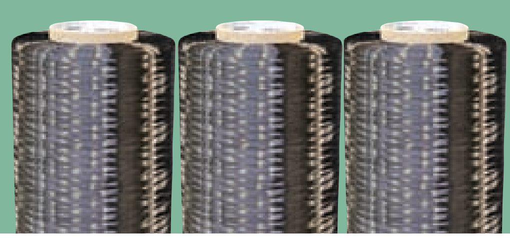
A large portion of Aksa's operations in 2009 were focused on carbon fiber. During the year, the Company developed the products A-35 and A-42, used in weaving and pulverized pieces. Work on A-48, which is used in pressurized vessels, is expected to be completed in the first quarter of 2010. After the Company's commissioning in 2008 of its 34 ton/year-capacity pilot carbon fiber production plant, its actual 1500 ton/year-capacity plant was launched in the last quarter of 2009, as planned.

Carbon fiber is a type of fiber that is obtained from the processes of oxidation and carbonization of special acrylic fibers. The fiber filaments are heated in a noncombustible atmosphere to 1,500°C and the product is obtained from the resulting carbonization of over 95%. Carbon fiber, with its characteristics of high durability, low corrosion and lightness, has a wide span of use. It is utilized extensively in the aviation and space sectors, in the defense industry, in land and maritime transport, in industrial materials, in the reinforcement of buildings and infrastructure, in wind power plants and in sports equipment.

With an average world consumption of 40,000 tons annually, carbon fiber demand in the domestic market is approximately 80 tons a year. Besides exporting carbon fiber, Aksa is also working on strategic formulations that will contribute to the increase of carbon fiber demand in the domestic market. With its competitive cost, the reliable supply process and quality it offers, Aksa carbon fiber has positioned itself in the market under the AKSACA brand. The share of special products in Aksa sales will be increasing thanks to carbon fiber production.

As in acrylic fiber, Aksa's goal in the carbon fiber market is to capture a 10% market share. Closely monitoring the developments in the carbon fiber market in order to achieve this goal, Aksa is shaping its future investment plans in the light of these developments. Another one of Aksa's goals for the future, within the scope of its strategy to increase product profitability, is to achieve flexibility and increased capacity utilization in enhancing the production of special products with added value.

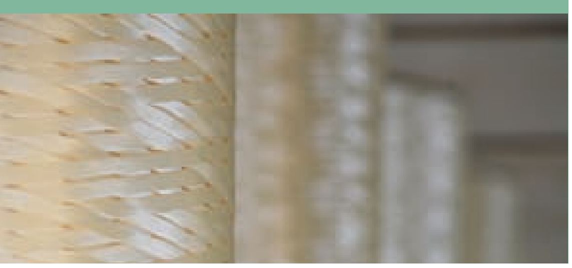
With its competitive cost, reliable supply process and quality it offers, Aksa carbon fiber has positioned itself in the market under the AKSACA brand. The share of special products in the sales of Aksa will be increasing thanks to carbon fiber production.



Operations in 2009

A marketing and sales network unique to the product…

To support the marketing and sales of carbon fiber products, trial production was undertaken for some Aksa customers in the US, Europe, Korea and China and new orders were received for 2010.



Marketing and Sales

Serving industry in more than 50 countries in five continents and in line with its marketing strategies, Aksa plans to increase the number of new and special products in its portfolio every year. As it expands the share of special products in its customer portfolio and concentrates on new areas of business with a particular focus on carbon fiber production, Aksa continues to work on the investments related to polymer science that it is planning for the long-term.

The necessary organization has been undertaken within the Company in order to support the marketing and sales of carbon fiber products. In this, the persons who will be responsible for providing sales and post-sales services have been determined. Besides completing the internal organization to accommodate carbon fiber, the Company has also appointed sales representatives for the US, Europe, Korea, China and Taiwan. Except for Taiwan, trial productions were undertaken for Aksa customers in the various regions of the world and new orders were received for 2010. Aksa additionally distributes samples to provide technical and commercial support to producers as a contribution to the development of the composite sector.

Aksa participated in international fairs in 2009 to promote its production of carbon fiber. The Company was present at, among others, Europe's largest composite fair, JEC Paris, and at the China International Composites Industrial Expo, JEC Asia in Singapore and the Composites World Fair in Chicago. The Company received a wide attention of the composite sector and was able to expand its potential customer network. Aksa engaged in trial productions subsequent to the fairs and received substantially positive feedback on the quality of its carbon fiber and on the Company's performance.

Aksa's marketing strategy in 2009 was determined in the light of the potential risks arising as a result of the economic uncertainties prevalent over the year. Thanks to its insightful approach, Aksa was able to preserve its existing customer portfolio in 2009. It also gained new customers as it worked to meet the demands of the woven cloth, hand-knit fiber and carpet weaving sectors. At year-end, Aksa had achieved targeted financial results, exhibiting a sales performance that went beyond sales predictions. The Company's domestic sales comprised 60%, international sales 40% of total sales.

Always keeping customer satisfaction as a high priority, Aksa continues to work to ensure the right choice of product and timely delivery in order to secure high customer satisfaction in carbon fibers. Aksa will be taking its place on the market with seven types of carbon fibers with a sales goal of 780 tons for 2010.

Always one step ahead with new investments…

Investments

Despite the global crisis that held sway over the Turkish economy in the past year, Aksa uninterruptedly pursued its investments in 2009. The Company expanded the size of its investments with an increase from their level of USD 87,771,445 in 2008 to USD 97,938,818 in 2009. Throughout the year, Aksa continued to work on 86 projects in line with its strategic targets, out of which carbon fiber production and the power production plant with a 100 MWe capacity were the most significant.

Due to reduced investment costs in 2009, environmental and social projects also enjoyed an intensive focus. Distribution of these projects on the basis of their content was as below:

- Cost reduction projects (31)
- New product manufacturing and profitability projects (14)
- New technology and process projects (11)
- Customer satisfaction enhancement projects (6)
- Environmental and social projects (24)

With the 70.04 MWe-capacity power production facility it acquired from Akenerji on April 30, 2009 and the 100 MWe-capcity facility for which it obtained a license on December 3, 2009, Aksa is now a license-holder for the production of 170 We energy.

Working with the objective of reinforcing its competitive edge with its new energy investments, Aksa plans to complete the 100MWe-capacity power production facility project by the end of 2010. The project has a significant share in production costs and the budget set aside for this investment is USD 135 million. The loan/equity ratio for the financing of the power plant project is 70%/30%. An agreement for USD 100 million was signed for a loan maturing in 2014 with a two-year grace period before repayment. The financing for the carbon fiber project involved a loan agreement maturing in 2014 with an initial three-year grace period. An amount of USD 50 million of this loan has been utilized.

In the last quarter of 2009, Aksa commissioned the 1,500 ton/year-capacity production plant, an addition to the 34 ton/year pilot carbon fiber production plant that it had previously commissioned in 2008. The Company undertook a trial production for many of its major clients, receiving very positive feedback. Customers have already started to make room in their portfolios for the carbon fiber product that will be introduced to the market under “Aksaca” brand name.

Continuing with its special fiber operations in 2009 as planned, Aksa has also completed the work that was underway for the production of fiber of more physical and chemical durability. The results of the R&D efforts to enhance technical product characteristics resulted in the manufacture of a fiber of high physical and chemical durability that is now ready for the market.

In line with its strategy to produce new products and create new market opportunities, Aksa also aims to work on vinyl-based polymers and their derivatives. In addition to the R&D work that was underway in 2009 for the development of different polymers, efforts are also being spent to create an infrastructure to support these research activities.

Aksa’s goal in 2010 is to continue its energy and carbon fiber production investments in line with its strategic plans.

The biggest share in the projects executed in 2009 was allocated to carbon fiber. The 1,500 ton/year-capacity production facility began operating in the last quarter of the year.

AFFILIATES AND SUBSIDIARIES

Affiliate Title	Area of Activity	Stake	Affiliation (%)	Dividend 2007	Dividend 2008	Dividend 2009
Akpa Tekstil Pazarlama A.Ş.	Dış Ticaret	2,226,133	13.47	400,457	265,869	177,775

Subsidiary Title	Area of Activity	Stake	Affiliation (%)	Dividend 2007	Dividend 2008	Dividend 2009
Fitco B.V.	Foreign Investment	7,754,136	100.00	-	-	-
Aktops Tekstil Pazarlama A.Ş.	Sub-contractor	15,450,000	60.00	335,695	2,005,515	2,014,690
Ak Girişim Kimya San. A.Ş.	Investment	58,000	58.00	-	-	-

Operations in 2009

A team spirit achieved with employees, each a valuable part of the Aksa Family…

With the 226 new additions to the Aksa Family in 2009, the number of Aksa employees has reached 793. On-the-job training, professional and technical training, personal development training and orientation and information training sessions were organized on a 40 hour/ person basis.

Human Resources

Human resources management at Aksa is planned with an eye toward supporting the principle of preserving corporate integrity and continuity, one of the Company's strategic goals. The basis of Aksa's human resources policy is to foster the creation of responsible, creative, participatory and self-confident people who continuously develop their skills and abilities in order to carry Aksa to its corporate goals. With the 226 new additions to the Aksa Family in 2009, the number of Aksa employees reached 793 at the end of the year.

All employees at Aksa are sensitive toward other human beings, the environment, quality, the customer and costs. In addition, team spirit is one of the cornerstones of the Company's human resources and therefore employees see themselves as members of "the big Aksa family" and are dedicated to the well-being of that family. For its part, the Company has created a suitable corporate atmosphere that is conducive to the personal and technical development of all employees.

The basic, corporation-specific and managing competencies of employees are measured within the framework of the Aksa Competency Model. These measurements are used to carry out assessments of employees with respect to business analysis/framework, appointments and hiring, training and development, performance management and career management processes. A decision for employment is made about each candidate on the basis of qualification, competence, work experience, technical competence and the candidate's own expectations as related to the business analysis/ framework drawn up on the Aksa Business Family - Job Level - Competence Matrix.

Aksa employees place great importance on in-house training in order to be able to display their on-the-job competence, increase their professional skills and match these to corporate goals. Different levels of training programs designed for different purposes are for this reason offered to employees. Workshops, e-learning, the Polymer School and Aksa School projects, mentorship and coaching activities, as well as operational level career maps are only a few of the activities available to employees in this context. On-the-job training, professional and technical training, personal development training and orientation as well as information training sessions are organized on a 40 hour/person basis.

The year 2009 saw the inauguration of the Aksa Polymer School, a cooperative effort with Yalova University's Continuous Education Center (YÜSEM) as part of the scope of the Aksa Competency Development Workshops. The 10-week Polymer School sessions aim to create learning opportunities for specialists and advanced specialists at Aksa who would like to develop their knowledge of polymer technology.

The priority is the adoption of policies that will ensure that employees remain efficient and effective at their various jobs for years to come. Career maps were used again in 2009 to ensure the training of employees by tapping internal resources. Moreover, new principles are formulated, using feedback from employees and administrators, to keep the maps previously drawn up for specialists and higher specialist positions operationally effective. As in previous maps, competencies needed for both horizontal and vertical movement are defined. Training programs are being prepared to ensure that employees develop the needed competencies. New principles have been formulated for the maps and their new forms will be implemented in 2010. Training programs that support the maps, known as the Aksa School modules II and III, will be launched during the year.

Surveys are carried out systematically each year at Aksa to measure employee commitment and motivation. Activities to boost commitment and motivation were continued in 2009.

Aksa is aware that taking an interest in each individual employee has an important place in human resources improvement efforts. In this context, in the coming year, new projects will be developed as the Human Resources leg of the Aksa Intellectual Capital Model. The Human Resources Return on Investment (HR ROI) project will be launched as part of this effort.

Work to raise the Corporate Sigma Level is initiated in 2009. Planned as a three-year effort, the first part of the project is an endeavor that is targeted to be completed in 2010. The project aims to keep changes in processes to a minimum while reducing margins of error, to increase corporate profitability and enhance competitive strength.

Carrying the Responsible Care Approach into Turkey…

Fairs and Awards

After winning the KalDer (Turkish Quality Association) National Quality Grand Prize in 2008, Aksa focused on improving its systems and processes in 2009. Since 1998, Aksa has been making a self-assessment every two years in accordance with the EFQM (European Foundation for Quality Management) model. The evaluation completed in 2009 was the Company's eighth self-assessment.

National Quality Congress

For the last ten years Aksa has been supporting the National Quality Congress as official main sponsor. In 2009, the Company again took on the main sponsorship of the 18th National Quality Congress organized by KalDer and at the same time participated in the Quality and Management Systems Fair that took place in the same interval as the Congress. Aksa shared with fair participants, examples of its applications in various areas with an emphasis on quality, environment and human resources. Information was provided about the Company's main products, acrylic fiber and carbon fiber. Aksa took part in many domestic and international fairs over the year to promote its carbon fiber product.

CEFIC Award

As one of the first corporations in Turkey to implement the Responsible Care Code of Practices, Aksa was awarded many times for its work in this area and in 2009, the Company received an award from the CEFIC (European Chemical Industry Council).

Aksa prepared a document summarizing its work in one of the six headings of Responsible Care Practices, namely, "Creating Community Awareness-Communications-Transparency," and submitted this to the competition of all Responsible Care implementers in Europe held by the CEFIC in 2009 (CEFIC Responsible Care Award-2009). By decision of the independent jury selected by CEFIC, Aksa was awarded with a Commendation.

The CEFIC is interested in having Aksa's project introduced on its own website. Thus, Aksa's Open-Door, Community Open-House, Summer Sports School, Interschool Environmental Art and Composition Contest, Community School, Community Advisory Panel, Waste Management System for Schools, the work on the Global Compact, the Social Impact Surveys and the Reporting on Sustainable Development on the corporate website will all be available for the perusal of a worldwide audience.

Aksa's document summarizing its work in one of the six headings of Responsible Care Practices, namely, "Creating Community Awareness-Communications-Transparency," received a Commendation in 2009 from the CEFIC.

Operations in 2009

A corporate citizen with high community awareness…

Aksa upholds the principle of acting as a productive and environmentally-conscious manufacturer, supporting this with its “corporate reputation.” The Company sets strategic targets to sustain development, realizing its goals with annual projects.

Corporate Social Responsibility Activities

Aksa’s corporate social responsibility philosophy has been formulated on the basis of voluntarily contributing to achieve a better community and environment. In this context and in order to achieve sustainable economic development, Aksa complies with the terms of the law, the Company’s Articles of Association and internal regulations (code of ethics, corporate values, etc).

The fundamental tenets to which the Company adheres in the context of social responsibility are: Keeping the interests of the community ahead of individual interests, avoiding relations that may lead to financial dependence on others, impartiality, accessibility, accountability, transparency, openness and honesty. Aksa has adopted the mission of being an exemplary leader in the practice of these principles.

In upholding the principle of acting as a productive and environmentally-conscious manufacturer, Aksa supports this with its “corporate reputation.” The Company sets strategic targets to sustain development, realizing its goals with annual projects. As in previous years, many more social responsibility projects were implemented in 2009 with the support of volunteers from the ranks of Aksa employees. The Aksa Community School, environmental awareness activities, the Community Open-House Day and the forestation projects are only a few. In addition, since 2004, all social, environmental and economic activities are reported and published in the format of the internationally accepted Global Reporting Initiative (GRI).

The efforts that started in 2006 to create environmental awareness and install waste management systems in the schools were continued uninterrupted in 2009 as well. To ensure the correct use of waste stations, seminars were organized for the benefit of school environment clubs and a reference booklet on “Waste Management” was distributed. The schools were also furnished with bulletin boards with information on the environment.

As part of Aksa’s Open-Door Policy, the Community Open-House Project enjoys the participation of volunteer members of the Responsible Care Team. In 2009, this project was implemented not just on one day but on three different days, when the gates of the factory opened to receive the various focus groups.

The seedlings grown by Aksa at its greenhouse were used on the one hand to create a green environment for the factory, and on the other, to be sent out to different non-Aksa events around the country. Of the total of 15,000 seedlings planted in 2009, 14,744 were donated to various events held by the Community School and the Social Advisory Panel and to those participating in Community Open-House Day.

Aksa also gave its support to the students of 18 Mart University’s Discovery and Adventure Group, who prepared a project called “Green Europe” within the scope of the activities organized under the auspices of the European Union. The objective of this project was to create a “green” awareness in young people of the local community as well as in Europe by introducing them to nature and the environment. The project encouraged European youth to share the knowledge they gained with their own local communities, thus providing a platform for the exchange of knowledge and culture. Following the EU approval of the project, a series of seminars were held for students of 18-24 age group from Romania, Bulgaria, Greece and Portugal. The students were offered an entertaining program of nature trips and sports activities. The European students who participated in the forestation event in Çınarcık-Yalova, the representatives of the Discovery and Adventure Group as well as Aksa employees planted seedlings in the Aksa greenhouse together to contribute in making Yalova a greener place.

In keeping with its emphasis on “Creating Social Awareness-Communication-Transparency,” one of the headings of Aksa’s 1993 commitment to Responsible Care, the Community Advisory Panel, a first of its kind in Turkey, has been active since 2001. The panel involves the periodic gathering of Aksa Akrilik Kimya Sanayi A.Ş. factory representatives together with the representatives of different segments of the community. The panel takes place in a free and comfortable environment which is not only conducive to communication but also to an open and systematic exchange of ideas between the industry and the general public. Panel agendas are determined by means of surveys. Besides information on the results of the External Audits for the ISO 9001, ISO 14001 and TS 18001 systems, the panels have also dealt with the topics of Aksa’s application for a National Quality Award and its support of education.
In 2009, information was also available on the Corporate Social Responsibility projects and speakers were invited to make presentations on environmental issues.

A never ending journey into excellence…

Environment and Quality

Aksa made the transition from its system of quality control to a quality management system at the beginning of the 1990's. Establishing its ISO 9001 Quality Management System, the Company successfully completed its ISO 9001 certification work. By adopting Total Quality Management (TQM) as a management model in 1996, Aksa achieved a significant milestone in its journey toward quality excellence. The Company's management concept went through a radical change in 1997. The TQM environment foresees that responsibility for the achievement of quality is passed on to all employees, that all intellectual barriers are lifted and that all employees participate in establishing an atmosphere of industrial democracy.

Formation of the Total Quality Management Board, establishment of the first performance management system, quality circles, initiation of self-assessment studies, membership in the European Foundation for Quality Management (EFQM) and the first steps taken in establishing a process management system have all been important aspects in this context. The journey into excellence that Aksa started with these different activities has continued over the years with the adoption of many more principles and approaches conducive to development and improvement.

2009 was an important year in terms of Aksa's restructuring its organization and its processes. Aksa reviewed its processes over the year and worked to update its main process structure. While reorganizing its fundamental formation of strategic business units (SBUs), the Company also acquired the Akenerji Yalova power plant and started its production of carbon fiber. Also continuing with its international marketing and sales activities, the Company merged its own marketing and sales units with those of Akpa Tekstil Pazarlama A.Ş.

Aksa reorganized the structure of its processes in 2009 within the framework of its new products and in line with customer needs. Using QPR as a Corporate Performance and Process Management Portal since 2007, Aksa's applications in this context were selected by QPR among "best practices." An article on the Company's corporate performance and process management experience was published on the QPR official website.

In 2009, Aksa cooperated with one of the universities to determine the corporation's sigma level in all of its main processes. A plan was formulated to reach Sigma 5.5 within three years. Aksa is also involved in Six-Sigma applications in its quality and production processes.

Aksa's self-assessment studies are carried out on the basis of the EFQM Excellence Model. The Company completed its eighth self-assessment project in 2009 with the participation of its experienced staff and management who were also effective in the KalDer National Quality Award process. The feedback report from the National Quality Award and the self-assessment report were both used to form the basis of improvement efforts planned for 2010.

