

# PARK ELEKTRİK

2008 ANNUAL REPORT



# **ÖN KAPAK İÇİ**

# PARK ELEKTRİK

2008 ANNUAL REPORT



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## MESSAGE FROM THE CHAIRWOMAN

Distinguished Shareholders,

The year 2008 has been engraved on our minds as an austere year also for our country due to the effects of adverse economic conditions arisen in the global economy.

Whereas the sectors of automotive, construction, textile and appliance have been taking it on the chin, our Company, whose main subjects of activity consist of mining and energy generation, closed the year successfully.



As you all know, our Company, engaged in textile sector before, changed its subject of activity upon a strategic resolution and accordingly resolved to invest and grow in the mining sector in 2000. The elapsed time and 2008 results we disclosed in our annual report, displayed how our decision is right on the side of our investors and group.

In 2008, main subject of activity of our Company have been copper ore extraction and processing; accordingly, the production volume increased by 64.371 Wmt, that is 28.5%, compared to the previous year.

Rates of increase in our Company's sales incomes and profitability are more remarkable. While our sales incomes increased to TRY 111 million by 38% compared to 2007, our after-tax profit increased by 285% and the net period profit reached TRY 75 million.

Another satisfactory update of 2008 for our Company is that our application for generation license of 49 years with regard to Hydroelectric Power Plant project - we planned to establish within the borders of Siirt - was approved by the Energy Market Regulatory Authority.


Furthermore, our two extraction licenses with respect to aluminum land in the province of Gaziantep were converted to operation licenses for 10 years upon the consent of the Ministry of Energy and Natural Resources.

Esteemed shareholders; as to be seen from my disclosures above, the year 2008 has been extremely efficient for our Company and shareholders in respect of growth, profitability and new projects despite adverse economic conditions.

In addition to these advances, resolution on merger of Ceytaş A.Ş. into our Company through acquisition was adopted in December 2008 within the frame of conducting mining and energy activities of our public companies under one umbrella and this resolution was disclosed to our shareholders. With regard to this merger, applications were filed with the related governmental authorities and prior approvals were obtained.

Our target in 2009 is also to push our Company's profitability to higher levels with the synergy caused by the merger, besides our activities continuing in 2009.

I would like to present my thanks to my colleagues for their excellent performance and to our Group for their support in 2008; I wish 2009 would be a nice year for the world and I greet you all with due honor.



**Nalan ERKARAKAŞ**

Chairwoman of the Board of Directors

## BOARD RESOLUTION ON THE APPROVAL OF THE ANNUAL REPORT

Resolution Date: 12.03.2009

Resolution No: 13

The Board of Directors of Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. has convened on 12.03.2009 and resolved unanimously that the annual report for the year 2008 submitted for ratification of the Board of Directors and attached hereto would be accepted and submitted for the information of the shareholders.



**Nalan ERKARAKAŞ**

Chairman of the Board of Directors



**Ali Coşkun DUYAK**

Vice Chairman of the Board of Directors



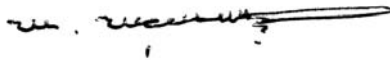
**Süleyman UYAN**

Member of the Board of Directors



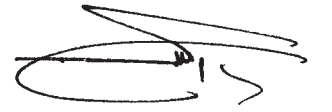
**Süreyya TURGUT**

Executive Board Member



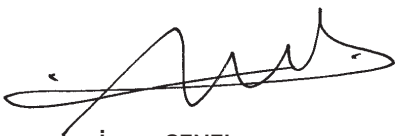
**Mustafa UÇURUM**

Board Member



**Ferzan ÇİTİCİ**

Board Member



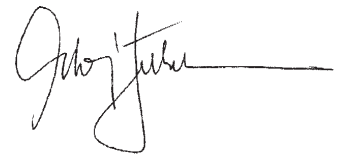
**İnanç ŞENEL**

Board Member



**Naci ÖVÜNÇ**

Board Member



**Orhan YÜKSEL**

Board Member

SATIŞ ARTIŞI %38



## Brief History

Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. was incorporated on March 18, 1994 in order to conduct activities in the textile sector. The Company offered to public its shares representing 29.16% of the capital in 1997.

Due to the crisis in the textile sector, the subject of activity of the Company was expanded on June 2, 2000 so as to enable the Company to operate in the new fields of activity, particularly in the fields of energy and mining. The Company started to extract and wash coal in the coal zone of Ankara Çayırhan Thermal Power Plant as subcontractor as of July 2000. Afterwards, the Company completely left the textile sector and changed its commercial title into Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. as of August 22, 2000.

INCREASE IN  
PRODUCTION **22,4%**



The Company ended its activities of extracting and washing coal, as a subcontractor in 2006. In the same year, the Company launched production in the copper mine in Siirt Madenköy. The Company has still been generating its turnover from copper concentration yield from this mine. In the meantime, a mine operation license for 10 years was obtained for two lands within the borders of the Province Gaziantep from the General Directorate of Mining Affairs, Ministry of Energy and Natural Resources. Application filed with the Energy Market Regulatory Authority, to obtain production license of 49 years for the project of Tarihler Hydro-Electric power plant with the capacity of 49.9 MWm/47,6 MW, planned to be established in the Province of Siirt, was approved in 2008



## PRODUCTS



### COPPER

A copper enterprise located in Siirt-Madenköy launched production in the second half of the year 2006. Pit-run ore production is made by caving method. After the copper ore undergoes the breaking and grinding processes, it is transformed into copper-contented concentration of 20-24% by the process of flotation and is sold in this form then. Approximately four hundred persons are employed by this enterprise.





NET PROFIT  
INCREASE  
**285%**

## MISSION, VISION AND VALUES

Mission, vision and values of our Company, aiming at creating value for the Turkish Mining and Energy Sector by exploring, improving and converting the natural resources, are as follows:



## Values

- Honesty-The Company abides on its promises.
- Security and Environment- Security of our employees and protection of the environment during our activities are ensured in maximum.
- Appreciation - We appreciate our employees and treat them frankly and honestly. We give importance to teamwork and safe working environment.
- Dividend - We seek the maximum profit for our shareholders from our Company's activities.
- Technology - We enable the practice of high technology in our activities by following the high technology and improvements throughout the world.
- Motivation - We provide a motivating working environment by being aware that this will increase the productivity.

GROSS  
PROFIT MARGIN **65,7%**

## Mission

- To follow technology and new developments and apply the same at every stage of work
- To make each effort to reach ever better working conditions,
- To increase productivity by motivating employees,
- To construct secure working sites at low cost,
- To make use of scarce resources in an effective and efficient manner, to prevent possible losses.

## Vision

Uprising the Company as leader among the other companies operating in the same sector both in the country and abroad, providing the growth with a track record of high quality, reflecting the effective and balanced growth to every activity of the Company, investing in appropriate areas, enabling maximum profit for the investors by trying to get the highest efficiency through minimum cost.

## BOARD OF DIRECTORS

Chairwoman	<b>Nalan Erkarakaş</b>
Vice Chairman	<b>Ali Coşkun Duyak</b>
Executive Member	<b>Süleyman Uyan</b>
Member	<b>Süreyya TURGUT</b>
Member	<b>Mustafa Uçurum</b>
Member	<b>Ferzan Çitici</b>
Member	<b>İnanç Şenel</b>
Member	<b>Naci ÖVÜNÇ</b>
Member	<b>Orhan Yüksel</b>

### Authorities

Chairwoman, Vice Chairman as well as Members of the Board of Directors are all empowered with the authorities set forth in the relevant articles of the Turkish Commercial Code and Article 8 of the Articles of Association.

### Nalan ERKARAKAŞ

Mrs. Erkarakaş, firstly started to work as specialist in the Capital Market Board in 1983, served as senior officer and member of the board of directors in various banks and intermediary institutions in 1991-2001 and has been serving as the President of the Capital Markets Group in Ciner Group. since 2002 up to date. Mrs. Erkarakaş was found eligible by Young Businessmen Association of Turkey for the award of "Manager of the Year" in 1997. Erkarakaş additionally captured the award of "Successful Businesswoman of the Year" granted by Dünya Newspaper in 2000. Erkarakaş, the articles of whom were published in various newspapers and periodicals in the fields of capital markets and finance, is also member of the organizations such as TÜGİAD (Young Businessmen Association of Turkey), TKYD (Corporate Governance Association of Turkey), KOTEDER (Association of Stock Exchange Quotation Partnership Managers) and Graduates of Faculty of Political Sciences of Ankara University.

### Ali Coşkun DUYAK

Mr. Duyak firstly started to work in the Engineering Department of PARSAN A.Ş. in 1988 and then served as Project Coordinator in YAZEKS A.Ş. in 1993-1997. Duyak, served as Assistant General Manager in Park Elektrik in 1997-2002, at the same time served as the vice chairman and member of the Board of Directors in Ciner Group Companies since then. Ali Coşkun Duyak is still the General Manager of Ceytaş Madencilik.

### Süleyman UYAN

Mr. Uyan firstly started to work in the field of investment banking and served as Investment Banking Coordinator in Kentbank, Assistant General Manager in Kent Yatırım, Member of the Board of Directors in Kent Portföy Yönetimi, General Manager and Executive Member of the Board of Directors of Riva Menkul Değerler since 1996. Süleyman UYAN is active in the executive management of Ciner Group Companies since 2002. Süleyman UYAN is a member of Corporate Governance Association of Turkey.

### İnanç ŞENEL

Mr. Şenel firstly started to work in Koç Group and worked in Koçbank and Koç Yatırım in 1994-1998, Koç Holding in 1998-2002. He has been serving as Finance Director and has been a member of the Board of Directors in Ciner Group Companies since 2002.