Aksa defines yearly environmental and productivity goals in order to make more effective use of natural resources and raw materials. Corporate goals are transformed into personal goals which are transferred to yearly action plans that guarantee their achievement.

In 2009, one of the significant projects that Aksa was involved in was the inclusion of its new product, carbon fiber, into existing management systems. As a result of Aksa's various development and improvement efforts, Aksa carbon fiber was incorporated into the scope of the ISO 9001 Quality Management System, the ISO 14001 Environment Management System and the TS 18001 Occupational Health and Safety Management System.

As the holder of an ISO 9001 Quality Management System and ISO 14001 Environment Management System, Aksa also maintained its long record of "zero non-compliance" in 2009, as indicated by the external audits of TSE and DQS, renewing its ISO 9001 certification. Aksa's zero non-compliance success was reconfirmed by external audits of the ISO 14001 and TS 18001, with the Company thus completing its eighth consecutive year of ISO 14001 inspections with a designation of zero non-compliance.

At Aksa, the efficient use of natural resources and raw materials is ensured by determining annual environmental and productivity goals. Corporate goals are transformed into personal goals which are transferred to yearly action plans that guarantee their achievement.

Corporate Governance

Disclosure Policy

The Aksa Akrilik Kimya Sanayii A.Ş. (Aksa) Board of Directors has drawn up a disclosure policy whereby shareholders and stakeholders have regular and reliable access to prompt, accurate and complete information about potential influences on capital market instruments and about the Company's management as well as its financial and legal status. This policy excludes information that is considered a trade secret and other data that may harm the Company by inhibiting its competitive power.

Regarding disclosures to the public, Aksa complies with the stipulations of the Turkish Commercial Code, Capital Markets Legislation and with the regulations set down by the authorized institutions in this context, which are the Capital Markets Board (SPK), the Public Disclosure Platform (KAP) and the Istanbul Stock Exchange (ISE), and acts in accordance with Capital Market Corporate Governance Principles.

Aksa Disclosure Policy is drafted by the Board of Directors, presented to the General Assembly and announced to the public through its publication on the corporate website. If any changes are made in the Disclosure Policy, these items are presented to the Board of Directors for approval, then presented at the General Assembly and finally published on the corporate website.

The Finance Director has been appointed to the task of observing and monitoring all matters involving the implementation, follow-up and disclosure to the public of the Aksa Disclosure Policy.

Media and Methods used in Public Disclosure

In addition to legal regulations, all information related to Aksa is disclosed to the public by means of the following methods and communication tools:

- Corporate website,
- Annual report,
- Meetings with shareholders and potential investors,*
- Meetings with banks, financial institutions and brokerage firms,*
- Announcements and programs broadcast through the media corporations,
- Electronic data distribution channels,
- Fax and electronic mail,
- GSM communication (WAP and similar technology).

*Meetings may be held face-to-face, via telephone or by tele-conference.

Scope of the Disclosure Policy

Providing they do not involve trade secrets or inhibit the competitive power of the Company, questions posed by shareholders and stakeholders are answered within a maximum of five business days. Only those financial or legal occurrences that eventuate or seem likely to eventuate that might affect 5% of assets are disclosed to the public. Public disclosures are made by submitting a special circumstance disclosure form to the Istanbul Stock Exchange through the mediation of KAP and publishing the disclosure on the corporate website.

Corporate Website

Aksa's corporate website is www.aksa.com.

Aksa makes effective use of the corporate website in making public disclosures and in ensuring transparency. All information disclosed to the public is also accessible on the website, configured and arranged in a user-friendly manner. The Aksa website includes information required by the Capital Markets Corporate Governance Principles. It is constantly updated and efforts are ongoing to regularly incorporate security measures that prevent tampering with data published on the site.

Disclosures made on the corporate website are not a substitute for the notifications and special circumstance announcements that are required by the provisions of Capital Market Legislature.

Shareholder Relations Department

The Shareholder Relations Department Manager is Finance Director Betül Sadıkoğlu. An electronic mail address (yatirimciiliskileri@aksa.com) has been designated for communications with shareholders. Questions addressed to Aksa through this e-mail address, by telephone via +90212 251 4500 or by fax via +90212 251 4507 or other means are answered by the Finance Director or her appointed representative(s), in writing or verbally, within a maximum of five business days.

Public Disclosure of Financial Statements

After being submitted to the ISE through the mediation of KAP as attachments to the documents required by law, periodic financial statements of the Company are published on the corporate website within two business days. In addition, annual financial statements are also submitted to shareholders in the annual report.

Public Disclosure of the Annual Report

The annual report, prepared in accordance with the Turkish Commercial Code, Capital Market Legislation and Capital Market Corporate Governance Principles, is published on the corporate website within a maximum of 15 days prior to the date of the Ordinary Meeting of Shareholders. In addition, shareholders and stakeholders who wish to do so may request a printed annual report by telephone from the office of the Finance Director or by contacting Aksa via yatirimciiliskileri@aksa.com.

Public Disclosure of Special Circumstance Disclosure Forms

In cases where the circumstances specified in the Capital Market Board's published "Communiqué on the Principles of Public Disclosure of Special Circumstances" have taken place, these disclosures are first submitted to the ISE through the mediation of KAP and then published on the corporate website within the following two days.

Public Disclosure of General Assembly Meetings

In addition to those announcements foreseen by legal regulations, the date, time, agenda and sample of a letter of proxy are published on the corporate website at latest fifteen days before the date of the General Assembly.

Meetings with Shareholders and Potential Investors

Requests received from shareholders and potential investors are answered periodically on a quarterly basis or when requests come in during interim periods, at a special meeting and/or by electronic mail. Additionally, the Company may conduct a Road Show at least once a year to promote the Company to foreign investors abroad and provide information about the Company's strategic and financial status. This information, however, may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

Meetings with Banks, Financial Enterprises and Brokerage Firms

Written or oral requests received from banks and financial enterprises or brokerage firms are answered on a quarterly basis or when requests come in at interim periods, at a meeting and/or by electronic mail. An effort is made to keep stakeholders and potential investors informed about the Company's financial status and its strategic and financial goals through brokerage firms. This information however, may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

Announcements, Interviews, etc. Conducted through the Media

An effort is made to keep stakeholders and potential investors informed about the Company's financial status and its strategic and financial goals through the various channels of the media. Communications with the media are handled with the approval of the General Manager. Media requests for interviews are answered by the General Manager or by the person delegated to do so by the General Manager. The information provided in the interview however, may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

Code of Ethics

The Company Code of Ethics is disclosed to the public through publication on the corporate website within two business days of its approval by the Aksa Board of Directors. In the event that any changes are made to the Code of Ethics, these changes are also published on the corporate website and on KAP subsequent to the Board's approval.

Dividend Distribution Policy

The profit distribution policy developed by the Aksa Board of Directors is presented to the General Assembly and included in the annual report. It is subsequently published on the corporate website within two business days following the General Assembly. In the event that any changes are made in the Dividend Distribution Policy, those changes are presented to the General Assembly after approval by the Board and are subsequently published on the corporate website and on KAP.

Insider Trading

In order to prevent insider trading, that is, the use of information not as yet made public, the names of management, employees and other persons/organizations that are in a position to be privy to such information that may affect the value of capital market instruments are listed by the Finance Director and published on the corporate website and on KAP.

Disclosures of Future Activities

Within the scope of its disclosure policy, Aksa may disclose its future expectations to the public, if deemed necessary. Disclosure of future activities is subject to the approval of the Board of Directors and is carried out only by those persons authorized to make public disclosures. Future expectations that are disclosed to the public are announced together with the grounds and reasons for these expectations with accompanying statistical data. This information may not contain exaggerations, may not be misleading and under all circumstances, must be associated with the Company's financial standing and operational results. The utmost care is also taken to ensure that disclosure to the public of the results of audits conducted by independent auditors and disclosure of information on future activities are consistent with international standards. If any disclosed projections for the future are not later realized, the revised data, tables and reports, along with the grounds on which they are based, are then announced to the public.

Other Disclosures

In the event that sale/purchase transactions conducted in the last one year or net positions in derivative products based on Aksa shares owned by members of the Board, executives or shareholders, who possess 5% of the Company's capital either directly or indirectly, exceed 1% of their direct or indirect holdings in the Company, this information is published on the website.

The Company reserves the right not to make disclosures to the public about rumors in the press or unfounded news stories based on unfounded information.

Persons authorized to make disclosures to the public may speak on behalf of Aksa at conferences, panels, sessions, interviews and the like. The information imparted in such talks however, may not be different than what has been previously disclosed to the public. In other words, the information must be that which has already been released to the public.

The Public Disclosure Platform (KAP), which was formed under the joint efforts of the SPK-ISE-TÜBİTAK Information Technology and the Electronic Research Institute (BİLTEN), allows the electronic submission of the financial tables, special circumstance disclosures and other notifications that used to be sent to the ISE by mail or fax up until 2009. All notifications disclosed to the public by the Company may be accessed on the KAP website (http://kap.gov.tr). Such documents and information are sent after being signed electronically by the authorized persons concerned.

Written statements, disclosures and similar announcements submitted by authorized persons are valid only if they bear two signatures under the Company seal.

Persons Authorized to Make Disclosures

The following persons are entitled to respond to any questions and disclosure requests concerning Aksa management, activities, financial data or the sector:

- Chairman and Members of the Board,
- General Manager,
- Finance Director,
- Accounting Manager,
- Assistant Accounting Manager.

Unless a special appointment is made, no employees other than those listed above are authorized to respond to questions.

Board of Directors and Auditors

Board of Directors

Ömer Dinçkök was born in Istanbul in 1948 and graduated from Robert College, Department of Business Administration and Economy. In 1971, he received his Master's degree in England and began his career in the Akkök Group of Companies. He is presently Vice-Chairman at Akkök Sanayi Yatırım ve Geliştirme A.Ş. He also serves in the capacity of Chairman and Vice-Chairman on the boards of other companies in the Group.

Ali R. Dinçkök was born in Istanbul in 1944 and completed his secondary education at the Austrian High School. In 1969, he graduated from Aachen University Department of Textile Engineering and began his career in the Akkök Group of Companies. He is presently Chairman at Akkök Sanayi Yatırım ve Geliştirme A.Ş. and serves in the capacity of Chairman and Vice-Chairman on the boards of other companies in the Group.

Erol Lodrik was born in Istanbul in 1944 and completed his secondary education at Saint Benoit Lyceé and his university education in England. He worked in many capacities at Emboy ve Emniyet Ticaret A.Ş. He is currently Member of the Board at Akkök Group companies.

Nevzat Ayaz was born in Çankırı in 1930 and completed his high school education at the Police High School. In 1954, he graduated from Ankara University School of Law and began to work in the Police Force starting off as an Assistant Commissioner. Over the period 1993-1995, Nevzat Ayaz served as Minister of Defense. He is currently Board Member in various companies in the Akkök Group.

Hasan Denizkurdu was born in Izmir in 1948 and is a graduate of Istanbul University School of Law and the Institute of Business Administration and Economy. Denizkurdu served as President of the Izmir Chamber of Commerce, Vice President of the Union of Chambers and Commodity Exchanges of Turkey, Member of Parliament over the period 1995-1999 and as Justice Minister in 1999. He is currently Board Member in various companies in the Akkök Group.

Ayça Dinçkök was born in Istanbul in 1973. After obtaining a degree in business at Boston University, Dinçkök returned to Turkey in 1994 and started her career at the Akkök Group of Companies. Taking on different positions in various Group companies, Dinçkök is on the boards of Group companies in addition to her position as Member of the Board of Directors and Executive Board at Akkök Sanayi Yatırım ve Geliştirme A.Ş.

Mustafa Yılmaz was born in Tekirdağ in 1949. After graduating in 1971 from Ankara University Faculty of Science, Department of Chemical Engineering, received a Master's degree from the same faculty. His business career began at Etibank Ergani Copper Operations. Yılmaz started out at Aksa Akrilik Kimya Sanayii A.Ş. as an operations engineer, working in the areas of research, production and quality management. Mustafa Yılmaz is currently General Manager and Board Member, positions in which he has served since 2002.

Auditors

Bülent Üstünel
Hilmi Yazan

Report on Compliance with the Principles of Corporate Governance

1. Declaration of Compliance with Corporate Governance Principles

Aksa Akrilik Kimya Sanayii A.Ş.

Having at all times chosen as its target to be a world leader in the sector, the Company is aware that in this period of accelerating global competition and change, corporate governance practices are as important as financial performance. In the light of this, Aksa strives to create sustainable value for its stakeholders. The Company is determined to maintain the character it has always upheld as a reputable, hardworking, creative and innovative company, first before its shareholders and investors and then in the eyes of customers, employees and the community. The Corporate Governance Principles formulated by the Capital Markets Board (SPK) in parallel with the best practices around the world are based on the objective of strengthening and increasing the confidence of existing and potential partners, employees, customers, regulatory authorities as well as the domestic and international community. In this regard, Aksa Akrilik Kimya Sanayii A.Ş. declares that it has committed itself to the application of the Principles of Corporate Governance and that it will adopt the practices foreseen by these principles within the framework of current practice.

SECTION I - SHAREHOLDERS

2. Shareholder Relations Department

Shareholder relations are handled by the manager of the Shareholders Department, Finance Director Betül Sadıkoğlu. An e-mail address (yatirimciiliskileri@aksa.com) has been designated for communications with shareholders. Questions addressed to Aksa through this e-mail address, by telephone via +90212 251 4500 or by fax via +90212 251 4507 or other means are answered by the Finance Director or her appointed representative(s), in writing or verbally, within a maximum of five business days.

3. Exercise of the Shareholder's Right to be Informed

Requests for information from shareholders are answered in writing, by telephone or electronically. In addition, the Company has a continuously updated website that provides information about corporate activities. All requests for information are answered, with the exception of those that concern matters of the nature of a trade secret and those that have not been disclosed to the public. There is no provision in the Articles of Association that defines the request for the appointment of a special auditor as an individual right. There was no request during the present or previous periods for the appointment of a special auditor.

4. Information about the General Assembly

General Assembly announcements are published in two newspapers fifteen days before the date of the General Assembly after which the ISE is also informed. This published General Assembly announcement contains the date, time and venue of the Meeting as well as the rules for participation. The minutes of the meeting and list of attendees are presented to shareholders upon request. Representatives of the Stock Exchange and brokers as well as members of the press attend General Assemblies. At the end of each meeting, documents pertinent to the meeting are submitted to the SPK and the ISE. Since 2004, this information is also published on the Company's website. The General Assembly for 2008 held on April 27, 2009 recorded a quorum of 63.40%. Questions raised by the participants in the General Assembly were answered by management. Suggestions submitted by shareholders were presented for ratification by the General Assembly and accepted by majority vote. Since the Board of Directors is invested with powers concerning the purchase, sale and rental of assets, as foreseen by Article 9 of the Company Articles of Association, matters of this kind are not included in the agenda of the General Assembly.

5. Voting and Minority Rights

The Company's Articles of Association make no stipulation for preferential rights. Each share has one right of vote. A minority vote is not represented in management, nor is the method of the cumulative vote used.

6. Dividend Distribution Policy and Intervals

Aksa Akrilik Kimya Sanayii A.Ş. distributes dividends in light of the Company's financial performance, the status of the sector and the economic climate in the country, in accordance with the regulations published by the Capital Markets Board. The Company's Dividend Distribution Policy has been published in the ISE bulletin and made known to the shareholders.

7. Transfer of Shares

The Company's shares are bearer's shares and there is no restrictive provision in the Articles of Association regarding the transfer of shares. All Company shares are quoted on the ISE and their transfer is undertaken in accordance with the provisions of the Turkish Commercial Code and Capital Markets Law.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Disclosure Policy

It is the basic principle of the Company to provide all shareholders and all persons and organizations who will benefit from the information, with equally disseminated, accurate, complete, intelligible, interpretable, low-cost and accessible knowledge, save for that information is of the character of a trade secret and, outside of what is specified by law, which has not been disclosed to the public. For this reason, the Company has devised a Public Disclosure Policy and made this available to shareholders.

9. Disclosures of Special Circumstances

Within the framework of the principle of public disclosure and transparency, in order to make information promptly available to all stakeholders, particularly shareholders, 28 Disclosures of Special Circumstances were made in 2009. All disclosures that have been requested have been promptly carried out. No additional explanations were requested by the Capital Markets Board or the Istanbul Stock Exchange for the Company's Disclosures of Special Circumstances, all of which were drawn up promptly and in accordance with Capital Markets Board regulations.

Report on Compliance with the Principles of Corporate Governance

10. Corporate Website and its Contents

The Company has an Internet address accessible at <www.aksa.com>. The contents of the website include trade registry information, up-to-date shareholding and organizational structure, the latest version of the Articles of Association, disclosures of special circumstances, annual reports, periodical financial statements and reports, agendas for General Assemblies, lists of General Assembly participants and minutes of the meetings, proxy vote forms and frequently asked questions. In addition, those who wish to obtain more information about the Company may correspond via e-mail at yatirimciiliskileri@aksa.com.

11. Real Person Ultimate Controlling Shareholder(s)

The major shareholders in the Company are Akkök Sanayi ve Yatırım Geliştirme A.Ş., in which the Dinçkök Family is the ultimate controlling shareholder and Emniyet Ticaret A.Ş., in which the Lodrik Family is the ultimate controlling shareholder. The shareholding structure of the Company is published each year in the Annual Report.

12. Public Disclosure of Persons Who Have Access to Insider Information

The persons and departments at Aksa who have access to insider information are the General Manager, the Director (Finance), the Director (Business Development and Purchasing), as well as the Accounting, Marketing and Sales Departments.

SECTION III - STAKEHOLDERS

13. Notification of Stakeholders

Stakeholders of Aksa have been defined as Shareholders, Employees, Customers, Suppliers and Civil and State Organizations. Aksa formulates its main and interim goals, its policies and strategies as well as the Company targets in consideration of stakeholders' present and future expectations. The exchange of information is carried out with stakeholders in various ways during the formulation process.

In order to determine, develop and reciprocally support the basic areas of competence of our suppliers and to evaluate their annual performance, the Company makes use of a Supplier Performance System. As part of this system of evaluation, information about the system, notes regarding performance as well as information about areas to be improved, if any, are shared with the suppliers at regular intervals. Contained in the information that is shared with Suppliers are the Company policy, specifications and agreements.

Customers are regularly provided with shipping, deadline and price information concerning their orders. In addition, the customer is immediately notified of any changes made in sales terms or in the technical features of the product. Aksa also provides its customers with written product specifications. Analyses requested by the customer or results of technical studies conducted upon a customer's complaint are shared with the customer. Our "Product Responsibility and Product Safety Guide," or ÜSÜKEK, is a statement endorsing the ecological safety of our products and is sent to all customers in English/Turkish for their information.

Aksa Management joins the people of the region in many different activities, among which are Open-Door Days, the Community Advisory Panels, student field trips and the Akçevre Art and Composition Contest. During these activities, Aksa organizes presentations and distributes booklets to provide visitors with information on the Company's total quality activities as well as its environmental activities and policies.

The understanding that Aksa has open and honest communications with its employees is the backbone of the Company's Human Resources Management policy. The main examples of vertical and horizontal communication channels in the Company are Professional Life Evaluation Survey, Intranet Databases, Higher Management Information Meetings, Representative Council and Performance Assessment Meetings. These tools of communication are used by the Company to inform employees of corporate policies and strategies, targets and activities geared to improve the work environment. Employees are encouraged to express their views.

14. Stakeholder Participation in Management

Since 1996, eighteen people elected by Aksa employees through a receipt-free secret ballot election serve as the Representative Council (RC). Made up of representatives from each shift, 13 from the Yalova Factory and 5 members from Istanbul Headquarters, the RC meets once a month to determine what problems the employees have and to look for solutions, at the same time notifying Higher Management of employee expectations.

The RC also participates in the reviewing processes whereby the Company formulates its primary and interim goals, its corporate culture, policies and strategies. RC members are also members of the Total Quality Management Council (TKYK) and take active roles in drafting Aksa's main and interim target announcements. The Human Resources Policy and strategies drawn up as main and interim goals are determined by the TKYK, of which RC members are a part; these strategies are reviewed every two years.

15. Human Resources Policy

Aksa's Human Resources policy is "To invest in people and thus create responsible, creative, highly self-confident, self-developing and happy individuals who will serve the primary objectives of the Company." Thus, the Company employs modern and internally integrated systems in all facets of employment, from recruitment to performance management, from remuneration to severance.

The fundamentals of this policy are: ensuring the recruitment of candidates that incorporate Aksa's Common Behavioral Competencies so as to serve the Company's primary and interim goals; providing employees with training programs that support the Company's targets and enhance technical and behavioral skills and personal development in social and cultural areas; maintaining an open and close communication with employees to create integrated environments; creating working environments where employees will be satisfied, healthy and productive.

With its fair and transparent recruitment process, the Company's prerequisite in human resources recruitment is an individual's display of Aksa's Common Competencies and his/her adaptability to Company culture and values. In other words, the candidates who will ultimately be hired are those that work well in a team, are capable of becoming a member of the Aksa family, carry the traits of modesty and self-confidence and are innovative, energetic and skilled in problem-solving.

Aksa's Performance Management System aims to achieve organizational development starting with the individual, to reinforce the adoption of a common corporate culture and to integrate corporate targets with individual goals. The main aim of the Performance Management System is to incorporate Aksa's education planning, remuneration/award and career planning systems into an integrated and transparent system, building a fair corporate structure based on the rewarding of high performance.

Moreover, an important result of the Company's Human Resources Policies has been to adopt the tool of the Six-Sigma Model to improve the problem-solving capacity of employees and the Company as a whole.

To prevent discrimination among employees and ensure fairness with regard to wages, the HAY Method of Job Evaluation, a system with worldwide validity and reliability, has been adopted as a salary distribution and reward system at Aksa. This system is a salary and benefits model that is easily applicable by the employer. It is established on the principle of equality and fairness that reflects the qualitative, transparent, domestic and international realities of business and is based on payment of salary according to the individual job.

Aksa Human Resources management practices are internationally accepted models and integrated systems. No complaints have been received indicating any discrimination among employees. Differences among individuals may emerge from differences in job descriptions, performance or technical/behavioral competencies.

16. Information about Relations with Customers and Suppliers

With its sales in fifty countries on five continents, Aksa supplies 12.5% of the world's acrylic fiber consumption. The domestic marketing of Aksa products is handled by the Marketing and Sales Department; marketing abroad is carried out by the Marketing and Sales Department and sales representatives, through the Group company AKPA. Comprising the marketing organization is a network of four main regions and a sales representative in Gaziantep.

17. Social Responsibility

Aksa's Public Relations policy aims at contributing to the creation of a society that fosters industrial development and supports industrialization policies and-in line with the principles of corporate social responsibility-encouraging a more dynamic and tolerant society in terms of cultural and social solidarity.

With regard to the community's perception of the Company and in keeping with our Public Relations policy, a "Social Impact Survey" has been conducted every two years since 1997 through an independent professional company. The perception of Aksa of the inhabitants of Yalova and of surrounding areas has been increasingly positive since 1997. The survey has shown that people are satisfied, both with having Aksa in their community and with Aksa operations. This positive notion has been created through the impact of the job opportunities Aksa offers and other economic and social contributions of the Company. To ensure the free and comfortable flow of information between the industry and the community, in 2001, the concept of the Community Advisory Panel was initiated. Organized in Turkey for the first time, this model application won the "Responsible Care Project" award of the Turkish Chemical Industry Council in 2001. One of the main objectives of the Council was to encourage the rapid flow of first-hand and accurate information to the community through community representatives.

Aksa has excellent relationships with both state and private enterprises in all of its operations. The Company has received many commendations, plaques and awards. Since 1980, Aksa has won 55 awards from a host of authorities, among them the Istanbul Chamber of Industry, the Istanbul Chamber of Commerce, the Istanbul Federation of Textile and Raw Material Exporters (İTHİB), the Turkish Chemical Industry Council (TKSD) and the Ministry of Environment. 25 of these awards were received because of the Company's corporation tax payment record and 17 were due to its success in exporting.

The Aksa Summer School, located at the Company's own social facilities, is an educational activity open to underprivileged primary school children from Yalova. 400 children have participated in the Summer School in the last two years.

Within the scope of its Environment and Quality Policies, the Company places maximum importance on adopting and implementing innovative and environmentally friendly technology. Every innovative project undertaken at Aksa is based on Environment Impact Assessments and the Company has been acknowledged many times for its efforts in reducing wastes, conserving energy and resources and using these resources productively.

Textile products are evaluated and documented by an independent and specialized organization following a series of analyses that determine their safety in terms of human health and ecology. In this context, Aksa has been granted an ÖKÖ-TEX 100 Health Safety in Textiles Certificate, which has been renewed every year since 1995. The standards related to this certificate are used in the design and improvement of production processes.

SECTION IV - BOARD OF DIRECTORS

18. Structure and Composition of the Board of Directors and Independent Members of the Board

The Board of Directors is made up of seven members comprising the Chairman, the Vice-Chairman, one Member who is the General Manager, two Members who are responsible for independent auditing and one additional Member. Five on the Board are executive members. Division of labor has been determined among the members of the Board. No rules have been established about members of the Board assuming or accepting positions outside of the Company.

19. Board Members

Ömer Dinçkök
A. Raif Dinçkök
Erol Lodrik
Nevzat Ayaz
Hasan Denizkurdu
Ayça Dinçkök
Mustafa Yılmaz

Report on Compliance with the Principles of Corporate Governance

20. Company Mission, Vision and Strategic Goals

Aksa's Mission and Vision Statements, first drafted in 1998, were last revised for the fifth time at the beginning of 2007. These declarations have been made available to shareholders and stakeholders alike on the corporate website.

The Mission and the Vision Statements are systematically shared with all Aksa employees through meetings, electronic databases, hand manuals, General Management circulars and training programs. Mission and Vision Statements are approved by the Board of Directors.

The Company regularly determines its targets each year, sharing them with all employees. The Company's targets are determined in seven categories set out in the following order: Strategic, financial, operational, quality, environment and productivity, occupational health and safety. These Company targets are approved by the Board of Directors. Once a month, a presentation before the Board of Directors provides the Board with information on the progress in meeting the different targets.

Aksa began making use of the Management by Objectives System in 2003. Degrees of responsibility are set up for each department in the Company, with the departments breaking up these goals into department targets, later dividing these department targets into individual targets, thus ensuring the participation in the process of each staff member. The realization of objectives is regularly monitored and every three months, this progress is announced to all employees. At the same time, the achievement of productivity targets is monitored daily at meetings of the Quality Management Board. This process is carried out for all seven categories of objectives.

21. Risk Management and Internal Control Mechanisms

The Company holds a monthly Finance and Risk Management Board meeting in order to undertake its risk management more effectively. This Board is headed by the General Manager and the other members comprise a member of the Executive Board, the Director for Finance, the Director for New Business Development and Purchasing and the Sales Director. It is the job of this board to evaluate the Company's financial performance and assess its commercial and financial risks. In particular, the types of financial instruments to be utilized in the risk management of receivables and risk levels by customers are assessed. The Company's net foreign exchange position is also evaluated in order to prevent risks arising from changing foreign exchange rates. The Company's Monitoring of Risk Control Measures procedure is implemented to ensure that existing risk is only a natural outcome of the technology utilized at Aksa and that this risk is kept under control so as not to cause any danger to employee health and safety, the premises or the environment.

22. Board Members and Executive Powers and Responsibilities

The duties of Company executives have been drawn up within a written framework which is constantly updated in accordance with changes made in the scope of duties. The powers of the Company's Board of Directors have been set forth in the Articles of Association. The list of authorized signatures is updated biannually.

23. Working Principles of the Board of Directors

The Company has a secretariat that is responsible for providing the members of the Board with information and notification. The draft for the agenda of the Board meetings is prepared by the General Manager, becoming finalized after recommendations from the Chairman and members of the Board. In 2009, the Board of Directors conducted 15 meetings. The Board of Directors engages in activities within the framework of authority set forth by the Company Articles of Association. All resolutions so far have been taken by unanimous vote. The members of the Board have no weighted votes and although they have the right to contest votes, to date this right has never been exercised.

24. Prohibition against Competing and Transacting Business with the Company

As per Articles 334 and 335 of the Turkish Commercial Code, the prohibition against competition by Board members was lifted by the General Assembly. To date, no Board member has had a conflict of interest due to competition with the Company.

25. Number, Structure and Independence of the Committees Formed by the Board of Directors

The Company's Board of Directors comprises a total of seven persons, of which five are executive members and two are responsible for independent auditing. In accordance with the principle of independence, financial statements to be disclosed to the public are presented first to the Board of Directors after Committee approval and resolution. In addition, efforts have started to form an Independent Corporate Governance Committee and an Executive Committee.

26. Financial Compensation for the Board of Directors

Financial compensation provided to the Company Board of Directors is specified in the Articles of Association. In addition to the monthly salaries established by the General Assembly in accordance with Article 7 of the Articles of Association, Article 25/3 of the Articles of Association states that 2% of net profit is set aside from profit distributed according to SPK regulations. The members of the Board of Directors shall not be provided with any other financial compensation.

27. Donations and Social Assistance

The Company has the responsibility of raising its standards in every area within the framework of the principles of Corporate Social Responsibility. The Company is sensitive to the needs of society and of future generations. In addition to its economic contributions, the Company has also made it its duty to contribute to the educational, cultural, artistic and sportive activities of the community of which it is a part. In this context, the Company provided TL 228,254 in donations and social assistance in 2009.

DONATIONS AND SOCIAL ASSISTANCE (TL)	
Foundations, Associations and NGO's	185,284
Education	31,470
Sports Organizations	11,500
Total	**228,254**

Dividend Distribution Proposal

Dear Shareholders,

We have presented you with information about the Company's activities in financial year 2009, along with our balance sheet and income statement for the same period. We hope you find the results of our operations satisfactory.

In accordance with the terms of the dividend distribution policy that we have previously shared with our shareholders, and as per Decision No. 02/51 dated January 27, 2010 of the Capital Markets Board, the Company has drawn up its proposal for the distribution of dividends as follows, subject to ratification by the General Assembly.

The net period profit appearing on the consolidated financial tables drawn up within the framework of the provisions of Communiqué No. 29, Series XI, of the Capital Markets Board is TL 50,689,317.00. The net period profit, based on the financial tables drawn up in accordance with the provisions of Tax Procedure Law, stands at TL 39,147,689.02.

Our proposal to the General Assembly is as follows:

In accordance with Decision No. 33, dated April 6, 2010, of the Company's Board of Directors, out of the TL 50,679,317.00 net period profit shown on the consolidated financial tables drawn up within the framework of the provisions of the Capital Market Board's Communiqué, Series XI, No. 29,

- TL 1,957,384,45, corresponding to 5% of the amount of net period profit of TL 39,147,689.02 appearing in the legal records, shall be set aside as Series I Legal Reserves within the framework of Article 466 of the Turkish Commercial Code and Article 25/1 of the Company Articles of Association;

- The first dividend of TL 15,500,000.00 (gross dividend amount corresponding to a nominal share of TL 1 is TL 0.08378; the rate of dividend is gross 8.3783%), corresponding to 31.65% of TL 49,960,186.55, the amount calculated by adding the total amount of donations made during the year (TL 228,254.00) to the net distributable profit of TL 48,731,932.55 (calculated by subtracting Series I Legal Reserves from net period profit) shall be distributed to shareholders in cash in accordance with Article 25/2 of the Company Articles of Association;

- The dividend of TL 743,806.09 corresponding to 2% of the net distributable period profit of TL 37,190,304.57 shall be paid out in accordance with Article 25/3 of the Company Articles of Association, the form of distribution to be determined by decision of the Board of Directors;

- TL 699,380.60 shall be set aside as Series II Legal Reserves;

- TL 20,247,117.88 shall be set aside as Contingent Reserve;

- Distribution of dividend amounts shall take place on May 31, 2010.

Board of Directors

Auditors’ Report

AUDITORS’ REPORT FOR THE YEAR OF OPERATIONS 2009 AS PRESENTED TO THE ORDINARY GENERAL ASSEMBLY OF AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Company Title	: Aksa Akrilik Kimya Sanayii A.Ş.
Company Headquarters	: Miralay Şefik Bey Sokağı, Ak-Han 15 Gümüşsuyu Taksim/Istanbul/Turkey
Company Capital	: TL185.000.000.-
Field of Activity	: Synthetic Fiber Production and Trade
Names of Auditors and Term of Duty	: Bülent ÜSTÜNEL and Y. Hilmi YAZAN Terms of office are three years. The auditors are not shareholders of the Company.
Number of Board Meetings in which Participation has occurred and Number of Board of Auditors Meetings	: Participation has occurred in three Board Meetings. Four meetings were conducted to audit Company books and transactions.
Dates Shareholders Accounts were Reviewed and Results	: The audits conducted in April, June, September and December showed that the books were in compliance with the law and were authenticated with documentation.
Number of Inventories and Results thereof of the Shareholders’ Cashier’s Desk, conducted according to Article 353 of the TCC	: Six bi-monthly Cashier’s Desk inventories were conducted, in which it was seen that all current accounts were in agreement with the records.
Review of Company in accordance Article 353/4 of the TCC and Results	: The monthly audits at the Company showed no valuable with papers delivered as pledges or guarantees, nor any bail.
Complaints Received Corrupt Practices	: No complaints were filed with the Company auditors on and the issue of corrupt practices.

The balance sheet as of December 31, 2009 of Aksa Akrilik Kimya Sanayii A.Ş. reflects the Company’s actual financial status on said date, the profit and loss account for the period January 1, 2009-December 31, 2009 reflects the actual operational results for that period and the dividend distribution proposal is in keeping with the law and with the Company Articles of Association, we propose the ratification of the balance sheet and profit and loss accounts as well as the acquittal of the Board of Directors.

Faithfully yours,

Bülent Üstünel   Y. Hilmi Yazan

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009
AND INDEPENDENT AUDITORS' REPORT

Denet Bağımsız Denetim
Yeminli Mali Müşavirlik A.Ş.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Aksa Akrilik Kimya Sanayii A.Ş.

Introduction

We have audited the accompanying consolidated financial statements of Aksa Akrilik Kimya Sanayii A.Ş. (the Parent Company) and its Subsidiaries which comprise the consolidated statement of financial position as at December 31, 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Turkish Accounting/Financial Reporting Standards (TAS/TFRS) which are issued by the Turkish Accounting Standards Board (TASB) and which are similar to the International Accounting/Financial Reporting Standards (IAS/IFRS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the independent auditing standards issued by the Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Our independent audit involves the application of independent auditing techniques to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of the independent auditing techniques including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, is made by our professional judgment. In making those risk assessments; the internal control system of the entity is taken into consideration. However, this is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control but for displaying the relationship between the consolidated financial statements and the internal control system prepared by the entity in order to design audit procedures that are appropriate in the circumstances. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Aksa Akrilik Kimya Sanayii A.Ş. (the Parent Company) and its subsidiaries as of 31 December 2009, and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the TAS/TFRS issued by the TASB.

Without qualifying our opinion, we draw attention to the following matter

As of 31 December 2009, the financial statements of the subsidiaries Fitco BV, Aksa Egypt Acrylic Fiber Industry S.A.E., and Akgirişim Kimya ve Ticaret A.Ş in which the Parent Company has a direct 100%, an indirect 99,14%, and a direct 58% interest, respectively, do not materially affect the consolidated financial statements, hence the subsidiaries referred to above are stated in the accompanying consolidated financial statements at cost.

İstanbul,
8 March 2010

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

Ömür Günel
Partner in charge

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2009 AND 2008 (TL)

	Notes	31 December 2009	31 December 2008
ASSETS			
Current Assets		633.340.201	609.076.143
Cash and Cash Equivalents	2,4	112.113.221	63.583.555
Trade Receivables			
-Other Trade Receivables	2,7	321.609.682	358.870.759
-Trade Receivables from Related Parties	2,7,25	6.581.405	25.227.694
Other Receivables	8	42.832.366	45.348.215
Inventories	2,9	114.070.403	98.778.945
Other Current Assets	15	36.133.124	17.266.975
Non-current Assets		**645.607.606**	**519.407.632**
Trade Receivables	2,7	11.732.305	12.665.408
Other Receivables	8	16.478	9.417
Financial Assets	2,5	7.999.781	7.999.781
Tangible Assets	2,10	559.130.427	454.539.216
Intangible Assets	2,11	9.372.526	3.025.618
Goodwill	2,12	5.988.651	5.988.651
Other Non-current Assets	15	51.367.438	35.179.541
TOTAL ASSETS		**1.278.947.807**	**1.128.483.775**

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2009 AND 2008 (TL)

	Notes	31 December 2009	31 December 2008
LIABILITIES			
Short Term Liabilities		**345.722.208**	**266.651.181**
Financial Liabilities	2,6	141.840.558	118.482.414
Trade Payables			
-Other Trade Payables	2,7	156.258.378	94.170.237
-Trade Payables to Related Parties	2,7,25	12.905.084	16.946.866
Other Liabilities	8	4.736.770	3.293.370
Taxes on Profit for the Period	2,13,23	1.221.503	8.103.146
Debt Provisions	2,13	2.113.495	3.800.167
Other Short Term Liabilities	15	26.646.420	21.854.981
Long Term Liabilities		**169.595.519**	**148.622.441**
Financial Liabilities	2,6	137.400.143	121.089.861
Trade Payables	2,7,25	2.555.492	-
Provision related to Employee Benefits	2,14	11.520.027	9.354.382
Deferred Tax Liabilitiy	2,23	18.119.857	18.178.198
EQUITY		**763.630.080**	**713.210.153**
Parent Company Equity		**749.041.143**	**698.351.826**
Share Capital	16	185.000.000	110.000.000
Capital Adjustment Differences	16	195.174.673	255.174.673
Issue Premiums		43.606	43.606
Restricted Profit Reserves	16	45.866.210	42.776.591
Retained Earnings/(Accumulated Losses)	16	272.267.337	217.449.747
Net Profit/(Loss) For The Period		50.689.317	72.907.209
Non-Controlling Interests	2.16	14.588.937	14.858.327
TOTAL LIABILITIES AND EQUITY		**1.278.947.807**	**1.128.483.775**

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2009 AND 2008 (TL)