### Süreyya TURGUT

Süreyya TURGUT, born in Tokat in 1951, graduated from Faculty of Political Sciences of Ankara University. Mr. TURGUT, firstly started to work as civil servant in Turkish Agriculture Equipment Office in 1973-1974, served as Assistant Inspector and Inspector in Ministry of Finance in 1974-1988, Assistant to General Manager, Member of the Board of Directors, Deputy General Manager in General Directorate of Çay İşletmeleri in 1988-1993 and as Chief Inspector in the Ministry of Finance in 1993-2001 and as Member of the Governmental Auditing Commission of Presidency and as the vice chairman in the same institution in 2001-2008.

### Ferzan ÇİTİCİ

Ferzan Çitici worked in various judicial levels for long years. Then, he was appointed to be İstanbul-Sarıyer Chief Prosecutor in 1989-1994, then İstanbul Şişli Chief Prosecutor in 1994-1996 and lastly İstanbul Chief Public Prosecutor in 1996-2003 and afterwards he retired. Mr. Çitici still serves as independent member of the boards of directors of Ciner Group Companies.

### Orhan YÜKSEL

Mr. Yüksel, being a graduate of the Department of Business Administration of Faculty of Administrative Sciences of Marmara University, has worked in several companies in the private sector since 1978. Mr. Yüksel has served as Chief Financial Officer in Ciner Group since 1994 and at the same time he is the Member of the Board of Directors in Ciner Group Companies.

### Naci ÖVÜNÇ

Mr. Övünç graduated from Faculty of Economic and Administrative Sciences of İstanbul University in 1975. He completed post-graduate program on accounting in 1977. After serving as manager in several institutions and organizations, he joined Ciner Group in 1994.

### Mustafa UÇURUM

Born in Ankara in 1952. Mr. Uçurum, graduated from the mining engineering of Hacettepe University in 1976, served as engineer, chief engineer, chairman of the Technology Chamber and manager of Ore Enrichment Laboratory in MTA in 1976-1997. Mr. Uçurum, joined Ciner Group in 1998, acts as Prospecting Operations Group Coordinator.

## BOARD OF AUDITORS

Hakkı GÜLTEKİN

### Authorities

As per Article 10 of the Articles of Association, duties, authorities and responsibilities of the Auditors are within the frame of the principles set forth in the relevant articles of the Turkish Commercial Code.

Hakkı Gültekin, a graduate of Department of Economics and Finance of the Faculty of Political Sciences, served as Chief Account Specialist in the Board of Account Specialists of the Ministry of Finance of the Republic of Turkey in 1982-1997. Gültekin, being Certified Public Accountant since 1997, is still serving as auditor in Ciner Group.



## ORDINARY GENERAL ASSEMBLY MEETING FOR THE YEAR 2008 OF PARK ELEKTRİK ÜRETİM MADENCİLİK SANAYİ VE TİCARET A.Ş

### AGENDA:

- 1- Opening and Organization of the Presidential Board,
  - 2- Authorization of the Presidential Board for execution of the General Assembly Meeting Minutes,
  - 3- Presentation to the Shareholders at General Assembly for appointment of new members to the vacant Board of Directors membership within the year according to Article 315 of the Turkish Commercial Code,
  - 4- Reading, discussing and ratifying the Activity Reports of the Board of Directors and reports of the Board of Auditors with respect to the activities for the year 2008,
  - 5- Reading, analyzing and ratifying the Balance Sheet and Profit/Loss Statements for the year 2008,
  - 6- Discharge by the General Assembly of the members of the Board of Directors and Board of Auditors from the activities of the year 2008,
  - 7- Submission for ratification by the General Assembly of the matters of;
    - Setting aside TRY 3,703,637.06 as the first tier legal reserve,
    - Distribution on May 29, 2009 as gross cash dividend of TRY 15,000,000 (at the rate of 12.5%), with 12.50 Kuruş per one share having nominal value of TRY 1 (at the rate of 12.50%) as gross cash dividend, with 10.63 Kuruş after 15% tax deduction for the real persons per one share having nominal value of TRY 1 (at the rate of 10.63%), with 12.50 Kuruş for legal entities (at the rate of 12.50%), out of net distributable period profit of TRY 73,809,982.92, produced by addition of aids and donations of TRY 2,684,721.89 made in within the year to the net period profit of TRY 71,125,260.94 – remained after deduction of legal reserve upon consideration of the dividend policy adopted within the framework of the Capital Market Laws and Regulations and Corporate Governance Principles;
    - Setting aside TRY 900,000 as the second tier legal reserve,
    - Transfer of the balance of TRY 55,225,260.94 to extraordinary reserves.
  - 8- Notification to the General Assembly of donations and aids made in 2008,
  - 9- Submission, for the information of General Assembly, of the Report issued upon valuation carried out by Pozitif Denetim ve Yeminli Mali Müşavirlik A.Ş. within the scope of Articles 4 and 5 of Communiqué Serial: IV and No. 41 of the CMB,
  - 10- Submission for ratification by the General Assembly of;
    - Agreement of Merger
    - Balance Sheet of Merger
- issued by the Board of Directors on merger of Ceytaş Madencilik Tekstil Sanayi ve Ticaret A.Ş., registered with Ceyhan Trade Registry Office under registration no 2685 and our Company through acquisition by the way of dissolution without liquidation in accordance with Article 451 of the Turkish Commercial Code and Articles 18-20 of the Corporate Tax Law as well as Communiqué Serial:1, No:31 of the CMB and upon permission dated 25/03/2009 and B.02.1.SPK.0.13/424-3922 obtained from the CMB,
- 11- Election of the new members of the Board of Directors and determination of their terms of office,
  - 12- Election of the new members of the Board of Auditors and determination of their terms of office,
  - 13- Determination of remuneration of the members of the Board of Directors and Board of Auditors,
  - 14- Submission for ratification by General Assembly of Kavram Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş., nominated for 2009 by resolution of the Board of Directors
  - 15-Submission of the Company's Dividend Distribution Policies adopted by the Board of Directors for the information of the General Assembly within the frame of the Corporate Governance Principles and Letter dated 27.01.2006 of the Capital Market Board.
  - 16- Resolution by the General Assembly on enabling the Members of the Board of Directors to enter transactions and compete with the Company as set forth in Articles 334 and 335 of the Turkish Commercial Code.
  - 17- Wishes and Closing.

### AGENDA OF A GROUP SHAREHOLDERS ORDINARY GENERAL ASSEMBLY:

- 1-Opening and Organization of the Presidential Board,
- 2- Authorization of the Presidential Board for execution of the General Assembly Meeting Minutes
- 3- Submission for ratification by the General Assembly of;
  - Agreement of Merger
  - Balance Sheet of Merger

issued by the Board of Directors on merger of Ceytaş Madencilik Tekstil Sanayi ve Ticaret A.Ş., registered with Ceyhan Trade Registry Office under registration no 2685 and our Company through acquisition by the way of dissolution without liquidation in accordance with Article 451 of the Turkish Commercial Code and Articles 18-20 of the Corporate Tax Law as well as Communiqué Serial:1, No:31 of the CMB and upon permission dated 25/03/2009 and B.02.1.SPK.0.13/424-3922,

- 4- Wishes and Closing.

# PARK ELEKTRİK MADENCİLİK SANAYİ VE TİCARET A.Ş. ANNUAL REPORT FOR THE YEAR 2008

## I. INTRODUCTION

1. **Period of the Report:** 01.01.2008 - 31.12.2008

2. **Commercial Title of the Company:** Park Elektrik Madencilik Sanayi ve Ticaret Anonim Şirketi

3. **Amendments to the Articles of Association within the Relevant Period**

a. No amendment was made to Articles of Association of the Company within the relevant period.

b. No penalty was given to the Company for implementations contrary to the provisions of the laws and regulations within the relevant period.

4. **Capital, Dividend Rates, Shareholding Structure**

• Registered Capital: TRY 60,000,000

• Issued Capital: TRY 120,000,000

a. **Changes in the Capital Structure:** The Company increased its issued capital from TRY 48.000.000 to TRY 120.000.000 as per the resolutions passed by the Board of Directors on April 18, 2008. TRY 3.840.000 of the increase was paid from 2007 profit share; TRY 28.094.880 from the previous years' profit; TRY 40.065.114 from capital adjustment differences; TRY 6 from issue premiums. Accordingly, the Company's registered capital was increased to TRY 120.000.000. The capital increase was registered by the Trade Registry Office on June 24, 2008.

b. **Changes in the Shareholding Structure:** Shareholding structure was changed within the relevant period as follows:

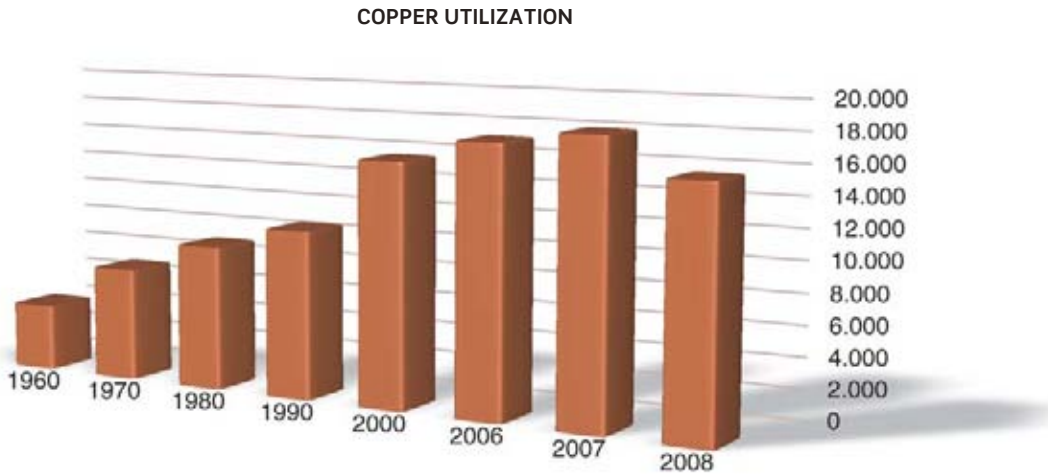
Shareholding Structure	31/12/2007	31/12/2008
	Share Rate	Share Rate
Park Holding A.Ş.	43.94%	43.94%
Park Enerji Ekip. Mad. San. ve Tic. A.Ş.	24.50%	24.50%
Others	31.56%	31.56%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