	Notes	31 December 2009	31 December 2008
CONTINUING OPERATIONS			
Sales Income	17	950.171.096	908.464.727
Cost of Sales (-)	17	(775.693.257)	(827.159.341)
GROSS PROFIT/(LOSS)		**174.477.839**	**81.305.386**
Marketing, Sales and Distribution Expenses (-)	18	(10.415.877)	(1.854.349)
General Administration Expenses (-)	18	(70.071.619)	(39.273.576)
Research and Development Expenses (-)	18	(9.352.919)	(9.180.410)
Other Operating Income	20	19.373.246	14.376.271
Other Operating Expenses (-)	20	(36.379.755)	(4.110.399)
OPERATING PROFIT/(LOSS)		**67.630.915**	**41.262.923**
Financial Income	21	127.226.815	152.326.373
Financial Expenses (-)	22	(130.583.595)	(101.706.930)
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX		**64.274.135**	**91.882.366**
Current Period Tax Income/(Expense)	2,13,23	(11.282.887)	(15.750.109)
Deferred Tax Income/(Expense)	2,23	58.340	(915.847)
Continuing Operations Tax Income/(Expense)	2,23	(11.224.547)	(16.665.956)
PROFIT/(LOSS) FOR THE PERIOD		**53.049.588**	**75.216.410**
PROFIT/(LOSS) FOR THE PERIOD		**53.049.588**	**75.216.410**
OTHER COMPREHENSIVE PROFIT/(LOSS)		**-**	**-**
TOTAL COMPREHENSIVE PROFIT/(LOSS)		**53.049.588**	**75.216.410**
Distribution of Profit/(Loss) for the Period			
Non-Controlling Interests		2.360.271	2.309.201
Parent Company Shares		50.689.317	72.907.209
Distribution of Total Comprehensive Profit/(Loss)			
Non-Controlling Interests		2.360.271	2.309.201
Parent Company Shares		50.689.317	72.907.209
Parent Company Earnings/(Loss) per Share	2,24	0.27	0.66
Parent Company Diluted Earnings/(Loss) per Share	2,24	0.27	0.39

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008 (TL)

	Notes	Share Capital	Share Capital Inflation Adjustment Differences	Issue Premiums	Restricted Profit Reserves	Retained Earnings/ (Accumulated Losses)	Net Profit/ (Loss) for the Period	Parent Company Equity	Non-Controlling Interest	Total
Balance as at 1 January 2008	**16**	**110.000.000**	**255.174.673**	**43.606**	**16.579.576**	**238.916.635**	**4.730.127**	**625.444.617**	**15.755.617**	**641.200.234**
Transfer	16	-	-	-	-	4.730.127	(4.730.127)	-	-	-
Dividends paid	16	-	-	-	-	-	-	-	(3.206.491)	(3.206.491)
Gain on sale of investments		-	-	-	26.197.015	(26.197.015)	-	-	-	-
Net profit for the period	24	-	-	-	-	-	72.907.209	72.907.209	2.309.201	75.216.410
Balance as at 31 December 2008	**16**	**110.000.000**	**255.174.673**	**43.606**	**42.776.591**	**217.449.747**	**72.907.209**	**698.351.826**	**14.858.327**	**713.210.153**
Capital increase	16	75.000.000	(60.000.000)	-	-	(15.000.000)	-	-	-	-
Transfer	16	-	-	-	-	72.907.209	(72.907.209)	-	-	-
Transfer to reserves	16	-	-	-	2.969.994	(2.969.994)	-	-	-	-
Dividends paid	16	-	-	-	-	-	-	-	(2.629.661)	(2.629.661)
Gain on sale of investments		-	-	-	119.625	(119.625)	-	-	-	-
Net profit for the period	24	-	-	-	-	-	50.689.317	50.689.317	2.360.271	53.049.588
Balance as at 31 December 2009		**185.000.000**	**195.174.673**	**43.606**	**45.866.210**	**272.267.337**	**50.689.317**	**749.041.143**	**14.588.937**	**763.630.080**

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009 AND 2008 (TL)

	Notes	31 December 2009	31 December 2008
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (+)/loss (-) before tax		64.274.135	91.882.366
Adjustments:			
Depreciation (+)	19	50.720.829	37.664.885
Provisions related to employee benefits	13,14	2.165.645	(6.309)
Inventory provision	9	4.228.052	2.698.447
Debt provisions	13	(1.686.672)	(183.892)
Rediscount income, net	21,22	(1.557.217)	(620.849)
Provision for doubtful trade receivables, net	7	24.028.183	835.228
Income from marketables securities or long term investments (-)	21	(3.631.798)	(3.979.573)
(Profit)/loss on sales of fixed assets	20	102.022	(226.204)
Profit on sales of financial assets		-	(335.718)
Interest expense (+)		4.703.528	4.610.072
Income Before Working Capital Changes (-)		**143.346.707**	**132.338.453**
Increase (-)/decrease (+) in trade receivables	7	34.984.006	(114.209.801)
Increase (-)/decrease (+) in inventories	9	(18.105.703)	22.430.172
Increase (-) /decrease (+) in other receivables	8	2.508.788	(9.530.779)
Increase (-)/decrease (+) in other assets	15	(18.866.149)	10.675.089
Increase (+)/decrease (-) in trade payables	7	59.987.348	(14.930.157)
Increase (+)/decrease (-) in other payables	8	1.443.400	356.072
Increase (+)/decrease (-) in other liabilities	15	4.791.439	12.609.915
Interest payments (-)		(3.435.845)	(2.853.931)
Tax payments (-)	13	(18.164.530)	(8.027.430)
Net cash provided from operating activities		**188.489.461**	**28.857.603**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets sale total		-	399.300
Tangible asset acquisition (-)	10	(157.535.406)	(129.855.903)
Intangible asset acquisition (-)	11	(6.503.299)	(262.590)
Cash inflows from disposal of tangible and intangible assets(+)	10,11	863.927	1.421.147
Increase (-)/decrease (+) in other non-current assets	15	(16.187.897)	(33.418.018)
Collected interests (+)	21	3.631.798	3.979.573
Net cash (used in) investing activities		**(175.730.877)**	**(157.736.491)**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows/(outflows) related to short and long term liabilities	6	38.400.743	135.995.134
Effect of change in non-controlling interest		(2.629.661)	(3.206.491)
Net cash provided from financing activities		**35.771.082**	**132.788.643**
Increase/(decrease) in cash and cash equivalents		48.529.666	3.909.755
Cash and cash equivalents at the beginning of the period	2,4	63.583.555	59.673.800
Cash and cash equivalents at the end of the period	**2,4**	**112.113.221**	**63.583.555**

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

1. Organization and Principal Activities

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

Parent Company:	Sector
Aksa Akrilik Kimya Sanayii A.Ş.-Turkey	Chemistry and Energy
Subsidiaries:	
Ak-Pa Tekstil İhracat Pazarlama A.Ş. – Turkey *	Marketing
Ak-Tops Tekstil Sanayi A.Ş. – Turkey *	Textile
Fitco BV – the Netherlands **	Investment
Aksa Egypt Acrylic Fiber Industry SAE – Egypt **	Textile
Akgirişim Kimya ve Ticaret A.Ş.-Turkey **	Chemistry

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

** Stated in the consolidated financial statements at cost.

Aksa Egypt Acrylic Fiber Industry SAE is an indirect subsidiary of the Parent Company in which Fitco BV, Ak-Pa Tekstil İhracat Pazarlama A.Ş., and Ak-Tops Tekstil Sanayi A.Ş. have interests of 99%, 0,5%, and 0,5%, respectively.

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

The Parent Company is registered at the Capital Markets Board and 37,92% of its shares are traded at the Istanbul Stock Exchange (ISE).

As of 31 December 2009 and 2008, the shareholding structure of the Parent Company is as follows:

Name	31 December 2009 Shareholding	31 December 2008 Shareholding
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58%	39,58%
Emniyet Tic. ve San. A.Ş.	18,72%	18,72%
Other*	41,70%	41,70%
	100,00%	**100,00%**

* Represents shareholdings of less than 10%.

As of 31 December 2009, the average number of employees is 1.116 (31 December 2008 – 902).

2. Presentation of the Financial Statements

i. Basis of Presentation:

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

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

The accompanying consolidated financial statements and explanatory notes are presented in accordance with the mandatory formats and principles announced by CMB in its Weekly Bulletin dated 14-18 April 2008 Nr. 2008/16. In line with the revisions in TAS1 which is valid for the financial periods starting on or subsequent to 1 January 2009, the balance sheet is presented under the name of the statement of financial position, and the profit/loss sections are presented under a single statement of comprehensive income.

As per the resolution of the Council of Ministers dated 4 April 2007 Nr. 2007/11963, the word "New" in the "New Turkish Lira" and in the "New Kuruş" have been cancelled with effect from 1 January 2009. Accordingly, TRY 1 (New Turkish Lira) will be equal to TL 1 (Turkish Lira).

The functional currency used by the Parent Company and its subsidiaries is Turkish Lira (TL) and the accompanying consolidated financial statements and related notes are presented in TL.

The Company's consolidated financial statements prepared at 31 December 2009 in accordance with the Communiqué XI/29 are approved at 8 March 2010 by the Company management to be submitted to the Board of Directors.

The Board of Directors of the Parent Company and the CMB have the power to amend the interim financial statements, and the General Assembly and the CMB retain the right to amend the annual financial statements.

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

TAS 29 deals with the effects of inflation on financial statements and requires that financial statements prepared in the currency of a high inflation economy be stated in terms of the measuring unit current at the reporting date and that corresponding figures for previous periods be restated in the same terms. As per the resolution of the CMB dated 17 March 2005 Nr 11/367 the application of inflation adjustment of the financial statements has ended in 2005, hence the financial statements are restated at the purchasing value of the Turkish Lira as at 31 December 2004. Additions to non-monetary items subsequent to 1 January 2005 are stated at their nominal values.

iii. Consolidation Principles:

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

	31 December 2009	31 December 2008
Subsidiaries		
Ak-Pa Tekstil İhracat Pazarlama A.Ş. (1)	13,47%	13,47%
Ak-Tops Tekstil San. A.Ş. (1)	60,00%	60,00%
Fitco BV (2)	100,00%	100,00%
Aksa Egypt Acrylic Fiber Industry SAE (2)(3)	99,14%	99,14%
Akgirişim Kimya ve Ticaret A.Ş. (2)	58,00%	58,00%

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

(2) An indirect subsidiary stated in the accompanying consolidated financial statements at cost due to its immaterial effect.

(3) Indirect subsidiary.

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

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

Full Consolidation Method:

- All items of the statement of financial position except for the paid in capital of the Parent Company and its subsidiaries and their equities at the acquisition date are added, and inter-company balances are eliminated.

- The Parent Company's interest in the subsidiaries is set off against the Long Term Financial Assets account of the Parent Company and the Share Capital accounts of the subsidiaries.

- As of the acquisition date, the Parent Company's shareholding in its subsidiaries is set off against the portion of share capital it owns in the subsidiary's equity for one single time. The equity of the subsidiary at the acquisition date should be drawn up according to the market value of the subsidiary's net assets at that date. The difference that appears in favor of the recorded value is recognized as positive goodwill in the consolidated statement of financial position as a separate item and that which appears against the recorded value is recognized as negative goodwill in the statement of comprehensive income. The Parent Company has taken over at a total price of TL 16.250.000,00 the participation shares of TL 1.000.000 nominal value representing 50% of the share capital of Aktops Tekstil Sanayi A.Ş., a company under the ownership of Akkök Sanayi Yatırım ve Geliştirme A.Ş., with a share capital of TL 2.000.000 which is directly related to the Parent Company's principal activities and which makes exclusive custom manufacturing for the Parent Company and whose share transfer fee has been determined by the Valuation Report submitted by İş Yatırım Menkul Değerler A.Ş. as of 8 June 2007.

- As the cost of acquired subsidiary is higher than the value of shares stated among equities in the consolidated statements of financial position prepared in accordance with TAS/TFRS at the acquisition dates of the subsidiaries, a total positive goodwill of TL 5.988.651 has been created (Note 12). In the event of any value decrease related to the goodwill amount, it is reflected to the statement of comprehensive income. A value decrease test is performed at the same date of each year in order to determine if there is any value decrease in the goodwill. As of 31 December 2009 and 2008, there is no impairment in goodwill.

- The totals related to shares other than the Parent Company shares are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as "Non-controlling Interests" in the consolidated statement of financial position and in the consolidated statement of comprehensive income as an item separated from the Parent Company's equity share.

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

iv. Adjustments :

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

- Rediscount calculation on post-dated cheques, notes receivable, customers, notes payable, suppliers, and loans
- Depreciation adjustment
- Deferred tax adjustment
- Inventory provision adjustment
- Adjustment of provision for doubtful receivables
- Provision for litigation
- Adjustment related to investments in progress
- Adjustment of provision for termination indemnity
- Adjustment related to derivative financial instruments
- Adjustments related to cash and cash equivalents
- Expense accrual adjustment
- Elimination of inter-group balances and transactions as per the consolidation procedure

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

Consolidated statements of financial position as of 31 December 2009 and 2008 and notes to these statements as well as the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended have been presented comparatively. In order to comply with the presentation of the current period financial statements, the comparative information is reclassified when deemed necessary. TL 3.800.769 of maturity difference and foreign exchange gains followed up under other operating income as of 31 December 2008 are classified under financial income.

vi. Offsetting:

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

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

The accounting policies applied by the Parent Company and its subsidiaries are consistent with those applied in the prior year. Significant changes in accounting policies are applied and significant errors are treated, retrospectively, and the prior year financials are restated. Changes in accounting policies are applied in the period of the change if they are related to the one period only; however, if they are related to the future periods, they are applied both in the period of change and the future period, prospectively.

viii. The New and Revised Turkish Accounting/Financial Reporting Standards:

During the current period, TASB has issued the new and revised standards with effect from 1 January 2009 and 1 July 2009, and the Parent Company and its subsidiaries have applied those that relate to their own field of activity.

The standards, changes and comments that have come into force in 2009 but not applied by the Parent Company and its subsidiaries as they have no relation with the Parent Company and its subsidiaries operations:

The standards listed below and the changes and comments introduced to the prior standards have been enforced for the financial periods starting at or subsequent to 1 January 2009 and 1 July 2009. However, such standards, changes and comments are not related to the operations of the Parent Company and its subsidiaries; hence, they are not applied.

Changes to be applied for periods starting at or subsequent to 1 January 2009:

- TAS 16 – "Tangible Assets – Recoverable Value, Disposal of Assets Held for Leasing"
- TAS 19 – "Employee Benefits – Curtailments and Negative Past Service Cost, Plan Management Cost, Change of the term "Matured", Guidelines to Contingent Liabilities"
- TAS 20 – "Accounting for Government Grants and Disclosure of Government Assistance-Government Loans at a Below-Market Rate of Interest"

Changes to be applied for periods starting at or subsequent to 1 July 2009;

- TFRS 1 – "First-Time Adoption of International Financial Reporting Standards"
- TFRS 3 – "Business Combinations"
- TAS 28 – "Investments in Associates"
- TAS 31 – "Interests in Joint Ventures"
- TFRS Comment 17 – "Distribution of Non-Cash Assets to Owners"

ix. Significant Accounting Policies and Valuation Procedures Applied:

(a) Financial Instruments:

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

i. Cash and Cash Equivalents

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

Cash is composed of Turkish Lira and foreign currency balances. The Turkish Lira balances are stated at face values, and the foreign currency balances are translated into Turkish Lira at the foreign exchange rate issued by the Central Bank at the end of the reporting period.

Bank accounts consist of demand and time deposit accounts and the related interest accrued. Turkish Lira deposit accounts are stated at cost and foreign currency accounts are translated into Turkish Lira at the foreign currency rate issued by the Central Bank at the end of the reporting period.

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

Fair Value

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

ii. Trade Receivables

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

Fair Value

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

iii. Related Parties

A party is related to an entity if the party is a legal body or a real person which directly or indirectly controls, is controlled by, or is under common control with the entity, has an interest in the entity that gives it significant influence over the entity, and if the party is a subsidiary, an affiliate or a joint venture in which the entity is a venturer. Furthermore, members of the key management personnel of the entity, close members of the family of any individual referred to above, and parties representing post-employment benefit plan for the benefit of employees of the entity are also defined as related parties.

iv. Trade Payables

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

Fair Value

The discounted value of trade payables are assumed to approximate to their fair values.

v. Short and Long Term Bank Loans

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

Fair Value

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

vi. Financial Derivative Instruments

The Parent Company enters into forward contracts and realizes interest rate swap operations with the objective to hedge against foreign currency risk and loan interest risk arising from its operating and financing activities. The current value of outstanding contracts is calculated by using internal pricing models and the unrealized foreign exchange gains/losses are recognized in the statement of comprehensive income.

(b) Inventories:

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost is determined by using the weighted average cost method covering a reasonable portion of raw material, supplies, labor and general production expenses.

(c) Financial Assets :

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

Financial assets available for sale consist of financial investments other than operating loans and receivables, and financial assets held until maturity and for trading purposes. Financial assets available for sale are valued at their fair value in the period following the initial recording. Financial assets available for sale in which the direct and indirect votes of the Parent Company is below 20% or with insignificant influence even if above 20%, or those that do not have material effect on financial statements, or are not traded in the active markets or whose fair values cannot be determined reliably, are recognised at their cost values, less provision for value decrease, if any. Financial investments do not have a market value and are recognized at their unit values restated as of 31 December 2004, less provision for value decrease, if any. Furthermore, the financial assets available for sale whose market values are quoted at active markets and can be determined reliably are recognized at their fair values.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(d) Tangible Assets:

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

Tangible assets have been restated using the measuring unit current at 31 December 2004 from the dates of acquisition. Additions made subsequent to 1 January 2005 are stated at their nominal values. Depreciation of tangible assets is made over the inflation-adjusted amounts and the nominal values for the acquisitions subsequent to 1 January 2005 on a straight-line basis based on the estimated useful lives of these assets.

The depreciation periods which approximate to the economic useful lives of the assets are as follows:

Buildings	5-50 years
Land improvements	2-50 years
Machinery, plant and equipment	3-30 years
Motor vehicles	4-8 years
Furniture and fixtures	2-50 years
Other tangible assets	5 years

(e) Intangible Assets:

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

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

Rights	3-40 years
Intangible assets arising from development phase of an internal project	5 years
Special costs	1-5 years
Other intangible assets	3-5 years

(f) Intangible Assets Arising From Development Phase of an Internal Project:

Project costs related to new product development or testing and design of the newly developed products are recognized as intangible assets in the event that the project is successfully applied in terms of technology and trade and that the costs are determined reliably. Other development expenses and research expenses are recognized when they are realized. A development expense recognized in the prior period cannot be capitalized in the succeeding period.

The Parent Company deals with the production and trade of a carbon fiber project which is planned to be introduced to the market during the future periods. Intangible assets arising from the development phase of the said project are recognized under the Intangible Assets account group.

(g) Assets and Liabilities in Foreign Currency:

Foreign currency assets and liabilities recognized in the statement of financial position are translated into Turkish Lira at the foreign exchange rates announced by the Turkish Central Bank at the reporting dates. Transactions in foreign currencies during the period are translated into Turkish Lira at the actual rates applicable on the transaction date. Exchange gains and losses resulting from such translations are included in the statements of comprehensive income.

(h) Impairment of Assets:

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

On the other hand, the recoverable value of cash generating assets is the higher of the value computed by subtracting the sales value of the asset from its fair value compared to the value in use of the asset. The value in use of the said assets is the present value of the cash flows expected to be obtained from the assets. For the calculation of the value in use, the future cash flow estimates are discounted to their present value by using the time value of money and the discount rate before tax which reflects risks attributable to the asset.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(i) Deferred Taxes:

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

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

(j) Income Taxes:

Under the Turkish Tax Code, a company that has its head office or place of business in Turkey is subject to a corporate tax.

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

Corporate earnings are subject to corporation tax at a rate of 20%. Whether exempted or not, dividends paid in cash to real persons with full liability and real persons and entities with limited liability (non-residents) are subject to income tax withholding at a rate of 15%. However, income tax withholding is not applicable to the dividends arising from 1998 and prior years' profits and from the exempt profits relating to the years 1999, 2000, 2001 and 2002 as well as income and profits corresponding to the above mentioned investment allowance taxed at the rate of 19,8%. Addition of current year and prior year profits (retained earnings) to share capital has not been regarded as distribution of profits and therefore no withholding tax is applicable to these earnings. On the other hand, no withholding tax is applicable to entities with full liability in profit distributions.

Further, provisional corporation tax is paid at a rate of 20% on the profits declared for interim periods to be deducted from the corporation tax.

With respect to the article 298 (bis) of the Tax Law amended by Law 5024 to be enacted as of 1 January 2004, the financial statements of the tax payers whose earnings are determined on balance sheet basis are subject to inflation adjustment in the event that the increase in price indices exceed 100% for the last three accounting periods including the current period and 10% for the current accounting period. In the 2009 and 2008 accounting periods, the criteria of 100% and 10% have not been realized simultaneously in the Producers Price Index and for that reason no inflation adjustment has been applied.

As of 31 December 2009 and 2008 income tax provisions have been made in accordance with the prevailing tax legislation.

(k) Employee Benefits:

Under Turkish Labour Law Article 25/II, the Company is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service. This entitlement is limited to TL 2.365,16 in respect of each year of service as of 31 December 2009 (31 December 2008 – TL 2.173,19).

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

- The dates that the employees will gain their pension rights are determined with respect to the prevailing social security laws with consideration to their past employment durations.

- In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the current salaries and wages or the value of the termination indemnity upper limit determined by the Labour Law for 31 December 2009 to remain constant for restatement purposes, and later on, this value is reduced by the actual discount rate of 5,92% (31 December 2008 – 6,26%) calculated upon the assumption that the expected annual inflation rate will be 4,8% (31 December 2008 – 5,4%) and the expected discount rate will be 11% (31 December 2008-12%) which represents the proposed average interest rate per annum of the government bonds, in order to determine the current net value of the termination indemnity liability at the reporting date.

As of 31 December 2009 and 2008, assumptions for calculating termination indemnity are as follows:

	31 December 2009	31 December 2008
Discount rate	5,92%	6,26%
The ratio of the number of employees who have gained the right to receive termination indemnity in the prior years to the total number of employees	100%	100%

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(l) Revenues and Expenses:

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

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

Interest revenue accrual is calculated over the effective interest rate. Leasing income/expenses originating from operational leasing are recognized in the financial statements as income/expense on straight line basis throughout the leasing period.

Dividend income is recognized at the time when collection right is established.

(m) Earnings/(Loss) Per Share:

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

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

(n) Accounting Estimates:

During the preparation of financial statements in accordance with the TAS/TFRS, the Management may make assumptions and estimates that might affect the book value of the assets and liabilities stated in the financial statements as of the end of the reporting period, explanations regarding unrecognized liabilities, and income and expense totals related to the period. However, actual results may vary from these results.

(o) Events After the Reporting Period:

The Parent Company and its subsidiaries should update disclosures that relate to conditions that existed at the end of the reporting period to reflect any new information that they receive after the reporting period about those conditions. Non-adjusting events should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.

(p) Conditional Assets and Liabilities:

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

(r) Borrowing Costs:

Borrowing costs are recognized as expense. Borrowing costs related to the qualifying assets are included directly in the cost of the related qualifying asset. Upon completion of the necessary operations to make the qualifying asset ready for use or sale, the capitalization of the borrowing costs are discontinued. As of 31 December 2009, the borrowing costs amounting to TL 1.683.972 directly related to the investments in progress are added to the cost of the related asset (31 December – TL 24.667.878)(Note 10).

(s) Segment Reporting:

For the years ended 31 December 2009 and 2008, the operating activities of the Parent Company and its Subsidiaries are classified under three sectors, namely, chemistry, textiles, and marketing.

(t) Government Incentives and Grants:

The government incentives utilized by the Parent Company are those that are related to revenues and they are recognized in the statement of comprehensive income.

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3. Segment Reporting

As of 31 December 2009, segment reporting consists of the following (TL):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
ASSETS					
Current Assets	603.975.240	11.399.928	115.105.287	(97.140.254)	633.340.201
Cash and Cash Equivalents	106.271.532	2.508.600	3.333.089	-	112.113.221
Trade Receivables					
-Other Trade Receivables	224.755.693	164.043	96.689.946	-	321.609.682
-Due from Related Parties	93.962.746	5.715.386	3.619.779	(96.716.506)	6.581.405
Other Receivables	32.523.140	769.473	9.539.753	-	42.832.366
Inventories	110.807.375	1.922.231	1.764.545	(423.748)	114.070.403
Other Current Assets	35.654.754	320.195	158.175	-	36.133.124
Non-current Assets	643.354.649	13.749.589	2.545.641	(14.042.273)	645.607.606
Trade Receivables	11.732.305	-	-	-	11.732.305
Other Receivables	11.547	4.931	-	-	16.478
Financial Assets	27.138.270	39.361	39.388	(19.217.238)	7.999.781
Tangible Assets	546.376.998	11.065.073	2.502.042	(813.686)	559.130.427
Intangible Assets	6.728.091	2.640.224	4.211	-	9.372.526
Goodwill	-	-	-	5.988.651	5.988.651
Other Non-current Assets	51.367.438	-	-	-	51.367.438
TOTAL ASSETS	**1.247.329.889**	**25.149.517**	**117.650.928**	**(111.182.527)**	**1.278.947.807**

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

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	Chemistry *	Textile	Marketing	Classification and Elimination	Total
LIABILITIES					
Short Term Liabilities	330.159.956	2.278.159	110.045.628	(96.761.535)	345.722.208
Financial Debts	132.285.150	2.194	9.553.214	-	141.840.558
Trade Payables					
-Other Trade Payables	152.364.938	409.086	3.484.354	-	156.258.378
-Due to Related Parties	13.042.574	387.411	96.236.634	(96.761.535)	12.905.084
Other Payables	3.965.197	250.744	520.829	-	4.736.770
Taxes Payable on Profit for the Current Period	523.319	447.587	250.597	-	1.221.503
Debt Provisions	1.463.029	650.466	-	-	2.113.495
Other Short Term Liabilities	26.515.749	130.671	-	-	26.646.420
Long Term Liabilities	167.254.041	2.105.292	311.926	(75.740)	169.595.519
Financial Debts	137.400.143	-	-	-	137.400.143
Trade Payables	2.555.492	-	-	-	2.555.492
Provision for Employee Benefits	9.495.556	1.612.309	412.162	-	11.520.027
Deferred Tax Liability	17.802.850	492.983	(100.236)	(75.740)	18.119.857
EQUITY	**749.915.892**	**20.766.066**	**7.293.374**	**(14.345.252)**	**763.630.080**
Parent Company Equity	749.915.892	20.766.066	7.293.374	(28.934.189)	749.041.143
Paid-in Capital	380.174.674	8.465.590	17.440.373	(221.080.637)	185.000.000
Inflation Adjustment on Share Capital	-	-	-	195.174.673	195.174.673
Issue Premiums	1.669.549	-	-	(1.625.943)	43.606
Restricted Profit Reserves	122.307.449	10.616.750	1.441.257	(88.499.246)	45.866.210
Retained Earnings/(Accumulated Losses)	194.195.132	(729.620)	(13.200.336)	92.002.161	272.267.337
Net Profit/(Loss) for the Period	51.569.088	2.413.346	1.612.080	(4.905.197)	50.689.317
Non-controlling Interests	-	-	-	14.588.937	14.588.937
TOTAL LIABILITIES AND EQUITY	**1.247.329.889**	**25.149.517**	**117.650.928**	**(111.182.527)**	**1.278.947.807**

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

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	Chemistry *	Textile	Marketing	Classification and Elimination	Total
CONTINUING ACTIVITIES					
Sales Income (net)	906.377.578	30.393.554	422.891.008	(409.491.044)	950.171.096
Cost of Sales (-)	(747.678.561)	(23.861.375)	(416.653.517)	412.500.196	(775.693.257)
GROSS PROFIT/(LOSS)	**158.699.017**	**6.532.179**	**6.237.491**	**3.009.152**	**174.477.839**
Marketing, Sales and Distribution Expenses (-)	(9.903.261)	-	(512.616)	-	(10.415.877)
General Administration Expenses (-)	(62.306.122)	(3.111.052)	(4.695.460)	41.015	(70.071.619)
Research and Development Expenses (-)	(9.376.632)	-	-	23.713	(9.352.919)
Other Operating Income	17.982.353	691.818	809.773	(110.698)	19.373.246
Other Operating Expenses(-)	(39.624.793)	(1.160.931)	(215)	4.406.184	(36.379.755)
OPERATING PROFIT/(LOSS)	**55.470.562**	**2.952.014**	**1.838.973**	**7.369.366**	**67.630.915**
Financial Income	107.847.780	178.705	29.196.486	(9.996.156)	127.226.815
Financial Expenses (-)	(101.614.973)	(1.213)	(29.015.355)	47.946	(130.583.595)
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX	**61.703.369**	**3.129.506**	**2.020.104**	**(2.578.844)**	**64.274.135**
Tax Income/(Expense) for the Period	(9.645.120)	(1.243.344)	(394.423)	-	(11.282.887)
Deferred Tax Income/(Expense)	(489.161)	527.184	(13.601)	33.918	58.340
Tax Income/(Expense) Related to Continuing Activities	(10.134.281)	(716.160)	(408.024)	33.918	(11.224.547)
PROFIT/(LOSS) FOR THE PERIOD ON CONTINUING ACTIVITIES	**51.569.088**	**2.413.346**	**1.612.080**	**(2.544.926)**	**53.049.588**
PROFIT/(LOSS) FOR THE PERIOD	**51.569.088**	**2.413.346**	**1.612.080**	**(2.544.926)**	**53.049.588**
OTHER COMPREHENSIVE PROFIT/(LOSS)	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE PROFIT/(LOSS)	**51.569.088**	**2.413.346**	**1.612.080**	**(2.544.926)**	**53.049.588**

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

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As of 31 December 2008, segment reporting consists of the following (TL):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
ASSETS					
Current Assets	579.816.424	10.535.100	116.961.977	(98.237.358)	609.076.143
Cash and Cash Equivalents	60.259.117	582.063	2.742.375	-	63.583.555
Trade Receivables					
-Other Trade Receivables	283.008.870	133.918	75.727.971	-	358.870.759
-Due from Related Parties	96.761.228	6.689.305	19.662.227	(97.885.066)	25.227.694
Other Receivables	27.673.552	13.035	17.661.628	-	45.348.215
Inventories	96.390.405	2.280.372	460.460	(352.292)	98.778.945
Other Current Assets	15.723.252	836.407	707.316	-	17.266.975
Non-current Assets	514.437.396	16.347.311	2.665.198	(14.042.273)	519.407.632
Trade Receivables	12.665.408	-	-	-	12.665.408
Other Receivables	9.417	-	-	-	9.417
Financial Assets	27.138.270	39.361	39.388	(19.217.238)	7.999.781
Tangible Assets	439.250.455	13.486.286	2.616.161	(813.686)	454.539.216
Intangible Assets	194.305	2.821.664	9.649	-	3.025.618
Goodwill	-	-	-	5.988.651	5.988.651
Other Non-current Assets	35.179.541	-	-	-	35.179.541
TOTAL ASSETS	**1.094.253.820**	**26.882.411**	**119.627.175**	**(112.279.631)**	**1.128.483.775**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
LIABILITIES					
Short Term Liabilities	250.058.121	2.378.809	112.242.501	(98.028.250)	266.651.181
Financial Debts	100.899.481	-	17.582.933	-	118.482.414
Trade Payables					
-Other Trade Payables	91.710.694	1.031.094	1.428.449	-	94.170.237
-Due to Related Parties	21.755.540	849.258	92.370.318	(98.028.250)	16.946.866
Other Payables	2.510.353	182.199	600.818	-	3.293.370
Taxes Payable on Profit for the Current Period	7.915.984	-	187.162	-	8.103.146
Debt Provisions	3.554.622	172.724	72.821	-	3.800.167
Other Short Term Liabilities	21.711.447	143.534	-	-	21.854.981
Long Term Liabilities	145.848.909	2.431.760	383.594	(41.822)	148.622.441
Financial Debts	121.089.861	-	-	-	121.089.861
Provisions for Employee Benefits	7.445.359	1.411.592	497.431	-	9.354.382
Deferred Tax Liability	17.313.689	1.020.168	(113.837)	(41.822)	18.178.198
EQUITY	**698.346.790**	**22.071.842**	**7.001.080**	**(14.209.559)**	**713.210.153**
Parent Company Equity	698.346.790	22.071.842	7.001.080	(29.067.886)	698.351.826
Paid-in Capital	365.174.673	8.465.590	17.440.373	(281.080.636)	110.000.000
Inflation Adjustment on Share Capital	-	-	-	255.174.673	255.174.673
Issue Premiums	1.669.549	-	-	(1.625.943)	43.606
Restricted Profit Reserves	119.337.456	10.254.838	2.585.771	(89.401.474)	42.776.591
Retained Earnings /(Accumulated Losses)	138.163.566	811.682	(14.519.700)	92.994.199	217.449.747
Net Profit/(Loss) for the Period	74.001.546	2.539.732	1.494.636	(5.128.705)	72.907.209
Non-controlling Interests	-	-	-	14.858.327	14.858.327
TOTAL LIABILITIES AND EQUITY	**1.094.253.820**	**26.882.411**	**119.627.175**	**(112.279.631)**	**1.128.483.775**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
CONTINUING ACTIVITIES					
Sales Income (net)	885.439.640	29.652.066	343.403.588	(350.030.567)	908.464.727
Cost of Sales (-)	(791.723.286)	(25.562.820)	(366.450.083)	356.576.848	(827.159.341)
GROSS PROFIT/(LOSS)	**93.716.354**	**4.089.246**	**(23.046.495)**	**6.546.281**	**81.305.386**
Marketing, Sales and Distribution Expenses (-)	(6.073.093)	-	-	4.218.744	(1.854.349)
General Administration Expenses (-)	(30.875.251)	(2.356.442)	(5.488.297)	(553.586)	(39.273.576)
Research and Development Expenses (-)	(9.216.640)	-	-	36.230	(9.180.410)
Other Operating Income	13.080.815	697.535	702.425	(104.504)	14.376.271
Other Operating Expenses(-)	(9.819.724)	(83.254)	(394.706)	6.187.285	(4.110.399)
OPERATING PROFIT/(LOSS)	**50.812.461**	**2.347.085**	**(28.227.073)**	**16.330.450**	**41.262.923**
Financial Income	162.895.293	604.740	30.487.066	(41.660.726)	152.326.373
Financial Expenses (-)	(123.640.777)	(81.527)	(418.953)	22.434.327	(101.706.930)
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX	**90.066.977**	**2.870.298**	**1.841.040**	**(2.895.949)**	**91.882.366**
Tax Income/(Expense) for the Period	(14.795.878)	(583.960)	(370.271)	-	(15.750.109)
Deferred Tax Income /(Expense)	(1.269.553)	253.394	23.867	76.445	(915.847)
Tax Income/(Expense) Related to Operating Activities	(16.065.431)	(330.566)	(346.404)	76.445	(16.665.956)
PROFIT/(LOSS) FOR THE PERIOD ON CONTINUING ACTIVITIES	**74.001.546**	**2.539.732**	**1.494.636**	**(2.819.504)**	**75.216.410**
PROFIT/(LOSS) FOR THE PERIOD	**74.001.546**	**2.539.732**	**1.494.636**	**(2.819.504)**	**75.216.410**
OTHER COMPREHENSIVE PROFIT/(LOSS)	**-**	**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE PROFIT/(LOSS)	**74.001.546**	**2.539.732**	**1.494.636**	**(2.819.504)**	**75.216.410**

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

Distribution of depreciation expenses per segments stated in the statement of comprehensive income for the year ended 31 December 2009 is as follows (TL):

	Chemistry*	Textile	Marketing	Total
Tangible Assets	46.678.391	2.708.583	140.356	49.527.330
Intangible Assets	969.005	219.055	5.439	1.193.499
Total depreciation and amortisation for the current year	**47.647.396**	**2.927.638**	**145.795**	**50.720.829**

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Distribution of depreciation expenses per segments stated in the statement of comprehensive income for the year ended 31 December 2008 is as follows (TL):

	Chemistry*	Textile	Marketing	Total
Tangible Assets	34.512.904	2.592.050	158.868	37.263.822
Intangible Assets	176.593	216.386	8.084	401.063
Total depreciation and amortisation for the current year	34.689.497	2.808.436	166.952	37.664.885

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

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following (TL)

	31 December 2009	31 December 2008
Cash	104.435	134.711
Banks (Note 26 (i))	101.666.427	43.545.402
-TL demand deposit	7.861.122	1.968.990
-Foreign currency demand deposit	2.666.130	4.891.818
-TL time deposit *	39.459.748	11.358.136
-Foreign currency time deposit **	51.679.427	25.326.458
Cheques received	9.901.617	19.903.442
Other	440.742	-
Total	**112.113.221**	**63.583.555**

* As of 31 December 2009 the interest rate on TL time deposit accounts varies between 6,80% and 10,60% (31 December 2008 – 16,55%-16,65%).
** As of 31 December 2009, the interest rates on USD time deposit accounts vary between 1,65% and 3,35%. There are no Euro deposit accounts (31 December 2008-USD 3%-Euro 7%).

The sum of cash balances and cheques received is stated as “Other” in the Credit Risk Table (Note 26 (i)).

5. Financial Assets

Financial assets consist of the following (TL) :

	31 December 2009	31 December 2008
Subsidiaries;		
Aksa Egypt Acrylic Fiber Industry SAE	78.695	78.695
Fitco BV	7.863.032	7.863.032
Akgirişim Kimya ve Ticaret A.Ş.	58.000	58.000
Other long term financial assets	54	54
Total	**7.999.781**	**7.999.781**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

6. Financial Liabilities

Financial liabilities consist of the following (TL) :

	31 December 2009	31 December 2008
Short term bank loans	106.671.792	117.676.634
Principal payments of long term bank loans and related interests	35.168.766	805.780
Short term financial liabilities	141.840.558	118.482.414
Long term financial liabilities	137.400.143	121.089.861
Total financial liabilities (Note 26 (ii))	**279.240.701**	**239.572.275**

The maturities of long term loans are 15 December 2014 and 30 December 2014.

As of 31 December 2009, the interest rate on short term TL loans is 8%; the interest rate on USD loans varies between 0,85% and 4,79% (31 December 2008 –TL loans: 14,50%-17%; USD loans: 2,71%-10,52%).

As of 31 December 2009, the interest rate on long term USD bank loans vary between 1,99% and 5,63% (31 December 2008 – USD loans: 4,02%-5,63%).

7. Trade Receivables and Payables

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

	31 December 2009	31 December 2008
Customers	171.545.281	136.111.961
Notes receivable and post-dated cheques	151.705.502	225.175.376
Rediscount on receivables (-)	(1.641.101)	(2.416.578)
Doubtful trade receivables (Note 26(i))	26.276.052	2.247.869
Provision for doubtful trade receivables (-) (Note 26(i))	(26.276.052)	(2.247.869)
Total other trade receivables *	321.609.682	358.870.759
Trade receivables from related parties	6.674.363	25.424.800
Rediscount (-)	(92.958)	(197.106)
Trade receivables from related parties (Notes 25 and 26(i))	6.581.405	25.227.694
Total short term trade receivables	**328.191.087**	**384.098.453**

Changes in provisions for doubtful trade receivables as of 31 December 2009 and 2008 are set out in the table below (TL):

	31 December 2009	31 December 2008
Opening balance	2.247.869	1.412.641
Provisions (Note 18)	24.028.183	835.228
Closing balance	**26.276.052**	**2.247.869**

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

	31 December 2009	31 December 2008
Notes receivable and post-dated cheques	11.934.514	14.159.712
Rediscount on receivables (-)	(202.209)	(1.494.304)
Total long term trade receivables *	**11.732.305**	**12.665.408**

* The sum of short and long term other trade receivables is stated as "Other Party" in the Credit Risk Table in Note 26(i).