II. SECTORS IN WHICH THE COMPANY IS ACTIVE AND SHARE OF THE COMPANY IN THE RELEVANT SECTOR

1- Copper Sector

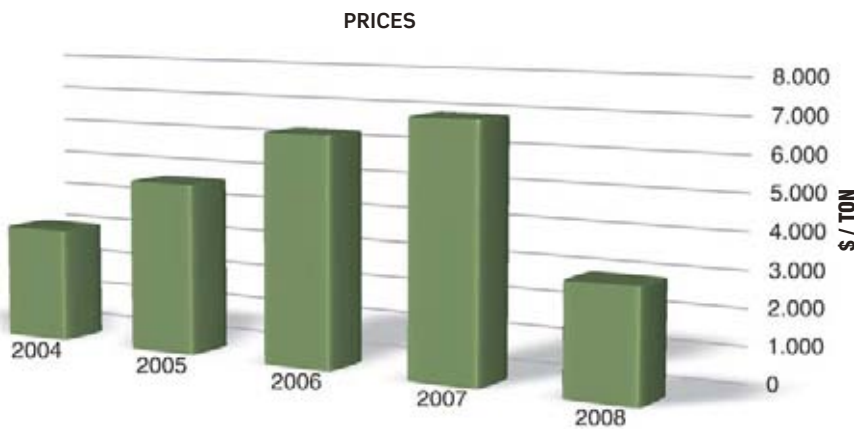
Copper, being a conductive raw material, has important rate of utilization in many sectors from construction to electronics and automotive to energy. In this sense, global copper production, with higher consumption demands, increased by 300% in 1960-2008.

Utilization rate of copper up to date from 1960s is given in the following graphics:



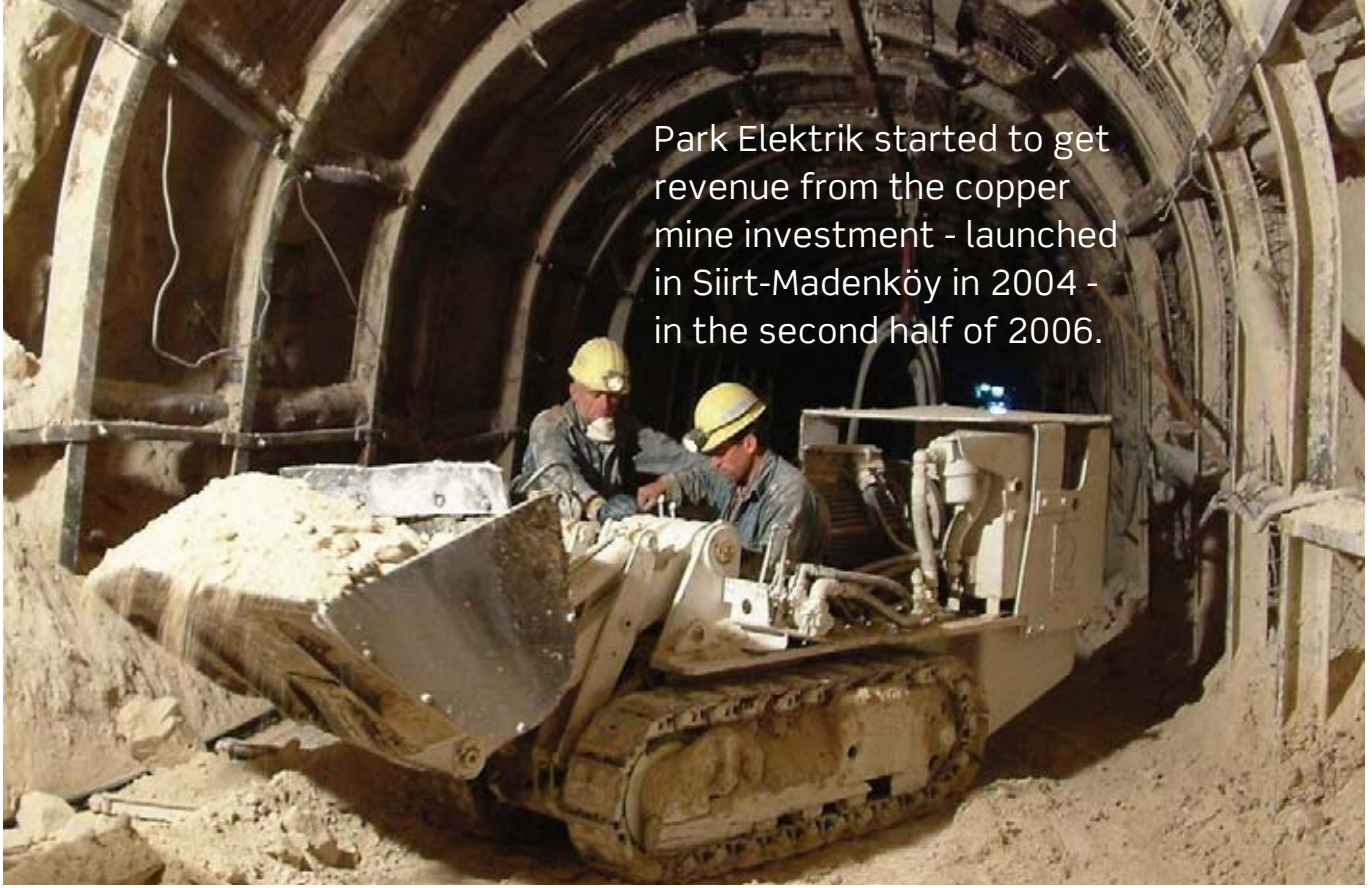
As to be seen from the graphics, copper utilization has regularly increased since 1960s and reached its peak in 2007. It is noticed that utilization started to decline in 2008.

On the other hand, positive effect of the general upward trend in commodity prices after 2002 on the copper price also continued in 2007. The price of copper, being USD3000/ton at the end of 2005, approximately reached USD6800 /ton at the end of 2007. The increase also continued in 2008 and reached the peak of USD 9000/ton in the mid of the year. However, the prices have not remained at this level for so long and the accelerated global collapse resulted in fast recession of the copper prices and closing of the year at level of USD 3,000/ton. Prices of the commodities as well as the demand caused by the growing economies of China and India were effective on this increase.



2-The Company in the Sector

Park Elektrik started to get revenue from the copper mine investment - launched in Siirt-Madenköy in 2004 - in the second half of 2006. Entire of the production volume is exported. Annual pit-run ore extraction and processing capacity of the Company is 1 Million/ton. After commissioning of the mine, concentrate copper sale continuously increasing on annual basis was noticed to be 60,931 tons in 2008.



Park Elektrik started to get revenue from the copper mine investment - launched in Siirt-Madenköy in 2004 - in the second half of 2006.

### III. ACTIVITIES AND ISTANBUL STOCK EXCHANGE (ISE) PERFORMANCE

#### A- Investments:

Our Company continued in 2008 its investments relating to revision and capacity increase of copper ore extraction and processing facilities, which are commissioned in 2004 in Siirt Madenköy. The Company has an incentive certificate for investment of TRY 21,000,000 and with an expiry date of February 28, 2009. Application of the Company filed in 2007 to obtain operation license of 49 years for Hydroelectric Power Plant with the capacity of 49.9MWm/47.6 MW, planned to be established within the borders of Siirt, was approved by the Energy Market Regulatory Authority. Furthermore, operation license of 10 years were obtained for two extraction-licensed lands owned by the Company in the province of Gaziantep from the General Directorate of Mining Affairs of the Ministry of Energy and Natural Resources.

#### Investments made in 2008:

Underground and Aboveground Arrangements	:	487,445
Buildings	:	412,131
Machinery-Facilities-Fixtures	:	4,426,635
Transfer Vehicles	:	107,108
Rights	:	22,879
Special Costs	:	2,000
Pre-Production and Development	:	1,803,177
Ongoing investments	:	134,689
Others	:	4,910

## B- Activities regarding Production of Goods and Services

### a- Production of our Company in 2008:

Performance of the Company is affected by the structure of the mine, climate condition and copper prices in the international markets. Production of the Company increased by 22.4% compared to the previous year.

	January 1, 2008 December 31, 2008	January 1, 2007 December 31, 2007
Concentrate Copper Dmt Wmt	64,371	52,554

### b- Sales of our Company in 2008:

	January 1, 2008 December 31, 2008	January 1, 2007 December 31, 2007
Concentrate Copper - Dmt (dry metric tones)	60,931	47,417

### 3-Istanbul Stock Exchange and the Company's Stock Exchange Performance:

One of the stock exchanges, most affected by the current global crisis, is Istanbul Stock Exchange (ISE). ISE entered the year 2008 with 55,538 points; however, it closed the year down 26,411 points and with loss of 52.4%.

Shares of Park Elektrik, which increased its capital stock at the rate of 150% by issuing bonus shares within the year, entered the year with adjusted share price of TRY 2.1. Transaction volume of Park Elektrik, which ended the year with share price of TRY 1.35, was 318,848,509 unit share and TRY 761,965,236 in 2008.

### 4. Dividend Rates of the Last Three Years

No dividend was distributed in 2006; dividend of TRY 6,240,000 was distributed with the rate of gross 13% and net 11.05% in 2007. In 2008, legal reserves of TRY 1,064,852 were set aside from the net period profit and TRY 3,840,000 was contributed to the capital, then the dividend was distributed through delivery of bonus shares to the capital.

### 5- Advances on Financial Structure

Whereas an increase of 38% appears in the main sales of the Company, the activity profit margin and gross profit margin were respectively 48.41% and 65.52%.

	31.12.2008	31.12.2007	Change (%)
Sales Incomes	110,713,833	80,040,645	38
Gross Profit	72,747,197	46,605,212	56
Operating Profit	53,800,033	35,151,109	53
Financial Incomes	49,677,931	8,458,773	487
Financial Expenses	(9,788,679)	(18,841,390)	(48)
Taxes	(18,860,387)	(5,334,179)	254
<b>Net Period Profit</b>	<b>74,828,898</b>	<b>19,434,313</b>	<b>285</b>

One of the reasons - why the net period profit and net period profit margin are considerably different than those of the previous year - is the foreign currency cost reflected to the net financial incomes item. The following table indicates reflection of activities in the last two fiscal years to the margin:

	31.12.2008	31.12.2007
Gross Profit Margin	65.71	58.23
Operating Profit Margin	48.59	43.92
<b>Net Profit Margin</b>	<b>67.59</b>	<b>24.28</b>

In 2008, both sales and advances in the foreign currency are positively disclosed in the balance sheet. While the Company's shareholders' equity increased by 52%, the liabilities increased by 18%; and long term liabilities decreased by 31% compared to the previous year. The Company's rate of financing its assets by shareholders' equity increased from 73% to 78%. The following table summarizes the balance sheet details:

	31.12.2008	31.12.2007	Change (%)
Current Assets	230,507,562	145,626,765	58.29
Fixed Assets	53,237,506	50,541,258	5.33
Total Assets	283,745,068	196,168,023	44.64
Short Term Liabilities	57,239,513	48,608,293	17.76
Long Term Liabilities	3,092,353	4,456,731	(30.61)
Shareholders' Equity	223,413,202	143,102,999	56.12
<b>Total Liabilities</b>	<b>283,745,068</b>	<b>196,168,023</b>	<b>44.64</b>

## 6-Administrative Activities

### a- Executive Staff of the Company

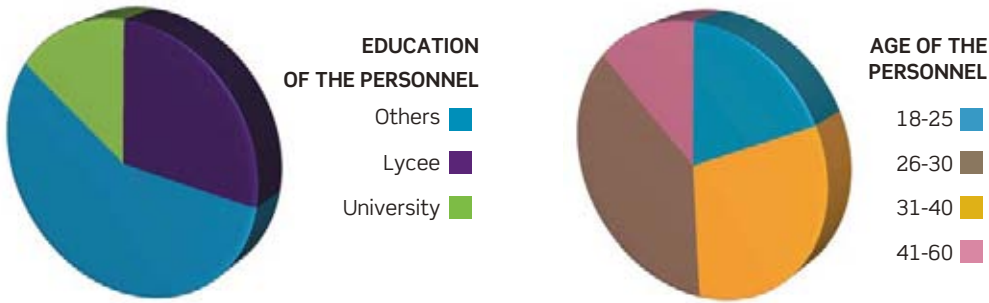
Title	Manager	Appointment
Executive Member	Süleyman UYAN	06.10.2004
Deputy General Manager	Tacigül ERDEM	07.10.2002
Investor Relations Director	Selim ERDOĞAN	04.10.2007

### b- Personnel and Worker Movements:

384 employees out of 417 employees employed by the Company on December 31, 2008 work in Siirt/Madenköy

Number of the Employees	31.12.2008	417
	31.12.2007	393

### c- Personnel's Profile:



**d- Collective Bargaining:** Negotiations on collective bargaining agreement between the Company and The Turkish Pitmen Trade Union were concluded by an agreement on June 25, 2008. The relevant collective bargaining agreement shall be effective for the term between 01.03.2008 and 31.12.2009.

**e. Rights and Benefits Granted to the Personnel and Workers:** The personnel are provided with social benefits such as meal (at the work place), transportation (service) vehicle, payment during leave, fuel, marriage, birth, death and work place uniform benefits besides salary.

**f. Branches:** There exists a copper mine operated by the Company in Siirt/Şirvan.

## IV- COMPLIANCE WITH THE CORPORATE GOVERNANCE PRINCIPLES

Corporate Governance Compliance Report was published in the Annual Report of our Company.



**INDEPENDENT AUDIT REPORT ABOUT ACCOUNTING PERIOD OF  
JANUARY 1, 2008 – DECEMBER 31, 2008  
PARK ELEKTRİK MADENCİLİK SANAYİ VE TİCARET A.Ş.**



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*(All the amounts are expressed in TRY denomination.)*

**BALANCE SHEETS AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007**

ASSETS	NOTE REFERENCES	CURRENT PERIOD 31.12.2008	PREVIOUS PERIOD 31.12.2007
<b>Current Assets</b>		<b>230.507.562</b>	<b>145.626.765</b>
Cash and Cash Equivalents	4	2.814.674	32.317.479
Financial Investments	5	-	-
Trade Receivables	7	3.408.170	1.884.994
Receivables Due from Related Parties		29.549	298.757
Other Trade Receivables		3.378.621	1.586.237
Other Receivables	8	201.807.183	94.177.076
Receivables Due from Related Parties		201.497.475	94.067.728
Other Receivables		309.708	109.348
Inventories	9	7.611.685	8.454.061
Other Current Assets	16	14.865.850	8.793.155
Receivables Due from Related Parties		26.529	22.178
Other Current Assets		14.839.321	8.770.977
(Subtotal)		230.507.562	145.626.765
Fixed Assets Held for Sale		-	-
<b>Fixed Assets</b>		<b>53.237.506</b>	<b>50.541.258</b>
Trade Receivables	7	-	-
Receivables Due from Related Parties		-	-
Other Trade Receivables		-	-
Other Receivables	8	425	240.220
Receivables Due from Related Parties		-	239.795
Other Receivables		425	425
Financial Investments	5	18	18
Financial Instruments to be Valued at Costs		18	18
Tangible Assets	10	42.343.457	38.257.343
Assets Acquired by Financial Leasing		-	-
Other Tangible Assets		42.343.457	38.257.343
Intangible Assets	11	10.303.298	11.321.790
Deferred Tax Assets	24	464.006	528.798
Other Fixed Assets	16	126.302	193.089
Receivables Due from Related Parties		-	-
Other Fixed Assets		126.302	193.089
<b>TOTAL ASSETS</b>		<b>283.745.068</b>	<b>196.168.023</b>

The accompanying notes are an integral part of these financial statements.

**BALANCE SHEETS AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007**

LIABILITIES	NOTE REFERENCES	CURRENT PERIOD 31.12.2008	PREVIOUS PERIOD 31.12.2007
<b>Short Term Liabilities</b>		<b>57.239.513</b>	<b>48.608.293</b>
Financial Liabilities	6	27.578.976	31.254.673
Bank Loans		27.578.976	30.518.819
Short Term Positions of Long Term Financial Liabilities		-	735.854
Trade Payables	7	5.403.027	9.580.696
Payables Due to Related Parties		418.989	504.307
Other Trade Payables		4.984.038	9.076.389
Other Payables	8	1.348.437	874.229
Payables Due to Related Parties		744.374	541.760
Other Payables		604.063	332.469
Period Profit Tax Liability	24	18.960.583	4.724.711
Provision for Liabilities	13	3.399.957	1.957.595
Other Short Term Liabilities	16	548.533	216.389
(Subtotal)		57.239.513	48.608.293
<b>Long Term Liabilities</b>		<b>3.092.353</b>	<b>4.456.731</b>
Financial Liabilities	6	-	1.404.495
Bank Loans		-	1.404.495
Provisions for Employee Benefits	15	3.092.353	3.052.236
Deferred Tax Liability	24	-	-
Other Long Term Liabilities	16	-	-
<b>SHAREHOLDERS' EQUITY</b>	<b>17</b>	<b>223.413.202</b>	<b>143.102.999</b>
Shareholders' Equity of Parent Company		223.413.202	143.102.999
Paid-up Capital		120.000.000	48.000.000
Capital Adjustment Differences		895.115	40.960.229
Share Premiums		-	-
Issue Premium of Participation		-	6
Value Increase Funds		5.481.605	-
Foreign Exchange Translation Differences		-	-
Restricted Reserves Set Aside from Profit		4.419.571	3.355.019
Legal Reserves		4.419.196	3.354.344
Private Reserves		375	675
Previous Years' Profit/Loss		17.788.013	31.353.432
Net Period Profit/Loss	25	74.828.898	19.434.313
<b>TOTAL LIABILITIES</b>		<b>283.745.068</b>	<b>196.168.023</b>

The accompanying notes are an integral part of these financial statements.