Trade payables consist of the following (TL) :

	31 December 2009	31 December 2008
Suppliers	156.303.432	95.601.186
Notes payable	250.000	-
Rediscount on payables (-)	(295.054)	(1.430.949)
Other trade payables	**156.258.378**	**94.170.237**
Short term trade payables to related parties	13.145.168	16.946.866
Long term trade payables to related parties	2.836.800	-
Rediscount (-)	(521.392)	-
Trade payables to related parties (Note 25)	**15.460.576**	**16.946.866**
Total trade payables (Note 26 (ii))	**171.718.954**	**111.117.103**

8. Other Receivables and Payables

Short term other receivables consist of the following (TL) :

	31 December 2009	31 December 2008
VAT receivable	31.928.394	27.161.696
Other receivables	263.617	253.349
Due from personnel	388.310	193.158
Deposits and guarantees given	203.020	59.255
Other receivables *	**32.783.341**	**27.667.458**
Other receivables from related parties (Note 25 and Note 26 (i))	**10.049.025**	**17.680.757**
Total other receivables	**42.832.366**	**45.348.215**

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

	31 December 2009	31 December 2008
Deposits and guarantees given *	16.478	9.417

* The sum of short and long term other receivables is stated as "Other Party" in the Credit Risk Table (Note 26 (i)).

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Other payables consist of the following (TL) :

	31 December 2009	31 December 2008
Taxes, duties and other withholdings payable	2.897.832	1.879.354
Social security premiums payable	1.788.375	1.378.191
Due to personnel	21.593	16.203
Other miscellaneous debts	25.022	15.776
Deposits and guarantees received	1.036	1.036
Other payables	**4.733.858**	**3.290.560**
Other payables to related parties (Note 25)	**2.912**	**2.810**
Total other payables (Note 26 (ii))	**4.736.770**	**3.293.370**

9. Inventories

Inventories consist of the following (TL) :

	31 December 2009	31 December 2008
Raw materials and supplies	81.816.675	64.934.273
Semi-finished goods	11.152.733	9.419.137
Finished goods	26.115.250	26.663.522
Trade goods	1.764.545	460.460
Other inventories	147.699	-
Inventory provision (-) (Note 18)	(6.926.499)	(2.698.447)
	114.070.403	**98.778.945**

As of 31 December 2009 and 2008, changes in inventory provision in the respective periods are set out below (TL) :

	31 December 2009	31 December 2008
Opening balance	2.698.447	-
Provisions no longer required (-) (Note 20)	(2.698.447)	-
Provisions made (Note 18)	6.926.499	2.698.447
Closing balance	**6.926.499**	**2.698.447**

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10. Tangible Assets

Tangible assets consist of the following (TL) :

As of 31 December 2009;

Cost	Opening 1 January 2009	Additions	Transfers	Capitalized Finance Cost	Disposals	Closing 31 December 2009
Land	59.187.145	-	-	-	-	59.187.145
Land improvements	34.899.461	6.124	569.494	-	-	35.475.079
Buildings	100.328.805	24.975	10.330.857	-	(1.089.532)	109.595.105
Machinery and equipment	625.757.439	13.053.906	105.404.218	-	(16.053)	744.199.510
Motor vehicles	881.609	429.379	-	-	(54.394)	1.256.594
Furniture and fixtures	14.055.668	783.213	52.139	-	(160.318)	14.730.702
Other tangible assets	9.219	-	-	-	-	9.219
Investments in progress	57.024.162	142.362.531	(117.135.321)	1.683.972	-	83.935.344
Sub total	**892.143.508**	**156.660.128**	**(778.613)**	**1.683.972**	**(1.320.297)**	**1.048.388.698**
Accumulated depreciation (-)						
Land improvements	(24.426.683)	(1.492.989)	-	-	-	(25.919.672)
Buildings	(29.171.481)	(2.142.410)	-	-	138.736	(31.175.155)
Machinery and equipment	(371.636.476)	(47.691.466)	-	-	16.054	(419.311.888)
Motor vehicles	(803.309)	(56.064)	-	-	56.654	(802.719)
Furniture and fixtures	(11.557.211)	(632.093)	-	-	149.686	(12.039.618)
Other tangible assets	(9.132)	(87)	-	-	-	(9.219)
Sub total	**(437.604.292)**	**(52.015.109)**	**-**	**-**	**361.130**	**(489.258.271)**
Net Book Value	**454.539.216**	**104.645.019**	**(778.613)**	**1.683.972**	**(959.167)**	**559.130.427**

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As of 31 December 2008;

Cost	Opening 1 January 2008	Additions	Transfers	Capitalized Finance Cost	Disposals	Closing 31 December 2008
Land	54.577.547	-	4.609.598	-	-	59.187.145
Land improvements	31.667.828	-	3.231.633	-	-	34.899.461
Buildings	79.206.377	43.236	21.490.209	-	(411.017)	100.328.805
Machinery and equipment	495.005.286	21.648.792	109.635.493	-	(532.132)	625.757.439
Motor vehicles	1.207.263	2.354	-	-	(328.008)	881.609
Furniture and fixtures	14.357.832	468.449	592.373	-	(1.362.986)	14.055.668
Other tangible assets	9.899	-	-	-	(680)	9.219
Investments in progress	89.719.957	83.225.797	(139.759.909)	24.667.878	(829.561)	57.024.162
Sub total	**765.751.989**	**105.388.628**	**(200.603)**	**24.667.878**	**(3.464.384)**	**892.143.508**
Accumulated depreciation (-)						
Land improvements	(23.052.115)	(1.374.568)	-	-	-	(24.426.683)
Buildings	(27.544.920)	(1.703.197)	-	-	76.636	(29.171.481)
Machinery and equipment	(337.497.494)	(34.664.712)	-	-	525.730	(371.636.476)
Motor vehicles	(1.067.350)	(49.895)	-	-	313.936	(803.309)
Furniture and fixtures	(12.008.773)	(901.290)	-	-	1.352.852	(11.557.211)
Other tangible assets	(9.297)	(515)	-	-	680	(9.132)
Sub total	**(401.179.949)**	**(38.694.177)**	**-**	**-**	**2.269.834**	**(437.604.292)**
Net Book Value	**364.572.040**	**66.694.451**	**(200.603)**	**24.667.878**	**(1.194.550)**	**454.539.216**

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11. Intangible Assets

Intangible assets consist of the following (TL) :

As of 31 December 2009;

Cost ;	Opening 1 January 2009	Additions	Transfers and Disposals	Closing 31 December 2009
Rights	1.469.043	-	178.870	1.647.913
Intangible assets at development phase	-	6.554.699	562.133	7.116.832
Special costs	5.921.626	42.888	37.612	6.002.126
Other intangible assets	1.376.044	170.990	(69.292)	1.477.742
Sub total	**8.766.713**	**6.768.577**	**709.323**	**16.244.613**
Accumulated amortisation (-)				
Rights	(1.448.486)	(15.335)	-	(1.463.821)
Intangible assets at development phase	-	(830.297)	-	(830.297)
Special costs	(3.094.869)	(218.570)	62.510	(3.250.929)
Other intangible assets	(1.197.740)	(129.300)	-	(1.327.040)
Sub total	**(5.741.095)**	**(1.193.502)**	**62.510**	**(6.872.087)**
Net Book Value	**3.025.618**	**5.575.075**	**771.833**	**9.372.526**

As of 31 December 2008;

Cost ;	Opening 1 January 2008	Additions	Transfers and Disposals	Closing 31 December 2008
Rights	1.615.798	8.976	(155.731)	1.469.043
Special costs	5.705.488	15.535	200.603	5.921.626
Other intangible assets	1.338.568	37.476	-	1.376.044
Sub total	**8.659.854**	**61.987**	**44.872**	**8.766.713**
Accumulated amortisation (-)				
Rights	(1.580.385)	(23.437)	155.336	(1.448.486)
Special costs	(2.878.436)	(216.433)	-	(3.094.869)
Other intangible assets	(1.036.547)	(161.193)	-	(1.197.740)
Sub total	**(5.495.368)**	**(401.063)**	**155.336**	**(5.741.095)**
Net Book Value	**3.164.486**	**(339.076)**	**200.208**	**3.025.618**

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12. Goodwill

Goodwill consists of the following (TL) :

As of 31 December 2009;

	Opening 1 January 2009	Additions	Disposals	Closing 31 December 2009
Ak-Tops Tekstil				
Sanayi A.Ş.	5.988.651	-	-	5.988.651
	5.988.651	**-**	**-**	**5.988.651**

As of 31 December 2008;

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

13. Provisions, Contingent Assets and Liabilities

Debt provisions consist of the following (TL) :

	31 December 2009	31 December 2008
Provision for litigation	741.796	734.420
Provision for unused leaves	905.860	933.201
Provision for contingent loss related to derivative instruments (Note 27)	-	2.059.724
Provisions for other debts and expenses	465.839	72.822
	2.113.495	**3.800.167**

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

	31 December 2009	31 December 2008
Current period tax provision (Note 23)	11.282.887	15.750.109
Prepaid taxes and funds (-)	(10.061.384)	(7.646.963)
	1.221.503	**8.103.146**

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

a) Guarantees, sureties, and mortgages given to third parties in the name of the Company's own corporate body consist of the following(TL) :

	31 December 2009	31 December 2008
Guarantees given	255.394.539	202.569.801

As of 31 December 2009, the ratio of the sum of all guarantees, sureties, and mortgages given by the Company to the total equity of the Company is 33% (31 December 2008 – 28%).

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b) Guarantee letters received for short term trade receivables, guarantee cheques and notes, mortgages, and other guarantees received consist of the following (TL):

	31 December 2009	31 December 2008
Guarantee letters received	12.424.615	10.542.915
Guarantee cheques and notes received	60.645.709	31.218.747
Mortgages received	11.000.000	37.115.995
Other guarantees received *	103.410.274	113.369.054
	187.480.598	**192.246.711**

* Other guarantees comprise confirmed/unconfirmed letter of credit, direct debiting system limits, Eximbank limits, and other credit letters.

c) Guarantee notes, guarantee letters, and mortgages received from supplier firms consist of the following (TL):

	31 December 2009	31 December 2008
Guarantee letters received	1.281.032	271.915
Guarantee notes received	631.110	2.240.136
Guarantee cheques received	4.601.606	128.874
	6.513.748	**2.640.925**

d) As of 31 December 2009 the ongoing litigation commenced by the Parent Company and its Subsidiaries against third parties amount to TL 20.180.606 and USD 7.492.584 (31 December 2008 – TL 1.276.824 and USD 357.584).

e) As of 31 December 2009, the ongoing litigation commenced by third parties against the Parent Company and its Subsidiaries amounts to TL 307.198 (31 December 2008 – TL 309.598).

Changes in provisions for litigation as of 31 December 2009 and 2008 consist of the following (TL) :

	31 December 2009	31 December 2008
Opening balance	734.420	2.844.992
Provisions no longer required (-) (Note 20)	(77.942)	(2.394.167)
Provisions made (Note 18)	85.318	283.595
Closing balance	**741.796**	**734.420**

14. Employee Benefits

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

	31 December 2009	31 December 2008
Opening balance	9.354.382	9.592.710
Provisions made (Note 18)	607.510	306.679
Provisions for seniority incentive premium (Note 18)	1.929.008	-
Provisions no longer required (-) (Note 20)	(370.873)	(545.007)
Closing balance	**11.520.027**	**9.354.382**

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15. Other Assets and Liabilities

Other current assets consist of the following (TL) :

	31 December 2009	31 December 2008
Order advances given for inventories	3.948.451	1.163.612
Other VAT	15.771.011	10.833.914
Deferred VAT	14.124.754	3.591.061
Prepaid taxes and funds	15.715	95.382
Advances given to personnel	1.293.601	1.248.922
Expenses related to future months	882.631	297.831
Job advances	96.961	36.253
	36.133.124	**17.266.975**

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

	31 December 2009	31 December 2008
Expenses related to future years	14.544	-
Order advances given for		
tangible assets	51.352.894	35.179.541
	51.367.438	**35.179.541**

Other short term liabilities consist of the following (TL) :

	31 December 2009	31 December 2008
Other VAT	15.771.011	10.833.914
Expense accruals	923.727	153.544
Income related to future months	-	630.000
Order advances received	9.951.682	10.237.523
	26.646.420	**21.854.981**

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16. Equity

(a) Share Capital:

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

	31 December 2009		31 December 2008	
Name	Shareholding	Nominal Value	Shareholding	Nominal Value
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58%	73.223.000	39,58%	43.546.625
Emniyet Tic. ve San. A.Ş.	18,72%	34.632.000	18,72%	20.596.070
Other *	41,70%	77.145.000	41,70%	45.857.305
		185.000.000		**110.000.000**
Capital adjustment differences		**195.174.673**		**255.174.673**
Total adjusted capital		**380.174.673**		**365.174.673**

* Represents shareholding of less than 10%.

The Parent Company's registered capital limit is TL 425.000.000 and its issued capital has been increased from TL 110.000.000 to TL 185.000.000. Of the increased portion of TL 75.000.000, a total of TL 60.000.000 is provided from inflation adjustment differences and the balance of TL 15.000.000 is provided through addition of the first dividends allocated from 2008 profit to the share capital. Bonus shares are deposited to the shareholders' accounts as of 30 June 2009, and the capital increase is registered at 1 July 2009.

(b) Restricted Profit Reserves:

Restricted profit reserves consist of the legal reserves and profit on sales of investments as follows (TL);

	31 December 2009	31 December 2008
Legal reserves	19.549.570	16.579.576
Profit on sale of investments	26.316.640	26.197.015
	45.866.210	**42.776.591**

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

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

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

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

(c) Retained Earnings /(Accumulated Losses) :

Retained earnings/(accumulated losses) in the respective periods is as follows (TL) :

	31 December 2009	31 December 2008
Retained earnings	217.449.747	238.916.635
2007 profit transfer	-	4.730.127
2008 profit transfer	72.907.209	-
Capital increase	(15.000.000)	-
Transfer to reserves	(2.969.994)	-
Profit on sale of investments	(119.625)	(26.197.015)
	272.267.337	**217.449.747**

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

	31 December 2009	31 December 2008
Retained earnings/(Accumulated losses)	75.690.769	21.170.548
Extraordinary reserves	56.768.988	56.768.988
Differences arising from inflation adjustment in equity	138.677.573	138.677.573
Legal reserves of subsidiaries	1.076.375	779.006
Extraordinary reserves of subsidiaries	53.632	53.632
	272.267.337	**217.449.747**

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

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

	31 December 2009	31 December 2008
Inflation adjustment in		
extraordinary reserves	5.323.651	5.323.651
Inflation adjustment in legal reserves	110.092.166	110.092.166
Inflation adjustment in share premium	23.261.756	23.261.756
	138.677.573	**138.677.573**

Inflation adjustment differences may be used in bonus issue and offsetting losses. Furthermore, inflation adjustment differences arising from reserves bearing no record that disables profit distribution may be used in profit distribution. As of 31 December 2009, the other distributable sources amount to TL 492.672.249.

(d) Non-controlling Interests

Non-controlling interests consist of the following (TL) :

	31 December 2009	31 December 2008
Share capital	18.468.486	18.468.486
Legal reserves	6.636.771	6.339.405
Extraordinary reserves	192.101	192.101
Retained earnings/(accumulated losses)	(13.068.692)	(12.450.866)
Profit/(loss) for the period	2.360.271	2.309.201
	14.588.937	**14.858.327**

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17. Sales and Cost of Sales

Sales income consists of the following (TL) :

	31 December 2009	31 December 2008
Domestic sales	565.331.700	571.602.930
Exports	405.850.438	368.809.872
Other sales	2.170.383	6.871
Sales returns (-)	(4.505.855)	(2.516.832)
Sales discounts (-)	(6.932)	(59)
Other deductions (-)	(18.668.638)	(29.438.055)
	950.171.096	**908.464.727**

The electricity sales and steam sales included in the exports for the year ended 31 December 2009 amounts to TL 28.866.872, and TL 9.180.764, respectively (31 December 2008 – None).

Cost of sales consist of the following (TL) :

	31 December 2009	31 December 2008
Cost of finished goods sold	715.230.856	758.513.161
Cost of trade goods sold	39.732.366	39.587.417
Cost of services sold	18.593.505	25.290.510
Cost of other sales	2.136.530	3.768.253
	775.693.257	**827.159.341**

The sales cost of electricity and steam included in the cost of finished goods sold during the year ended 31 December 2009 amounts to TL 7.145.776, and TL 9.011.571, respectively (31 December 2008 – None).

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

	31 December 2009	31 December 2008
Raw materials and supplies	547.291.211	601.932.978
Depreciation expense (Note 19)	26.265.827	31.341.386
Overhead	116.339.786	101.797.449
Labor expense	25.334.032	23.441.348
	715.230.856	**758.513.161**

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

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

	31 December 2009	31 December 2008
Research and development expenses	9.352.919	9.180.410
Marketing, sales and distribution expenses	10.415.877	1.854.349
General administration expenses	70.071.619	39.273.576
	89.840.415	**50.308.335**

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Marketing, Sales and Distribution Expenses:

	31 December 2009	31 December 2008
Personnel expenses (Note 19)	2.446.183	1.215.926
Sampling expenses	149.623	76.755
Transportation and rent expenses	16.148	114.366
Travel expenses	383.516	122.767
Fair and exposition expenses	115.269	93.383
Rent expenses	172.203	79.049
Depreciation (Note 19)	45.121	21.674
Communication expenses	24.414	13.138
Advertisement, press and promotion expenses	16.113	1.819
Exports expenses	6.614.616	-
Other expenses	432.671	115.472
	10.415.877	**1.854.349**

Research and Development Expenses;

	31 December 2009	31 December 2008
Personnel expenses (Note 19)	1.740.520	4.144.223
Depreciation (Note 19)	3.158.516	2.669.273
Subcontractor expenses	146.505	389.827
Maintenance, repair, and cleaning expenses	115.650	231.352
Auxiliary material expenses	3.605.118	267.120
Other outsourced benefits and services	126.937	106.722
Other expenses	459.673	1.371.893
	9.352.919	**9.180.410**

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General Administration Expenses:

	31 December 2009	31 December 2008
Personnel expenses (Note 19)	14.240.291	14.652.518
Communication expenses	396.215	578.215
Consultancy expenses	5.287.479	4.912.086
Social expenses	1.673.132	2.799.331
Depreciation (Note 19)	760.126	813.157
Office expenses	673.129	449.242
Insurance expenses	338.075	438.986
Rent expenses	807.364	677.928
Miscellaneous tax expenses	692.247	361.797
Travel expenses	891.932	870.639
Advertisement expenses	38.424	42.926
Disallowable expenses	1.583.838	2.703.056
Provision expenses for doubtful receivables (Note 7)	24.028.183	835.228
Inventory provision expenses (Note 9)	6.926.499	2.698.447
Data processing service expenses	3.248.471	1.948.165
Contribution to common costs	267.823	627.029
Provisions for termination indemnity (Notes 14 and 19)	607.510	306.679
Provisions for leaves (Note 19)	29.997	241.043
Environmental expenses	624.230	-
Subcontractor expenses	735.351	142.694
Maintenance, repair, and cleaning expenses	1.062.712	909.752
Other outsourced benefits and services	892.200	1.087.143
Court and notary expenses	169.291	51.369
Provision expense related to dividends to the Board of Directors	465.839	-
Provision expenses related to seniority incentive premium (Notes 14 and 19)	1.929.008	-
Provision expenses related to litigation (Note 13)	85.318	283.595
Other expenses	1.616.936	842.551
	70.071.619	**39.273.576**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

19. Expenses by Nature

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

	31 December 2009	31 December 2008
Cost of finished goods sold (Note 17)	26.265.827	31.341.386
Cost of services sold	2.919.942	2.797.725
Cost of other sales	10.027	21.670
Research and development expenses(Note 18)	3.158.516	2.669.273
Marketing expenses (Note 18)	45.121	21.674
General administration expenses (Note 18)	760.126	813.157
Idle section expenses	16.142.451	-
Intangible assets at development phase	1.043.893	-
Investments in progress	30.081	-
Other expenses	1.418.819	-
Depreciation on inventory	1.413.808	1.430.355
	53.208.611	**39.095.240**
Depreciation (Note 10)	52.015.109	38.694.177
Amortisation (Note 11)	1.193.502	401.063
	53.208.611	**39.095.240**

Employee benefits consist of the following (TL) :

	31 December 2009	31 December 2008
Overhead	31.544.990	29.468.187
Research and development expenses (Note 18)	1.740.520	4.144.223
Marketing and sales expenses (Note 18)	2.446.183	1.215.926
Idle section expenses	2.680.587	-
General administration expenses (Note 18)	16.806.807	15.200.240
Other expenses	199.857	-
	55.418.944	**50.028.576**

	31 December 2009	31 December 2008
Wages and salaries	41.702.537	39.643.944
Catering and transportation expenses	3.001.794	2.683.739
Termination indemnity and payments in lieu of notice	2.806.819	2.281.827
Social benefits	5.341.278	4.871.344
Provision for seniority incentive premium (Note 18)	1.929.008	-
Provision for termination indemnity and leaves(Note 18)	637.508	547.722
	55.418.944	**50.028.576**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

20. Other Operating Income and Expenses

Other operating income consists of the following (TL):

	31 December 2009	31 December 2008
Inventory provision no longer required (Note 9)	2.698.447	-
Provision for litigation no longer required (Note 13)	77.942	2.394.167
Provision for termination indemnity no longer required (Note 14)	370.873	545.007
Provision for leaves no longer required	57.339	-
Profit on sale of investments*	-	335.718
Profit on sale of fixed assets	39.763	328.902
Research and development incentive premium income**	11.209.073	4.803.565
Other income and profits	4.919.809	5.968.912
	19.373.246	**14.376.271**

* Ak-Han Bak. Yön. Serv. Hizm. Güven. Malz. A.Ş. was sold on 16 July 2008 to Akkök Sanayi Yatırım ve Geliştirme A.Ş. at a total of TL 399.300 and the resulting profit on sale amounts to TL 335.718.