**INCOME STATEMENT AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007**

	REF. NOTE	CURRENT PERIOD 01.01.2008 31.12.2008	PREVIOUS PERIOD 01.01.2007 31.12.2007
<b>CONTINUING OPERATIONS</b>			
Income from Sales	18	110.713.833	80.040.645
Cost of Sales (-)	18	(37.966.636)	(33.435.433)
<b>Gross Profit (Loss) from Trade Operations</b>		<b>72.747.197</b>	<b>46.605.212</b>
Interests, Fees, Premiums, Commissions and other Revenues		-	-
Interests, Fees, Premiums, Commissions and other Revenues		-	-
<b>Gross Profit (Loss) from Finance Sector Operations</b>		<b>-</b>	<b>-</b>
<b>GROSS PROFIT/LOSS</b>		<b>72.747.19</b>	<b>46.605.212</b>
Marketing, Sales and Distribution Expenses (-)	19	(9.043.571)	(6.094.386)
General Administrative Expenses	19	(10.053.991)	(5.166.773)
Other Operating Revenues	21	975.901	1.406.848
Other Operating Expenses (-)	21	(825.503)	(1.599.792)
<b>OPEATING PROFIT/LOSS</b>		<b>53.800.033</b>	<b>35.151.109</b>
Shares in Profit/Loss of Investments Valued at Shareholders' Equity		-	-
(Other Operations) Financial Revenues	22	49.677.931	8.458.773
(Other Operations) Financial Expenses (-)	23	(9.788.679)	(18.841.390)
<b>CONTINUING OPERATIONS PERIOD PROFIT/LOSS BEFORE TAX</b>		<b>93.689.285</b>	<b>24.768.492</b>
<b>Continuing Operations Tax Revenues/Expenses</b>	<b>24</b>	<b>(18.860.387)</b>	<b>(5.334.179)</b>
- Period Tax Expenses		(18.960.583)	(4.724.711)
- Deferred Tax Revenues/Expenses		100.196	(609.468)
<b>CONTINUING OPERATIONS PERIOD PROFIT/LOSS</b>		<b>74.828.898</b>	<b>19.434.313</b>
<b>DISCONTINUED OPERATIONS</b>			
<b>Discontinued Operations After Tax Period Profit/Loss</b>		<b>-</b>	<b>-</b>
<b>PERIOD PROFIT/LOSS</b>	<b>25</b>	<b>74.828.898</b>	<b>19.434.313</b>
<b>Distribution of Period Profit/Loss</b>		<b>-</b>	<b>-</b>
Minority Interests		-	-
Majority Interests	25	74.828.898	19.434.313
<b>Earnings per Share</b>	<b>25</b>	<b>0,00624</b>	<b>0,00405</b>
<b>Diluted Earnings per Share</b>		<b>-</b>	<b>-</b>
<b>Earnings per Share from Continuing Operations</b>		<b>-</b>	<b>-</b>
<b>Diluted Earnings per Share from Continuing Operations</b>		<b>-</b>	<b>-</b>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007**

	Note Ref.	Balance as of 31.12.2007 Bakiye	Virement between accounts	Capital Increase	Value Increase Fund	Legal Reserves	Fixed Assets Replacement Fund Redemption	Period net profit (or loss)	Deferred Tax Diff.	Balance as of 31.12.2008
Paid-up Capital	17	48.000.000	-	72.000.000	-	-	-	-		120.000.000
Capital Adjustment Differences	17	40.960.229	-	(40.065.114)	-	-	-	-		895.115
Issue Premium of Participation	17	6	-	(6)	-	-	-	-		-
Value Increase Fund		-	-	-	5.646.593	-	-	-	(164.988)	5.481.605
Legal Reserves	17	3.354.344	-	-	-	1.064.852	-	-		4.419.196
Special Reserves	17	675	-	-	-	-	(300)	-		375
Previous Years' Profit/Losses	17	31.353.432	19.434.313	(31.934.880)	-	(1.064.852)	-	-		17.788.013
Net Period Profit/Loss	25	19.434.313	(19.434.313)	-	-	-	-	74.828.898		74.828.898
<b>Total</b>		<b>143.102.999</b>	<b>-</b>	<b>-</b>	<b>5.646.593</b>	<b>-</b>	<b>(300)</b>	<b>74.828.898</b>	<b>(164.988)</b>	<b>223.413.202</b>

	Note Ref.	Balance as of 31.12.2006	Virement between accounts	Dividend Distribution	Current Year's Issue Premium of Participation	Legal Reserves	Fixed Assets Replacement Fund Redemptions	Net Period Profit (or Loss)	Balance as of 31.12.2007
Paid-up Capital	17	48.000.000	-	-	-	-	-	-	48.000.000
Capital Adjustment Differences	17	40.960.229	-	-	-	-	-	-	40.960.229
Issue Premium of Participation	17	5	-	-	1	-	-	-	6
Legal Reserves	17	1.385.558	-	-	-	1.968.786	-	-	3.354.344
Special Reserves	17	975	-	-	-	-	(300)	-	675
Previous Years' Profit/Losses	17	7.855.282	31.706.936	(6.240.000)	-	(1.968.786)	-	-	31.353.432
Net Period Profit/Loss	25	31.706.936	(31.706.936)	-	-	-	-	19.434.313	19.434.313
<b>Total</b>		<b>129.908.985</b>	<b>-</b>	<b>(6.240.000)</b>	<b>1</b>	<b>-</b>	<b>(300)</b>	<b>19.434.313</b>	<b>143.102.999</b>

**CASH FLOW STATEMENT AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007**

	Note References	Current Period 31.12.2008	Previous Period 31.12.2007
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net Period Profit (+)</b>	<b>25</b>	<b>74.828.898</b>	<b>19.434.313</b>
<b>Adjustments</b>		<b>(12.508.282)</b>	<b>23.335.141</b>
Depreciation / Depreciation Expenses	10-11	8.422.534	7.435.512
Provision for Severance Pay	15	220.480	375.534
Provision for Leave and Incentive Bonus	16	266.217	69.239
Provision for Liabilities	13	116.617	54.950
Provision for Doubtful Receivables	7		52.979
Provision for Impairment of Inventory	9	93.497	155.855
Provisions No Longer Required	21	(326.481)	(916.052)
Tax Expenses / Revenues	24	18.860.387	5.334.179
Interest Revenues / Expenses	22-23	(7.619.395)	(5.234.613)
Revenues/Losses from Foreign Currency Difference	22-23	(33.268.319)	15.223.882
Rediscount Income/Expenses	22-23	868.091	139.585
Tangible asset sales profit/loss	21	(143.883)	(2.987)
Other adjustments		1.973	647.078
<b>Cash flow before changes in the operating capital</b>		<b>62.320.616</b>	<b>42.769.454</b>
<b>Changes in Assets and Liabilities</b>		<b>(117.206.552)</b>	<b>5.054.854</b>
Increases/Decreases in Trade Receivables	7	(1.479.190)	9.032.615
Increases/Decreases in Other Receivables	8	(108.222.006)	(1.752.573)
Increases/Decreases in Inventories	9	854.993	(1.647.507)
Increases/Decreases in Other Current/Fixed Assets	16	(6.005.908)	3.216.863
Increases/Decreases in Trade Payables	7	(4.220.321)	(2.977.451)
Increases/Decreases in Other Payables	8	474.208	(398.882)
Increases/Decreases in Provision for Liabilities	13	1.325.745	(376.402)
Increases/Decreases in Other Short Term and Long Term Liabilities	16	65.927	(41.809)
<b>Cash Flows from Operating Activities</b>		<b>(54.885.936)</b>	<b>47.824.308</b>
Interest payments	23	(458.816)	(530.118)
Tax payments	16	(4.724.711)	(8.401.203)
<b>Net cash flow from Operating Activities</b>		<b>(60.069.463)</b>	<b>38.892.987</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>Net cash from investment activities</b>		<b>2.378.531</b>	<b>1.419.905</b>
Tangible and intangible asset purchases	10-11	(7.281.018)	(4.801.369)
Cash flows from sales of tangible and intangible assets	10-11	181.544	456.543
Interests collected	22	8.078.211	5.764.731
Other investment activities		1.399.794	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash from financing activities</b>		<b>28.188.127</b>	<b>(27.510.122)</b>
Cash Flows related to Financial Liabilities			427.268
Principal Payments related to Financial Liabilities	6	(5.080.192)	(6.475.281)
Dividends Distributed (-)	17		(6.238.227)
Effects of the Foreign Exchange differences	22-23	33.268.319	(15.223.882)
<b>D. INCREASES/DECREASES IN CASH AND CASH EQUIVALENTS</b>			
<b>Beginning balance of cash and cash equivalents</b>		<b>32.317.479</b>	<b>19.514.709</b>
<b>Ending balance of cash and cash equivalents</b>	<b>4</b>	<b>2.814.674</b>	<b>32.317.479</b>

## NOTE 1- ORGANIZATION AND OPERATIONS OF THE COMPANY

Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. (the "Company") was founded in 1994 and its field of activity is to explore and extract as well as to process all kinds of mines, ores and their derivatives; to process, purify and refine all kinds of metals and materials produced from metals; to set up and operate cogeneration power stations in order to meet the need for electricity, energy and steam, to sell the energy surplus, to produce all kinds of fibers from glass metal and metal derivatives and to manufacture all kinds of products from these fibers, to set up, operate, cause to be operated or sell power stations for the generation and distribution of electricity.

The legal headquarters of the Company is at Paşalimanı Caddesi No:41 Üsküdar/İSTANBUL. It has a branch established at the address of Madenköy-Şirvan/Siirt under the name "Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. Madenköy Branch" to produce concentrated copper and an idle textile plant located on Kapıkule road in EDİRNE. The number of employees as of December 31, 2008 is 417. (Number of employees as of December 31, 2007: 393).

The Company offered to the public its shares corresponding to 29.17 % of its capital in 1997.

Shareholders holding 10 % and more of the capital of the Company are:

- Park Holding A.Ş.
- Park Enerji Ekipmanları Madencilik Elektrik Üretim San. ve Tic. A.Ş.

The shareholders of the Company are as follows:

Shareholders	Shareholding Rate %	December 31, 2008		December 31, 2007	
		Shareholding Amount	Shareholding Rate %	Shareholding Amount	Shareholding Rate %
Park Holding A.Ş.	43,94	52.733.458	43,94	21.093.383	43,94
Park Enerji Ekip. Mad. Elk. Ürt. San. ve Tic. A.Ş.	24,50	29.400.000	24,50	11.760.000	24,50
Turgay Ciner	0,83	1.000.000	0,83	400.000	0,83
Others	30,73	36.866.542	30,73	14.746.617	30,73
TOTAL	100,00	120.000.000	100,00	48.000.000	100,00

## NOTE 2- THE FUNDAMENTALS OF THE DISCLOSURE OF FINANCIAL STATEMENTS

### A. Fundamentals of the Disclosure

The legitimate records of the Company are kept in conformity with the accounting principles determined by Turkish Commercial Code and tax legislation. The attached financial statements include, for the purposes of disclosure as per Communiqué Serial: X and Number: 29 of the Capital Market Board (the "CMB"), some adjustments and classifications including the changes in the purchasing power of Turkish Lira. With the decree dated March 17, 2005, the CMB declared that the implementation of inflation accounting was no longer necessary for the companies operating in Turkey and preparing financial statements in conformity with the Accounting Standards of CMB starting from the date of January 1, 2005. Accordingly, the attached financial statements have not been subjected to inflation accounting.

The CMB determines, with the "Communiqué Serial: XI and Number: 29 on Principles regarding Financial Reporting in Capital Market", the principles and procedures regarding issuance and delivery to the related authorities of the financial reports by the undertakings. This Communiqué enters into force as to be effective from the first interim financial statements as of January 1, 2008. As per this Communiqué, the undertakings apply International Accounting/Financial Reporting Standards ("IAS/IFRS") accepted by the European Union and state in the footnotes that the financial statements are prepared in accordance with these IAS/IFRS as accepted by the European Union. Pursuant to this scope, Turkish Accounting/Financial Reporting Standards, published by the Turkish Accounting Standards Committee ("TASC") in conformity with the adopted standards are taken into consideration.

Accordingly, the attached financial statements were issued in accordance with the Communiqué Serial: XI and Number: 29 of the CMB; the financial statements and the footnotes thereof were delivered in consistence with the forms obligated to be applied as per announcement dated April 14, 2008 of the CMB. Within this framework, several classifications were made in the financial statements of the previous periods.

There is no seasonal or periodical changes that could have significant effects on the activities of the Company.

#### **Comparative Information and Rectification of the Financial Statements of the Previous Period**

Financial statements of Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. are prepared in comparison with those of the previous period.

The balance sheets as of December 31, 2008 and December 31, 2007; the income statements for the periods January 1 - December 31, 2008 and January 1 – December 31, 2007; and the statements of changes in shareholders' equity and statements of cash for the periods January 1 – December 31, 2008 and January 1 – December 31, 2007 have been prepared in a comparative fashion.

#### **B. Principles of Consolidation**

The capital of Park Termik Elektrik Sanayi ve Ticaret A.Ş., which the Company participated with TRY 18, is TRY 72.100.000. As the rate of participation is lower and additionally Park Termik Elektrik Sanayi ve Ticaret A.Ş. is not qualified as an undertaking directly controlled by the Company, the Company is disclosed in the financial statements with its cost of participation in Park Termik Elektrik Sanayi ve Ticaret A.Ş.

#### **C. Clarification - Offsetting**

The financial assets and liabilities are clearly stated in case of availability of the required legal right, intention to assess the relevant assets and liabilities clearly or concurrency of acquisition of assets and fulfillment of liabilities.

#### **D. Functional and Reporting Currency**

Functional and reporting currency of the Company is accepted to be Turkish Lira (TRY).

For the reasons of lack of objective conditions requiring restatement of the amounts in the financial statements as per decree dated March 17, 2005 and numbered 11/367 of the CMB and anticipation, based on the existing data, by the CMB that indications for realization of such conditions in the future considerably disappeared; the financial statements were subjected to restatement procedure, the latest, as of December 31, 2004 as per IAS 29 (Financial Reporting in Hyperinflationary Economies). Therefore, intangible assets and liabilities and items of shareholders' equity including capital are calculated by the way of indexation of the inflows by the date of December 31, 2004 and disclosure of the inflows occurring from December 31, 2004 at nominal value.

#### **E. Changes in Accounting Policies**

No considerable change has occurred in the items of assets, shareholders' equity and income statement as well as financial statements issued as of December 31, 2007 as per Communiqué No. XI/29 of the Capital Market Board.

Exceptions, applicable in the Company, out of those set forth in the Corporate Tax Law, are the exception of revenues from affiliates, exception of issue premium and exception of earnings from sale of immovable and equity stake included in the assets of the undertakings exactly for two years (75% of the revenue is exception). In deferred tax computation in the financial statements issued as per the Communiqué Serial: XI and Number:29 of the CMB, the Company applied exception in the difference between the legal records and IFRS records of the buildings qualified as immovable, included in its assets for more than two years at a rate of 75% of 20%, being the rate of corporate tax. As a result of such application, the difference of TRY 352.059 was deducted from the profit of 2007 as calculated as per the Communiqué Serial: XI and Number:29 of the CMB.

Several classification changes were made in the balance sheet and income statement issued as of December 31, 2007. The changes made are explained below and do not affect Total Assets as well as Shareholders' Equity and Period Loss.

**Balance Sheet/Assets Classification:**

In the financial statements as of December 31, 2007;

Trade Receivables of TRY 298.757 out of Receivables Due from Related Parties of TRY 94.366.485 are classified under Receivables Due from Related Parties; Other Receivables of TRY 94.067.728 are classified under Other Receivables Due from Related Parties;

Receivables Due from Personnel and Advances Given to Personnel of TRY 22.178 - included in the Other Current Assets - are classified as "Receivables Due from Related Parties" under the item of Other Current Assets;

Deposits and Guarantees Given of TRY 27.505 under the Short-Term Trade Receivables are classified under "Other Short-Term Receivables"; Deposits and Guarantees Given under the Long-Term Trade Receivables of TRY 425 are classified under "Other Long-Term Receivables";

Order Advances Given of TRY 305.917 under the Inventories is classified under "Other Current Assets";

Order Advances Given of TRY 118.895 under the Tangible Assets is classified under "Other Current Assets";

Short Term Deferred Tax Assets of TRY 166.557 is classified under "Long-Term Tax Assets";

Receivables Due from Long-Term Related Parties of TRY 239.795 is classified under "Other Long-Term Receivables".

**Balance Sheet/Liabilities and Shareholders' Equity Classifications:**

In the financial statements as of December 31, 2007;

Payables Due to Related Parties of TRY 504.307 is classified under Trade Payables from Related Parties;

Payables to Personnel of TRY 539.987 under Other Liabilities of TRY 874.979 and Dividends Payable to Shareholders of TRY 1.773 are both classified under Other Payables Due to Related Parties; the sum of Tax and Social Security Premiums Payable and Other Liabilities Payable of total TRY 332.426 and Other Miscellaneous Payable of TRY 43 are both classified under "Other Short-Term Payables"; TRY 750 is classified under "Other Short-Term Liabilities"; Provision for Period Profit Tax Liability of TRY 4.724.711 set forth under Provision for Payables is classified under "Period Profit Tax Liability";

Provision for Unused Leaves of TRY 215.639 under Provision for Long-Term Liabilities is classified under "Other Short-Term Liabilities".

Any amount from the capital of TRY 40.960.229 - out of TRY 41.882.545 reported under Shareholders' Equity Inflation Adjustment Differences is classified under "Capital Adjustment Differences"; TRY 914.227 thereof is classified under the Legal Reserves; TRY 8.089 from inflation differences of the legal reserves is reported under "Previous Period's Profit/Loss".

#### Income Statement Classifications:

In the Income Statement as of December 31, 2007;

- TRY 175.912 of Provision for Severance Pay under Provision No Longer Required of TRY 916.052, stated as Revenue and Profits from Other Activities is classified under Cost of Sales; TRY 6.902 of the same is classified under "General Administrative Expenses"; and TRY 72.971 is classified under Revenues from Other Activities; TRY 660.267 of the same is classified under the "Revenues from Other Activities.

-Provisions for Impairment of Inventory, Severance Pay and Leave of TRY 542.256 under the General Administrative Expenses are classified under "Cost of Sales"; and Provision for Lawsuits of TRY 107.929 is classified under the Expenses and Losses from Other Activities.

#### F. Newly Established and Revised International Financial Reporting Standards

The Company, within this period, complied with the newly established and revised standards and comments - related to its subject of activity - published by the International Accounting Standards Committee (IASC) and International Financial Interpretation Committee (IFRIC) of IASC and in effect as of January 1, 2008.

Standards as well as changes and comments entered into force in 2008 however not applicable due to its irrelevancy to the Company's operations;

Though changes and comments made in the previous standards by the following standards are compulsory for the financial periods beginning on or after January 1, 2008, they are not related to the activities of the Companies or application of the same was not preferred.

- IFRIC 11, "IFRS 2 – Group and Treasury Share Transactions"
- IFRIC 12, "Service Concession Arrangements",
- IFRIC 13, "Customer Loyalty Programs" (from July 1, 2008)
- IFRIC 14, "UMS 19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction",
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (from October 1, 2008)

Changes and comments made on the existing standards by the standards, not entered into force yet and not adopted by the Company for earlier implementation;

The following Standards and Comments were published on date of ratification of these statements, however were not entered into force.

IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations"

*Applicable to the fiscal periods beginning on or after July 1, 2009.*

IAS 1, "Presentation of Financial Statements"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 16, Tangible Fixed Assets (with the original name "Property, Plant and Equipment")

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 19, "Employee Benefits"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 29, "Financial Reporting in Hyperinflationary Economies"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 36, "Impairment of Assets"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 38, Intangible Fixed Assets (with the original name "Intangible Assets")

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 41, "Agriculture"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IFRIC 17, "Distribution of Non-Cash Assets to Owners"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IFRIC 18, "Transfer of Assets from Customers"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IFRIC 8, "Divergence in Practice"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IFRIC 15, "Agreements for Construction of Real Estate"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IFRS 2, "Share Based Payment"

Change regarding Conditions for Progress  
Payment and Annulments

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IFRS 1, "First Time Adoption of International Financial Reporting Standards"

Change regarding Investment Costs in the First Time Adoption of IFRS

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

UFRS 3, "Mergers" (Business Combinations)

IAS 27, "Consolidated and Separate Financial Statements"

IAS 28, "Investments in Associates"

IAS 31 "Interests in Joint Ventures"

Comprehensive Change about Application of the Purchase Method

*Applicable to the fiscal periods beginning on or after July 1, 2009.*

IAS 23, "(Revised) Borrowing Costs"

Comprehensive Changes Preventing Direct Writing-off

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 27, "Consolidated and Separate Financial Statements"

"Changes regarding Investment Costs in First Time Adoption of IFRS

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 32, "Marketable Financial Instruments Arisen from Liquidation "

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 39, "Financial Instruments: Recognition and Measurement"

*Applicable to the fiscal periods beginning on or after January 1, 2009.*

IAS 40, "Investment Property" *Applicable to the fiscal periods beginning on or after January 1, 2009.*

### G. Accounting Principles / Valuation Methods Implemented

The significant accounting principles implemented in the preparation of the attached financial statements are as follows:

**Revenue:** Revenue is recognized on an accrual basis and at the fair value of the consideration received or receivable when the delivery is performed, when the amount of revenue can be measured reliably, and when it is probable that the economic benefits associated with the transaction will flow to the entity. Net sales item is calculated as the deduction of sales returns and sales discounts from the sales item.

**Sale of Commodities:** In case of transfer of the risks and benefits of the commodities to the purchaser and reliable computation of the revenue, the revenue is considered to have arisen. Net sales item is composed of invoiced sales cost after deduction of discounts and commissions.

**Sale of Services:** Revenue is recognized, in the event that the revenue generated from sale of services reaches a measurable degree. In cases of failure in reliable measurement of the revenue to be generated from the agreement to be concluded, the revenue is considered as the recoverable amount out of tolerated expenses.

**Leases:** The leases are disclosed in the financial statements, when gained monthly. (Note: 21)

**Interest:** Interest incomes are reported according to the principle of effective interest method. (Not:22 )

**Dividend:** Dividend incomes are reported as revenue on the date when the right to collect arises. The Company has not dividend incomes as of the dates 31.12.2008 and 31.12.2007.

**Inventories:** In inventories, the process costing is used. In inventories, monthly active average cost method is applied.

Net realizable value is the amount estimated by deducting additional costs arisen from the estimated sales cost until the time of sale.

The cost consists of raw material, workmanship and general production expenses in accordance with the relevant production stage; however, does not include borrowing costs. In case of financing cost in the inventories, the reasonable cost is determined by minimizing the possible payments with the hidden interest rate included in the financing cost. Due date difference of TRY 231.767 arisen at the beginning and at the end of the year whose registered values and nominal values are different (December 31, 2007 – 204.980) was assessed as the interest expense. (Note 9, 23)

Fixed Assets Held for Sale and Discontinued Activities: The Company has neither fixed assets held for sale nor discontinued operations as of December 31, 2008 and December 31, 2007.

**Real Properties for Investment Purposes:** The Company has no real estate for investment purposes as of December 31, 2008 and December 31, 2007.

**Tangible Fixed Assets:** Tangible assets are recorded at their cost value (excluding the land and the buildings in Edirne). The cost value of the tangible asset consists of purchase price, importation taxes and irrevocable taxes and expenses incurred for making it ready for use. Expenses such as maintenance and care arisen after utilization of the tangible fixed assets are recorded as expense in the period when they are incurred. If these expenses incurred result in an increase in economic value or performance of the tangible assets during its future use, these expenses should be capitalized. Other tangible assets are reflected to the financial statements after deduction of provisions for accumulated depreciation from their historical cost. When the tangible asset is sold, income or expenses remained after deduction of cost and accumulated depreciations of such tangible asset from the relevant accounts are recorded in the income statement or income/loss statement. In case of sale of revalued assets, the revaluation amount of the relevant asset is transferred to the accumulated profits.

Whether or not impairment occurs in the tangible assets item is determined in accordance with the Standards of Impairment. According to the Standard, provision for impairment is set aside for the amount exceeding the recoverable amount of the asset's book value. The recoverable amount of the tangible assets is the higher of its net sales price and value in use. The value in use is the present value of the sum of future cash flows expected to be derived from an asset or a cash-generating unit and sales value at the end of useful life. Within this frame, future cash flows are discounted by the timing value of the relevant amount under the current market conditions and pre-tax discount rate involving the risks special to this asset.

Expected useful life, residual value and depreciation method are annually revised to determine possible effects of the changes for future in estimations.

Tangible assets, excluding buildings and lands, are valued according to the cost method in compliance with the Communiqué Serial: XI Number: 29 of the CMB. The tangible assets are disclosed with their inflation adjusted values (to December 31,2004) according to acquisition date. The Company's real estates in Edirne were subjected to expert examination by "Standard Gayrimenkul Değerleme Uygulamaları A.Ş." in December 2008 and the relevant assets were recorded at the financial statements with their current values. The assets' difference of TRY 5.646.593 in book value calculated based on the land value (TRY 3.416.141) – calculated with market approach method - and construction costs (TRY 10.190.401) – calculated with cost approach method - is disclosed under "Value Increase Funds" involved in the shareholders' equity in the balance sheet. (Note: 17)

Depreciation is calculated over the adjusted values of tangibles, excluding land shaving an infinite useful life, on straight-line basis. The tangible assets are disclosed with their inflation adjusted values (to December 31, 2004) according to acquisition date. Tangible assets are carried at cost less accumulated depreciation and any accumulated impairment loss.

Considering their economic lives, tangible assets are depreciated over the following useful lives: (Note:10)

	Useful Life
Buildings	10-50 years
Underground and Aboveground Structures	8-20 years
Machinery and equipment	4-15 years
Vehicles	4-7 years
Furniture and Fixtures	4-16 years
Other Tangible Assets	4 years

**Intangible Assets:** The intangible assets are disclosed with their inflation adjusted values according to acquisition data from the date of purchase until December 31, 2004. Intangible assets are carried with cost method pursuant to Communiqué Serial: XI Number: 29 of the CMB at cost less accumulated depreciation and any accumulated impairment loss. Values of the intangible assets are annually revised to determine possible effects of the changes for future in estimations. There is no intangible asset within the scope of IAS 38. Intangible assets are depreciated over the following useful lives considering their economic lives (Note:11).

	Useful Life
Rights (Trademarks, licenses, copyrights, patent, software etc. )	2-16 years
Special Costs (Siirt-Madenköy)	3-25 years

**Goodwill:** The Company has no goodwill account, since it has no affiliate or subsidiary subject to consolidation from December 31, 2008 and December 31, 2007.

**Impairment:** Assets with indefinite lives such as goodwill are not depreciated. Impairment test is applicable to those assets each year. The impairment test is applicable to the depreciated assets, in case and in the event that it is not possible to regain their book value. If the asset's book value exceeds its recoverable amount, provision for impairment is recognized. Recoverable amount is the fair value less the cost of sales or the higher of the value in use. For assessment of the impairment, the assets are grouped in the lowest level where cash flows, which may separately be defined, are in question (cash-generating unit). Intangible assets, subject to depreciation, excluding the goodwill, are revised on each reporting date for possible cancellation of impairment.

In cases where it is not possible to realize the assets over the values of the same, whether or not impairment occurs is searched. Impairment loss is calculated and recorded in the income statement when the recorded value of an asset or a cash-generating unit exceeds the estimated replacement value of tangible and intangible assets. The estimated replacement value of an asset or a cash-generating unit is the higher of its sales value and its value in use. If the estimated replacement value can be determined, it is estimated for each asset, or if not, it is estimated for the group where the asset is involved and which procures the cash flows. If the provision for impairment, set aside in the previous years, is no longer valid or lower provision is required to be set aside, the relevant provision is decreased by the relevant amount and the decreased amount is recognized in the income statement. However, the increase in the carrying value of the asset as a result of reversing the provision for impairment is recorded provided that such increase does not exceed the value of such asset as if no provision for impairment has been set aside in the previous years.

**Borrowing Costs:** In case of assets, which require substantial time for rendering ready for use and sale, the interest expenses directly related to the purchase, construction and production of the qualifying assets should be involved in the cost of that asset until the asset is ready for use or sale. Financial investment income gained with temporarily utilization of the unused portion of the investment loan for a short period of time is deducted from borrowing costs appropriate for capitalization. All the other financial expenses are disclosed in the income statement at the date of occurrence.

As there has been no asset production requiring capitalization of the financial expenses of the Company since December 31, 2008 and December 31, 2007, the financial expenses are directly recorded in the income statement in the relevant periods.

**Financial Instruments:**

The financial instruments are to be measured at fair value in conformity with Communiqué Serial: XI Number: 29.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The market value of a financial instrument, in the availability of an active market, is equal to the amount to be received in sale or to the loan received to finance the purchase.

The fair value of financial instruments is determined by the Company by using market information and applicable valuation methods. However, interpretation of financial data used in the determination of the fair value is required. Therefore, the estimates presented in this report may not correspond to such values the Company may obtain under current market conditions should it dispose of its assets.

Bank deposits, receivables, contingent commitments such as letters of guarantee and letters of credit, and other financial instruments such as forward transactions are significant financial instruments that can affect the financial position of the Company negatively in case the other party does not fulfill the contractual provisions.

The book value of some financial assets that equal their acquisition value is assumed to reflect the fair value because they are short-term assets.