** The Research and Development (R&D) incentive premium stated in the equity account group in the legal records for the purpose of benefiting from tax advantages will take place within the equity account group in the future reporting periods.

Other operating expenses consist of the following (TL) :

	31 December 2009	31 December 2008
Commission expenses	7.773.109	2.797.828
Idle section expenses	19.419.957	
Prior period expenses and losses	269.964	11.961
Loss on sale of fixed assets	141.785	102.698
Provision expenses	797.347	-
Start up expenses	3.262.048	-
Other expenses and losses	4.715.545	1.197.912
	36.379.755	**4.110.399**

* TL 4.612.501 of the stated total comprises of the expenditures related to the culture center being constructed in Yalova.

21. Financial Income

Financial income consists of the following (TL) :

	31 December 2009	31 December 2008
Foreign exchange gains	113.062.956	138.271.672
Profit on sale of marketable securities	-	159.680
Rediscount interest income	4.924.434	6.114.677
Maturity difference income	5.607.627	3.800.769
Interest income	3.631.798	3.979.575
	127.226.815	**152.326.373**

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22. Financial Expenses

Financial expenses consist of the following (TL) :

	31 December 2009	31 December 2008
Foreign exchange losses	123.719.198	91.929.569
Rediscount interest expenses	3.367.217	5.493.832
Short term borrowing expenses	3.497.180	4.283.529
	130.583.595	**101.706.930**

23. Tax Assets and Liabilities

a) Corporation Tax;

The corporation tax rate for 2009 is 20% in Turkey (31 December 2008 – 20%). This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation through addition of disallowable expenses to the commercial revenues of the companies.

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

	31 December 2009	31 December 2008
Current period Corporation Tax	(11.282.887)	(15.750.109)
Deferred tax income/(expense)	58.340	(915.847)
Total tax income/(expense)	**(11.224.547)**	**(16.665.956)**

Calculation of the current period corporation tax stated is made as follows (TL):

	31 December 2009	31 December 2008
Per statutory books	56.831.917	88.522.294
Disallowable expenses	4.850.891	6.905.176
Tax exempt income	(3.075.909)	(13.055.728)
Investment earnings	(2.192.465)	(2.271.384)
R&D incentive used	-	(1.349.811)
Sub total	**56.414.434**	**78.750.547**
Tax rate (%)	20	20
Tax provision (Note 13)	**11.282.887**	**15.750.109**

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b) Deferred Tax Assets and Liabilities;

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

	Temporary Differences		Deferred Tax Asset/Liability	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Adjustment of rediscount on receivables	1.964.746	2.699.002	392.949	539.800
Provision for termination indemnity	9.591.019	9.354.382	1.918.204	1.870.876
Provision for leaves	905.860	933.201	181.172	186.640
Inventory provision	5.051.262	1.416.879	1.010.252	283.376
Provision for litigation	90.931	300.521	18.186	60.104
Provision for contingent losses related to derivative instruments	-	2.059.724	-	411.945
Loan discount adjustment	-	25.607	-	5.121
Expense accrual	2.083	2.088	417	418
Adjustment on seniority incentive premium	1.929.008	-	385.802	-
Adjustment of electricity cost pending in inventory	1.715.847	-	343.169	-
Transactions related to consolidation	378.701	209.109	75.740	41.822
Deferred tax asset	21.629.457	17.000.513	4.325.891	3.400.102
Net difference between the book values of tangible/ intangible assets and their tax bases	(111.142.225)	(106.460.552)	(22.228.445)	(21.292.110)
Loan discount adjustment	(270.069)	-	(54.014)	-
Adjustment of rediscount on payables	(816.446)	(1.430.949)	(163.289)	(286.190)
Deferred tax liability	(112.228.740)	(107.891.501)	(22.445.748)	(21.578.300)
Deferred Tax Asset/(Liability), Net	**(90.599.283)**	**(90.890.988)**	**(18.119.857)**	**(18.178.198)**

Deferred Tax Income/(Expense) (TL):

	31 December 2009	31 December 2008
Current period deferred tax asset/(liability)	(18.119.857)	(18.178.198)
Reversal of prior period deferred tax (liability)/asset	18.178.198	17.262.351
Deferred tax income/(expense)	**58.341**	**(915.847)**

24. Earnings/(Loss) per Share

Earnings/(loss) per share consist of the following (TL) :

	31 December 2009	31 December 2008
Profit/(loss) for the period (TL)	50.689.317	72.907.209
Weighted average number of ordinary shares	185.000.000	110.000.000
Weighted average number of revised ordinary shares	185.000.000	185.000.000
Parent Company earnings/(loss) per share (TL)	0,27	0,66
Parent Company earnings/(loss) per diluted share (TL)	0,27	0,39

* Per share of TL 1 nominal value

As 31 December 2009, the profit for the period as stated in the accompanying consolidated financial statements amounts to TL 50.689.317, and the other distributable sources amount to TL 492.672.249.

As of 31 December 2009, the net profit for the period as stated in the legal books of the Parent Company amounts to TL 39.147.689, and the other distributable sources amount to a total of TL 419.314.368.

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25. Related Party Disclosures

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

	31 December 2009	31 December 2008
Ak-Al Tekstil Sanayii A.Ş.	4.387.694	6.080.848
Aksu İplik Dokuma ve Boya Apre Fab. T.A.Ş.*	-	2.593.565
Akiş Gayrimenkul Yatırımı A.Ş.	805	55
Akport Tekirdağ Liman İşletmeleri A.Ş.	33.029	34.647
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	47.600	10.760
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	555	-
Aksa Egypt Acrylic Fiber Industry SAE	2.204.680	16.704.925
Rediscount on receivables (-)	(92.958)	(197.106)
Total (Note 7)	**6.581.405**	**25.227.694**

* Upon the merger realized on 1 December 2009, the indicated company has been transferred to Ak-Al Tekstil Sanayii A.Ş. with the entire amount of its assets and liabilities.

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

	31 December 2009	31 December 2008
Aksu İplik Dokuma ve Boya Apre Fab. T.A.Ş.*	-	12.929.738
Akport Tekirdağ Liman İşletmeleri A.Ş.*	6.022.800	-
Aksa Egypt Acrylic Fiber Industry SAE	8.069	8.104
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.*	3.505.353	4.609.104
Akkim Kimya San. ve Tic. A.Ş.	-	3.000
Other receivables from related parties	512.803	130.811
Total (Note 8)	**10.049.025**	**17.680.757**

* Includes export loan receivables utilized and transferred to group companies by the subsidiary Ak-Pa Tekstil İhracat Pazarlama A.Ş.

Short term trade payables to related parties consist of the following (TL) :

	31 December 2009	31 December 2008
Akkim Kimya San. ve Tic. A.Ş.	6.071.974	6.751.214
Akenerji Elektrik Üretim A.Ş.	5.626.703	9.055.200
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	909.633	427.064
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	315.360	250.090
Dinkal Sigorta Acenteliği A.Ş.	36.645	90.496
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	-	190.767
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	147.390	-
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	37.463	182.035
Rediscount on payables (-)	(240.084)	-
Total	**12.905.084**	**16.946.866**

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Long term trade payables to related parties consist of the following (TL) :

	31 December 2009	31 December 2008
Akenerji Elektrik Üretim A.Ş.	2.836.800	-
Rediscount on payables (-)	(281.308)	-
Total	**2.555.492**	**-**

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

	31 December 2009	31 December 2008
Due to shareholders (Note 8)	2.912	2.810

Sales to related parties for the years ended 31 December 2009 and 2008 consist of the following (TL) :

	31 December 2009	31 December 2008
Ak-Al Tekstil Sanayii A.Ş.	24.822.751	28.357.307
Akenerji Elektrik Üretim A.Ş.	1.301.727	5.735.807
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	699.702	3.828.471
Akiş Gayrimenkul Yatırımı A.Ş.	3.516	33.072
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	7.200	9.992
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	495.469	466.409
Akkim Kimya San. ve Tic. A.Ş.	24.541.407	5.378.578
Dinkal Sigorta Acenteliği A.Ş.	23.631	27.632
Akmerkez Lokantacılık Gıda Sanayi ve Tic. A.Ş.	-	796
Aksa Egypt Acrylic Fiber Industry S.A.E.	37.265.070	38.172.074
Aktek Bilgi İşlem Tekn.San.ve Tic.A.Ş.	37.950	53.158
Akport Tekirdağ Liman İşletmeleri A.Ş.	77.026	61.664
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	39.103	13.225
Other	66.917	196.049
	89.381.469	**82.334.234**

Sales to related parties consist of sales of goods and services and rent income.

Purchases from related parties for the years ended 31 December 2009 and 2008 consist of the following (TL) :

	31 December 2009	31 December 2008
Ak-Al Tekstil Sanayii A.Ş.	1.004.952	1.232.247
Akenerji Elektrik Üretim A.Ş.	52.879.606	94.696.931
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	4.449.262	6.642.571
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	552.135	631.591
Akmeltem Poliüretan Sanayi ve Ticaret A.Ş.	-	72.003
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	15.120	104.058
Dinkal Sigorta Acenteliği A.Ş.	1.783.792	1.166.152
Akkim Kimya San. ve Tic. A.Ş.	58.984.998	66.261.525
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	931.902	1.767.582
Aktek Bilgi İşlem Tekn.San.ve Tic.A.Ş.	4.161.514	2.560.945
	124.763.281	175.135.605

The purchases from related parties consist of energy, chemicals, service acquisitions, consultancy and rent expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

As of 31 December 2009, guarantees received from related parties amount to TL 2.245.680 (31 December 2008 – TL 1.478.573).

As of 31 December 2009, remuneration provided to top executives such as the CEO and members of the Board of Directors amount to TL 3.199.253 (31 December 2008 – TL 3.121.960).

26. Nature and Extent of Risk Arising from Financial Instruments

For the purpose of determining, evaluating, and managing the risks incurred by the Company, a Risk Management and Follow-up System has been developed and approved by the Board of Directors.

Finance and Risk Management meetings chaired by the General Manager are held once a month for the purpose of effective implementation of risk management at the Company. Among the participants are the Board members with executive duties and the Directors of Finance and Sales/Marketing departments. At these monthly meetings, the Company's commercial and financial risks are evaluated as well as its financial performance.

The said financial risks consist of credit risk, liquidity risk, interest rate risk, and foreign currency risk.

i. Credit Risk

The credit risks of the Parent Company and its Subsidiaries mainly originate from their trade receivables, other receivables, interest rate swap and forward exchange transactions. The Parent Company which has carried out its trade relations with its customers for several years has integrated in the risk management the information related to the sub-sector of the customer, rate of exports, export markets, and the history of customer's payment performance. The sales conditions on customer basis are mainly formed in the light of such information. Trade receivables risk is expected to be managed through various types of collaterals received from the customer. Such collaterals consist of bank guarantees, treasury bonds, mortgages, direct debiting system limits, letter of credit, Eximbank loan insurance, factoring limits and receiving the cheques of the clients of the customer for the purpose of risk distribution. The Company management makes provisions for doubtful receivables when deemed necessary. The Company does not foresee risks related to the Company's trade receivables in addition to the provisions made. The Parent Company has started to make foreign currency forward contracts as of 15 April 2008 for the purpose of hedging its net foreign currency assets against increase in the value of TL provided that such contracts do not exceed the limit of USD 20 million; however the application is terminated as of 23 September 2009. The foreign exchange losses to arise from such transactions are calculated taking into account the foreign currency buying rate issued by the Turkish Central Bank as of the reporting date. The other receivables of the Parent Company and its Subsidiaries mainly consist of VAT receivables. In order to realize cash reimbursement of these receivables, guarantee letters are given in favor of the tax offices.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

The following table displays information regarding the terms overrun and warranty structure of the receivables and the cash and cash equivalents of the Parent Company and its Subsidiaries as of 31 December 2009 (TL):

	Receivables						
	Trade Receivables		Other Receivables				
Current Period	Related Party	Other Party	Related Party	Other Party	Bank Deposits	Derivative Instruments	Other[1]
Maximum credit risk incurred as of 31 December 2009 (A+B+C+D+E)[2] (Notes 4, 7 and 8)	6.581.405	333.341.987	10.049.025	32.799.819	101.666.427	-	10.446.794
-Part of maximum risk taken under guarantee through collaterals[3]	2.245.680	171.700.794	-	-	-	-	1.952.383
A. Net book value of financial assets that are neither overdue nor impaired	6.524.550	316.236.949[4]	10.040.956	32.799.819	101.666.427	-	7.130.813[4]
B. Book value of financial assets whose conditions are revised, and which otherwise would be considered as overdue or impaired.	-	-	-	-	-	-	-
-Portion taken under guarantee through collaterals							
C. Net book value of overdue assets that are not impaired	56.855	17.105.038	8.069	-	-	-	3.315.981
-Portion taken under guarantee through collaterals	-	12.076.380	-	-	-	-	689.337
D. Net book values of impaired assets	-	-	-	-	-	-	-
-Overdue (gross book value) (Note 7)	-	26.276.052	-	-	-	-	-
-Impairment (-) (Note 7)	-	(26.276.052)	-	-	-	-	-
-Part of the net value taken under guarantee through collaterals	-	-	-	-	-	-	-
-Not overdue (gross book value)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
-Part of the net value taken under guarantee through collaterals	-	-	-	-	-	-	-
E. Elements involving derecognized credit risk	-	-	-	-	-	-	-

1 Consists of cash balances and cheques received as stated in the cash and cash equivalents.
2 In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
3 Consists of collaterals, guarantee letters received, customer cheques and notes, treasury bonds, direct debiting system limits, Eximbank limits, factoring limits, letter of credit, and mortgages.
4 The cheques and notes in swap stated in trade receivables amount to TL 66.705, and the cheques and notes in swap stated as Other amount to TL 4.896.294.

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The following table displays information regarding the terms overrun and warranty structure of the receivables and the cash and cash equivalents of the Parent Company and its Subsidiaries as of 31 December 2008 (TL):

	Receivables						
	Trade Receivables		Other Receivables				
Current Period	Related Party	Other Party	Related Party	Other Party	Bank Deposits	Derivative Instruments	Other[1]
Maximum credit risk incurred as of 31 December 2008 (A+B+C+D+E)[2] (Notes 4,7 and 8)	25.227.694	371.536.167	17.680.757	27.676.875	43.545.402	-	20.038.153
-Part of maximum risk taken under guarantee through collaterals[3]	1.478.573	189.531.261	-	-	-	-	3.041.157
A. Net book value of financial assets that are neither overdue nor impaired	20.139.556	341.284.823[4]	17.671.001	27.676.875	43.545.402	-	1.300.314[4]
B. Book value of financial assets whose conditions are revised, and which otherwise would be considered as overdue or impaired.	-	-	-	-	-	-	-
-Portion taken under guarantee through collaterals	-	-	-	-	-	-	-
C. Net book value of overdue assets that are not impaired	5.088.138	30.251.344	9.756	-	-	-	18.737.839
-Portion taken under guarantee through collaterals	32.588	15.125.469	-	-	-	-	3.041.157
D. Net book values of impaired assets	-	-	-	-	-	-	-
-Overdue (gross book value) (Note 7)	-	2.247.869	-	-	-	-	-
-Impairment (-) (Note 7)	-	(2.247.869)	-	-	-	-	-
-Part of the net value taken under guarantee through collaterals	-	-	-	-	-	-	-
-Not overdue (gross book value)	-	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-	-
-Part of the net value taken under guarantee through collaterals	-	-	-	-	-	-	-
E. Elements involving unrecognized credit risk	-	-	-	-	-	-	-

[1] Consists of cash balances and cheques received as stated in the cash and cash equivalents.
[2] In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.
[3] Consists of collaterals, guarantee letters received, customer cheques and notes, treasury bonds, direct debiting system limits, Eximbank limits, factoring limits, letter of credit, and mortgages.
[4] The cheques and notes in swap stated in trade receivables amount to TL 42.984, and the cheques and notes in swap stated as Other amount to TL 1.165.604.

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As of 31 December 2009, aging of assets past due but not impaired is as follows (TL):

	Receivables		Other
	Trade Receivables	Other Receivables	(Cash and Cash Equivalents)
1-30 days past due	13.091.440*	-	187.030
1-3 months past due	1.872.020	-	1.429.818
3-12 months past due	853.788	-	1.699.133
1-5 years past due	1.344.645	8.069	-
More than 5 years past due	-	-	-
Total	17.161.893	8.069	3.315.981**
Portion taken under guarantee through collaterals (-)	(12.076.380)	-	(689.337)

* A portion of TL 12.764.080 has been collected subsequent to the reporting date.

** A portion of TL 463.482 has been collected subsequent to the reporting date.

As of 31 December 2008, aging of assets past due but not impaired is as follows (TL):

	Receivables		Other
	Trade Receivables	Other Receivables	(Cash and Cash Equivalents)
1-30 days past due	23.920.881	-	7.336.726
1-3 months past due	6.059.948	-	11.401.113
3-12 months past due	2.919.590	9.756	-
1-5 years past due	2.439.063	-	-
More than 5 years past due	-	-	-
Total	35.339.482	9.756	18.737.839
Portion taken under guarantee through collaterals (-)	(15.158.057)	-	(3.041.157)

ii. Liquidity Risk

The Parent Company and its Subsidiaries benefit from the weekly, monthly and yearly cash flow projections they have prepared during the course of liquidity risk management. For prompt fulfillment of the liabilities of the Parent Company and its Subsidiaries, the maturity structure of the working capital is monitored in accordance with the requirements.

As of 31 December 2009, the external guarantee letters given by the Parent Company as collateral for trade payables related to raw material acquisitions amount to USD 62.829.256 (31 December 2008 – USD 54.966.596) and the guarantee letters amount to USD 55.000.000 (31 December 2008 – USD 44.472.000). As of 31 December 2009 and 2008, the guarantee letters given to customs administrations amount to TL 11.691.502 and TL 9.263.902, respectively.

As of 31 December 2009 and 2008, the Company's liquid assets (current assets – inventories) exceed its short term payables by TL 173.828.898 and TL 243.646.017, respectively.

There are no guarantees or mortgages given by the Parent Company and its Subsidiaries in favor of third parties for loans and other financial liabilities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

As of 31 December 2009, the maturity distribution of the financial liabilities of the Parent Company and its subsidiaries are as follows (TL):

Maturities per Contract	Book Value	Total Cash Outflows as per the Contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative	347.000.570	356.383.235	170.202.039	42.884.901	143.296.295	-
financial liabilities						
Bank loans (Note 6)	279.240.701	287.919.455	101.738.259	42.884.901	143.296.295	-
Trade payables (Note 7)	67.759.869	68.463.780	68.463.780	-	-	-

Expected Maturities	Book Value	Total Cash Outflows as per the Contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative	108.695.854	108.808.389	88.419.399	17.552.190	2.836.800	-
financial liabilities						
Trade payables (Note 7)	103.959.085	104.071.619	83.682.629	17.552.190	2.836.800	-
Other payables (Note 8)	4.736.770	4.736.770	4.736.770	-	-	-

Maturities per Contract	Book Value	Total Cash Outflows as per the Contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Derivative financial liabilities (net)	-	(9.826.289)	(397.231)	(2.941.089)	(6.487.969)	-
Derivative cash inflows *	-	1.519.963	171.868	401.916	946.179	-
Derivative cash outflows *	-	(11.346.252)	(569.099)	(3.343.005)	(7.434.147)	-

* The fair values of derivative operations are used in the calculation of derivative cash inflows and outflows. The six-month Libor interest rate at 31 December 2009 is taken as basis in interest swap operations.

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As of 31 December 2008, the maturity distribution of the financial liabilities of the Parent Company and its subsidiaries are as follows (TL):

Maturities per Contract	Book Value	Total Cash Outflows as per the Contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative	326.121.687	344.960.223	163.784.803	46.324.238	134.851.182	-
financial liabilities						
Bank loans (Note 6)	239.572.275	257.305.615	81.841.633	40.612.800	134.851.182	-
Trade payables (Note 7)	86.549.412	87.654.608	81.943.170	5.711.438	-	-

Expected Maturities	Book Value	Total Cash Outflows as per the Contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative	27.861.061	28.186.814	28.186.814	-	-	-
financial liabilities						
Trade payables (Note 7)	24.567.691	24.893.444	24.893.444	-	-	-
Other payables (Note 8)	3.293.370	3.293.370	3.293.370	-	-	-

Maturities per Contract	Book Value	Total Cash Outflows as per the Contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Derivative financial liabilities (net)	-	(10.231.435)	(1.014.732)	(3.994.595)	(5.222.108)	-
Derivative cash inflows *	-	31.075.893	10.649.692	17.422.931	3.003.270	-
Derivative cash outflows *	-	(41.307.328)	(11.664.424)	(21.417.526)	(8.225.378)	-

* The fair values of derivative operations are used in the calculation of derivative cash inflows and outflows. The six-month Libor interest rate at 31 December 2008 is taken as basis in interest swap operations, and the foreign exchange rate of the Turkish Central Bank as of 31 December 2008 is used in forward operations.

iii. Interest Rate Risk

Interest risk arises from the probable effect of changes in interest rates on the financial statements. Long term interest swap agreements have been made in order to avoid interest risk on long term investment loans used by the Parent Company. 6 months Libor rate is taken into account in the measurement of fair values of these transactions as of 31 December 2009. The swap operations made by the Parent Company for hedging interest risk as of 31 December 2009 and 2008 are as follows:

Bank	Loan USD	Contract Date	Maturity	Interest Rate
Garanti Bankası A.Ş.	18.500.000	2 January 2008	15 December 2014	4,18%
Akbank T.A.Ş.	13.500.000	2 September 2008	15 December 2014	4,10%
Akbank T.A.Ş.	18.000.000	27 March 2008	15 December 2014	3,47%
Fortis Bank A.Ş.	18.970.000	16 April 2009	2 September 2014	2,50%
Fortis Bank A.Ş.	11.100.000	16 April 2009	2 September 2014	2,50%

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

The interest position as of 31 December 2009 and 2008 is set out in the table below (TL):

		31 December 2009	31 December 2008
Financial instruments with fixed interest			
Financial assets	Time deposits	91.139.175	36.684.594
Financial liabilities	Bank loans	226.997.885	114.745.899

		31 December 2009	31 December 2008
Financial instruments with variable interest			
Financial liabilities	Bank loans	51.491.142	124.826.376

As of 31 December 2009, there are no USD loans with variable interest rates (As of 31 December 2008, if the interest rates on USD loans were higher/ lower by 0,5% with all other variables remaining constant, the profit/(loss) before tax would be TL 22.623 lower/higher due to change in interest expenses). In the same case, the total assets would be higher/lower by TL 633.869 as of 31 December 2009 (31 December 2008 – TL 938.450).

iv. Foreign Currency Risk

The Company's foreign currency balances arising from operating, investment and financial activities are disclosed in the table below. Foreign currency risk is monitored through continuous analysis of foreign currency receivables and payables. The net foreign currency surplus of the Parent Company and its subsidiaries as of 31 December 2009 amounts to TL 2.204.831 (31 December 2008 – TL 154.561.599 foreign currency surplus).

The foreign currency position as of 31 December 2009 and 2008 is set out in the table below:

	31 December 2009							31 December 2008					
	TL Equivalent (Functional Currency)	USD	Euro	SEK	GBP	CHF	JPY	TL Equivalent (Functional Currency)	USD	Euro	SEK	GBP	CHF
1. Trade Receivables	313.848.423	186.761.968	15.109.442	-	-	-	-	365.552.177	221.255.836	14.455.800	-	-	-
2a. Monetary Financial Assets (including Cash and Banks)	64.020.265	41.813.828	484.140	1.751	6.250		-	49.713.134	31.838.179	724.093	1.883	6.272	-
2b. Non-monetary Financial Assets	878.408	167.190	286.792	-	-	4.098	-	7.765.786	5.089.372	32.291	-	-	-
3. Other	6.071.277	4.000.000	22.440	-	-	-	-	912.576	562.270	29.081	-	-	-
4. Current Assets (1+2+3)	384.818.373	232.742.986	15.902.814	1.751	6.250	4.098	-	423.943.673	258.745.657	15.241.265	1.883	6.272	-
5. Trade Receivables	11.741.728	7.791.927	-	-	3.944	-	-	13.115.765	8.672.727	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	47.332.088	21.271.751	7.041.547		35.509	-	400.000	27.979.910	16.681.319	1.285.852	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Non-current Assets (5+6+7)	59.073.816	29.063.678	7.041.547		35.509	-	400.000	41.095.675	25.354.046	1.285.852	-	-	-
9. Total Assets (4+8)	443.892.189	261.806.664	22.944.361	1.751	45.703	4.098	400.000	465.039.348	284.099.703	16.527.117	1.883	6.272	-
10. Trade Payables	136.136.011	85.383.616	3.505.948	-	-	-	-	88.452.490	58.413.541	53.107	-	-	-
11. Financial Liabilities	137.556.277	91.357.028	-	-	-	-	-	100.935.398	66.742.973	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	273.692.288	176.740.644	3.505.948	-	-	-	-	189.387.888	125.156.514	53.107	-	-	-
14. Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	137.400.143	91.253.333	-	-	-	-	-	121.089.861	80.070.000	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	137.400.143	91.253.333	-	-	-	-	-	121.089.861	80.070.000	-	-	-	-
18. Total Liabilities (13+17)	411.092.431	267.993.977	3.505.948	-	-	-	-	310.477.749	205.226.514	53.107	-	-	-
19. Net Asset/(Liability) Position of Derecognized Derivative Instruments in Foreign Currency (19a-19b)	-	-	-	-	-	-	-	-	-	-	-	-	-
19a. Derecognized derivative instruments in foreign currency of asset type	-	-	-	-	-	-	-	-	-	-	-	-	-
19b. Derecognized derivative instruments in foreign currency of liability type	-	-	-	-	-	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset/(Liability) Position (9-18+19)	32.799.758	(6.187.313)	19.438.413	1.751	45.703	4.098	400.000	154.561.599	78.873.189	16.474.010	1.883	6.272	-
21. Monetary Items Net Foreign Currency Asset/ (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(21.482.015)	(31.626.254)	12.087.634	1.751	10.194	-	-	117.903.327	56.540.228	15.126.786	1.883	6.272	-
22. Total Fair Value of Financial Instruments used in Foreign Currency Hedging	-	-	-	-	-	-	-	(2.059.724)	-	-	-	-	-
23. Hedged Portion of Foreign Currency Assets	-	-	-	-	-	-	-	19.902.174	11.780.000	975.000	-	-	-
24. Hedged Portion of Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
25. Exports*	405.902.214	264.159.561		-	-	-	-	356.984.739	279.212.067	-	-	-	-
26. Imports*	411.862.478	265.614.556	578.759	-	-	-	-	437.571.537	345.182.582	555.702	-	-	53.016

* Weighted average rates of exchange are taken as basis in translation of the import and export totals into Turkish Liras.

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Foreign currency sensitivity analysis as of 31 December 2009 is set out in the table below (TL) :

	Profit/(Loss)		Equity	
	Value increase in foreign currency	Value decrease in foreign currency	Value increase in foreign currency	Value decrease in foreign currency
When USD changes by 10% against TL:				
1-Net Assets/Liabilities in USD	8.764.476	(8.764.476)	-	-
2-Portion hedged from USD risk (-)	-	-	-	-
3-USD Net Effect (1+2)	8.764.476	(8.764.476)	-	-
When EURO changes by 10% against TL:				
4-Net Assets/Liabilities in Euro	4.199.280	(4.199.280)	-	-
5-Portion hedged from Euro risk(-)	-	-	-	-
6-Euro Net Effect (4+5)	4.199.280	(4.199.280)	-	-
When other currencies change by 10% against TL:				
7-Net Assets/Liabilities in other currencies	12.319	(12.319)	-	-
8-Part hedged from other currency risks (-)	-	-	-	-
9-Net Effect of Assets in Other Currencies (7+8)	12.319	(12.319)	-	-
TOTAL (3+6+9)	**12.976.076**	**(12.976.076)**	**-**	**-**

As of 31 December 2009, if the currency of the USD loans used in financing investments were to gain/lose value by 10% against the Turkish Lira with all other variables remaining constant, the total assets would be higher/lower by TL 9.696.100 due to the capitalized finance cost (31 December 2008 – TL 12.108.986).

Foreign currency sensitivity analysis as of 31 December 2008 is set out in the table below (TL) :

	Profit/Loss		Equity	
	Value increase in foreign currency	Value decrease in foreign currency	Value increase in foreign currency	Value decrease in foreign currency
When USD changes by 10% against TL:				
1-Net Assets/Liabilities in USD	24.036.978	(24.036.978)	-	-
2-Portion hedged from USD risk (-)	(1.781.489)	1.781.489	-	-
3-USD Net Effect (1+2)	22.255.489	(22.255.489)	-	-
When EURO changes by 10% against TL:				
4-Net Assets/Liabilities in Euro	3.526.756	(3.526.756)	-	-
5-Portion hedged from Euro risk(-)	(208.728)	208.728	-	-
6-Euro Net Effect (4+5)	3.318.028	(3.318.028)	-	-
When other currencies change by 10% against TL:				
7-Net Assets/Liabilities in other currencies	1.412	(1.412)	-	-
8-Portion hedged from other currency risks (-)	-	-	-	-
9-Net Effect of Assets in Other Currencies (7+8)	1.412	(1.412)	-	-
TOTAL (3+6+9)	**25.574.929**	**(25.574.929)**	**-**	**-**

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v. Capital Risk Management

For proper management of capital risk, the Company aims

- to maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders, and
- to increase profitability through determining a service pricing policy that is commensurate with the level of risks inherent in the market.

The Company determines the amount of share capital in proportion to the risk level. The equity structure of the Company is arranged in accordance with the economic outlook and the risk attributes of assets.

The Company monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt, net, by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt (the sum of short and long term liabilities stated in the statement of financial position). The total share capital is the sum of all equity items stated in the statement of financial position.

The Company's general strategy has not changed with respect to last year. As of 31 December 2009 and 2008, the ratios of the total share capital to total liabilities, net, are as follows (TL):

	31 December 2009	31 December 2008
Total debt	515.317.727	415.273.622
Less: cash and cash equivalents	(112.113.221)	(63.583.555)
Net debt	**403.204.506**	**351.690.067**
Total equity	763.630.080	713.210.153
Debt/Equity Ratio	53%	49%

The change in the debt/equity ratio is due to the loans used by the Parent Company for its investments in progress.

27. Financial Instruments

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

For hedging purposes against foreign currency risk, the Parent Company has made American knock out reverse participant forward transactions, and there are no forward contracts as of 31 December 2009. The current value of the outstanding forward contract as of 31 December 2008 have been calculated by referring to internal pricing models and the unrealized foreign exchange losses amounting to TL 2.059.724 (Note 13) have been recognized in the statement of comprehensive income. As of 31 December 2008, the amount, maturity, calculated expense accruals of the forward contracts are as follows:

31 December 2008;

Maturity	Contract Date	Currency	Foreign Currency	Amount	Calculated Expense Accrual (TL)
30 January – 30 March 2009	25 March 2008	2,1100 ≤ x	EURO	325.000	(30.030)
		1,7000 ≤ x ≤2,1100		162.500	
		1,7000 ≥ x		Transaction annulled	
7 January – 23 September 2009	13 August 2008	1,3400 ≤ x	USD	310.000	(2.029.694)
		1,1400 ≤ x ≤1,3400		155.000	
		1,1400 ≥ x		Transaction annulled	
					(2.059.724)

28. Events After the Reporting Period

The termination indemnity upper limit which stood at TL 2.365,16 as of 31 December 2009 has been increased to TL 2.427,04 with effect from 1 January 2010 (31 December 2008 – TL 2.173,19).

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

a) Insurance total on assets as of 31 December 2009 amounts to TL 37.634.280 and USD 194.877.715 (31 December 2008 – TL 24.482.948 and USD 240.746.823).

b) The writing of the Parent Company dated 30 April 2009 addressed to the Istanbul Stock Exchange is as follows:

“As previously disclosed to public, the cogeneration-type facility (Yalova Plant) of 70,004-MW power established in Yalova and operating with natural gas/naphta, whose ownership belongs to Akenerji Elektrik Üretim A.Ş. by the production license dated 01.04.2005 Nr. EÜ-468-6/529 granted by the Turkish Energy Market Regulatory Board has been transferred as per the transfer permission dated 24.10.2008 nr. 30500 of the Turkish Energy Market Regulatory Board and within the frame of the license approval decision dated 12.02.2009 nr. 4628/1157 and received by our company in its current operating condition retaining the subscribers of the existing bus bar and in a manner free of any legal or actual encumbrances.

The transfer fee has been determined by the parties taking as basis the Valuation Report of TSKB Gayrimenkul Değerleme A.Ş dated 29.04.2009 as TL 12.608.000,00-(Twelve million six hundred and eight thousand) plus VAT. 10% of the transfer fee amounting to TL 1.260.800,00-has been fully paid in cash on the transfer date 30.04.2009 to Akenerji Elektrik Üretim A.Ş. and the balancing portion of TL 11.347.200,00-will be paid as set out in the table below:

Maturity Date	Amount (TL)
6 months after the transfer date of the power plant (30.04.2009)	2.836.800
12 months after the transfer date of the power plant (30.04.2009)	2.836.800
18 months after the transfer date of the power plant (30.04.2009)	2.836.800
24 months after the transfer date of the power plant (30.04.2009)	2.836.800
Total	**11.347.200**

The Turkish Energy Market Regulatory Board has granted our Company the production license dated 22.04.2009 nr. EÜ/2070-6/1464 to operate in the field of electricity generation for a period of 49 years starting on 30.04.2009 in accordance with the Electricity Market Law Nr. 4628 and the related legislation.”

c) The writing of the Parent Company dated 30 June 2009 addressed to the Istanbul Stock Exchange is as follows:

“Subject: Action Filed Against the Partnership/Progress of the Action.

Filing Date	22/06/2009
Date of Notification to the Partnership/ Acknowledgement Date	29/06/2009
Title of the Action	Reversal of the decision of the
Counter party(ies)	Board of directors Nr. 12/06/2007/2007/32 Selahattin Tunç Cecan
Total amount of the Action	-
The ratio of the total amount of action to the total assets stated	
in the latest financial statements (%)	-
Court	14. Commercial Court of First Instance
File Nr.	2009/459
Date of Hearing	07/10/2009
Court Decree	-
Date of Next Hearing	-
Provision made in the financial statements, if any	-
Effect on the operations of the partnership	-

Selahattin Tunç Cecan, a shareholder of our Company, has filed an action with the claim to determine the nullity of the decision of the Board of Directors dated 12.06.2007 nr. 2007/32 related to the sale of the shares of Akenerji Elektrik Üretim A.Ş., an enterprise owned by our Company, to Emniyet Ticaret ve Sanayi A.Ş. and Akkök Sanayi Yatırım ve Geliştirme A.Ş. due to failure to muster a quorum. The said action has been registered at the 14th Commercial Court of First Instance by File nr 2009/459 and the date/time of hearing is given as 07.10.2009/15:00 hrs.”

At the hearing of the said court case at the above mentioned date, decision is made to reject the court petition by reason of authorization.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

d) The writing of the Parent Company dated 10 December 2009 addressed to the Istanbul Stock Exchange is as follows:

"Subject: Action Filed Against the Partnership/Progress of the Action.

Filing Date	25/11/2009
Date of Notification to the Partnership/ Acknowledgement Date	09/12/2009
Title of the Action	Claim of nullity of the decision of the
Counter party(ies)	Board of Directors dated 28/06/2007 nr. 2007/33 due to failure to muster a quorum Selahattin Tunç Cecan
Total amount of the Action	-
The ratio of the total amount of action to the total assets stated in the latest financial statements (%)	-
Court	2nd Commercial Court of First Instance
File Nr.	2009/535
Date of Hearing	03/02/2010
Court Decree	-
Date of Next Hearing	-
Provision made in the financial statements, if any	-
Effect on the operations of the partnership	None

Selahattin Tunç Cecan, a shareholder of our Company, has filed an action at Beyoğlu 2nd Court of First Instance with the claim to determine the nullity of the decision of the Board of Directors dated 28.06.2007 nr. 2007/33 related to the sale of the shares of Ak-Al Tekstil San. A.Ş., an enterprise owned by our Company, to Aksu İplik Dokuma ve Boya Apre Fab. T.A.Ş. due to failure to muster a quorum. The said action has been registered by File nr 2009/535 and notified to Aksa as of 09.12.2009. The date/time of hearing is given as 03.02.2010/14:55 hrs."

At the hearing of the said action held on the abovementioned date, decision is made to ask for the sample registers of Aksa Akrilik Kimya Sanayi A.Ş. from Istanbul Trade Registry, and for the Resolution of the Board of Directors dated 28.06.2007 Nr. 33 from the defendant company in writing, and to allow 10 days for the defendant company to provide all means of evidence in writing. The next hearing will be held on 24.03.2010.

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