Below are the methods and assumptions taken into consideration in determining the fair value of financial instruments.

**Cash and Cash Equivalents:** Cash and Cash Equivalents account comprise of cash, demand and time deposits in banks. In case the cash and banks account is denominated in foreign exchange, it is expressed in TRY translated with the foreign exchange rate at the end of the period (there is no cash in foreign currency). The current value of cash and deposit in banks reflects the fair value of the stated assets.

In respect of presentation of cash flow statement, cash and cash equivalents include cash amount in the cash box and time deposits with original maturity less than 3 months.

Cash and cash equivalents represent sum of costs of acquisition and accrued interests.

**Financial Assets:** For the financial instruments traded in the stock exchange, the fair value is determined by using the value in the stock exchange market or market value. Within this framework, pursuant to the CMB letter dated May 18, 2005 and numbered 288-12335, the securities and other financial instruments are to be measured with the prices published by the Istanbul Stock Exchange (ISE). For the instruments the market value of is not known, the book value becomes the fair value. The financial assets are recorded with their book values on the basis of their transaction date.

As of December 31, 2008 and December 31, 2007, all the financial assets are the "financial assets to be valued at their acquisition costs.

As of December 31, 2008, as financial investment, the Company has share certificates in Park Termik Elektrik San. ve Tic. A.Ş., valued at the cost of TRY 18. (Note:5) (December 31, 2007 – TRY 18)

During the reporting periods following the first date of entry, those financial assets which the Company has the intention and power to hold until maturity are valued at their discounted acquisition values to account for any impairment.

The financial assets not classified as held-to-maturity assets are investments for ordinary purchase-sale and available-for-sale financial assets and they are measured with the carrying value in the balance sheet date. The unrealized gains and losses on investments for ordinary purchase-sale are disclosed in period profit or loss, whereas, the unrealized gains and losses of available-for-sale financial assets are disclosed under equity section until it is decided whether to sell or bear continuous impairment. In case of sale or impairment, the cumulative profit or loss previously realized is transferred to period profit or loss.

Financial liabilities and instruments of shareholders' equity are classified according to arrangements under an agreement and the fundamentals of a financial liability and equity-backed instrument. Agreement representing any right to the Company's assets less all the payables of the Company is an equity-backed financial instrument. Accounting policies applicable to specific financial liabilities and equity-backed financial instruments are given below.

The financial liabilities are classified as realistic value difference, financial liabilities involved in profit or loss or other financial liabilities

**Effective Interest Method:** Effective interest method is the method of valuation of a financial asset at depreciated cost and spread of the relevant interest income to the relevant period. The effective interest rate the rate that exactly discounts the expected stream of future cash payments through maturity or the next market-based re-pricing date to the current net carrying amount of the financial asset or financial liability.

The realistic value difference, financial assets classified excluding those involved in the profit or loss and related revenues, are calculated by using the effective interest method.

**Trade receivables and other receivables:** The trade receivables are disclosed, with the invoiced amounts, as the net realizable value measured with effective interest method less provision for doubtful receivables, if any.

The provision for doubtful receivables is disclosed as expense in the records. The provision is the amount considered to recover possible losses, estimated by the company management and arising from economic conditions or risks arising from the nature of the account. (Note: 7-8)

The provisions of doubtful receivables are calculated by taking into consideration the uncollected receivables, guarantees received, the previous experiences and current economic circumstances. The receivables, the collection of which has become doubtful, should be realized as loss during the year such doubtful state has emerged.

As the interest rates are not determined, the Company discounted existing Term Receivables by taking the rates of DIBS (Effective Interest Rate of Government Securities) and LIBOR as the effective interest rate. According to the relevant terms, the effective interest rates of 0.385% -1.805% were applied (December 31, 2007 – for USD between %4.60-4.66)

**Trade Payables and Other Payables:** The trade payables are disclosed, with the invoiced amounts, as the net realizable value measured with effective interest method to represent carrying value of invoiced or non-invoiced amount, arisen or to arise in the future with regard to purchase of goods and services within the scope of Communiqué Serial: XI, No: 29. (Note7-8)

As the rates for the existing term payables are not determined, the Company discounted existing Term Payables by taking the rates of DIBS (Effective Interest Rate of Government Securities) and LIBOR as the effective interest rate. According to the relevant terms, the effective interest rates of 15,50% -16,07% were applied for TRY and rate of 0,39875% for USD (December 31, 2007-for TRY 14,98-15,69%, for USD 4,60-4,66%, for Euro 3,50% )

**Loans:** Bank loans are recorded as the amount of loans less transaction expenses as of the date they are obtained. Bank loans are recorded at discounted acquisition value with effective interest method later on. After the transaction expenses are deducted, the difference between the residual amount and the discounted acquisition value is disclosed in the income statement as financial cost during the period of the loan. The financial cost arising from loans are disclosed in the income statement.

**Risk of Collection:** The Company entirely sells abroad. 90% of the sale cost is collected in advance. There has been no delay in collection. Risk of collection is at minimum level. (Note:7)

**Price Risk:** The Company is exposed to foreign exchange rate fluctuations due to its subject of activity. The export and import transactions of the Company are performed with foreign currencies. The Company may be exposed to price risk due to price fluctuations of the copper in London Metal Exchange.

**Liquidity Risk:** The Company has no considerable liquidity risk since short term payables of the Company are lower pro rata to turnover.

**Foreign Currency Denominated Transactions / The Effects of Changes in Foreign Exchange Markets:** The foreign currency-denominated transactions are translated to TRY with the foreign exchange rate prevailing at the date of transactions. The monetary assets and liabilities are translated by using foreign currency buying rates fixed by the Republic of Turkey Central Bank at the date of the balance sheet. The revenues and expenses are included in the financial revenue and expense items in the income statement of the relevant year. (Notes: 4, 5, 6, 7, 8, 22, 23)

**Earnings Per Share:** Earnings per share is calculated by dividing profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding.

Companies in Turkey may increase their capital stock through distribution of "bonus shares" to their shareholders from their internal resources. Distributions of such "bonus shares" are considered issued shares in calculations of earnings per share. Accordingly, in such calculations, weighted average number of shares is produced to account for retrospective effects of distributions of share certificates.

(Note: 25)

**Events After the Balance Sheet Date:** Events after the balance sheet date are those events, favorable and unfavorable, that occur between the balance sheet date and the date when the financial statements are authorized for issue. In case of existence of new evidences related to occurrence of the relevant events or in case of occurrence of the relevant events after the balance sheet date, the Company discloses these matters in the relevant footnotes.

In case of occurrence of any event requiring rectification after the balance sheet date, the Company corrects the amounts in the financial statements as required (Note: 28).

**Provisions, Contingent Liabilities and Contingent Assets:**

**Provisions:** Provisions are calculated in the circumstances, when there is a present obligation (legal or structural) arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits and the relevant obligation can be determined in amount. When depreciation in time becomes important, provisions are disclosed with the current values of the possible expenses on the balance sheet date. When decreased value is used, increases to occur in provisions due to time differences are recognized as interest expenses.

**Contingent Liabilities and Contingent Assets:** Any event requiring transfer of funds is not probable, contingent liabilities are not recognized in the financial statements but disclosed in the notes of the same. As for the contingent assets, when they are not recognized in the financial statements and its probability to generate economic yield is higher, they are disclosed in the notes.

Provisions are calculated in the circumstances when there is a present obligation (legal or structural) arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the liability is reliably estimated. Contingent liabilities are continuously assessed to determine whether outflow of these resources embodying economic benefits from the entity is probable. As for the items transacted as contingent liabilities, in the event that outflow of the resources embodying economic benefits from the entity becomes probable in the future, provisions for these contingent liabilities are recorded in the financial statements for the period of the possible change, excluding circumstances under which estimation is failed to be made reliably.

When contingent liabilities are probable, however in case of failure in reliable estimation about the value of the resources embodying economic benefits, the Company discloses the relevant liability in the notes.

The asset arising from past events and the existence of which is not completely under the control of the entity or which is to be confirmed by occurrence or non-occurrence of one or more indefinite event is disclosed as contingent asset. In case of higher probability input of the resources embodying economic benefits into the entity, the contingent assets are disclosed in the notes.

The value to be collected in cases where it is expected from third parties to pay partially or entirely the economic benefits used for payment of provision is recorded as an asset, if repayment of the same is definite and calculated in a reliable manner.

**Accounting Policies, Changes in Accounting Estimates and Errors:** The Company may make changes in its accounting policies in the event the effects of the transactions and events on the financial situation, performance or cash flows are of a nature that shall result in a more convenient and reliable presentation of financial statements. When the implementation of such change affects the future terms, such policy change shall be applied to financial statements during the term the change is made.

When the change in the accounting policy affects the current term or the previous terms, such policy change shall be applied to the financial statements retrospectively, as if this policy has always been in effect.

Certain financial statement items also include estimated amounts due to prevailing uncertainties in the activities of the undertaking. Estimates are revised in case a change occurs in the conditions under which such estimation is made or new information is acquired or any further developments emerge. In the event the effect of such change in the accounting estimate relates only to a single term, it is disclosed on the financial statements during the current period such change is made and in the event it relates to forthcoming periods, it is disclosed both during the period such change is made as well as in the subsequent terms prospectively in a manner to be taken into account for determining the net term profit or loss.

Errors, mathematical errors may result from the misapplication of accounting policies, misinterpretation of or inattention to information relating to the financial statements of the Company. In case the Company becomes aware of a potential error, the corrected amount of the relevant error is adjusted on the financial statements retrospectively.

**Financial Leasing:** The Company has no financial leasing as of December 31, 2008  
(December 31 2007 -None)

**Operational Leasing:** Leasing according to which the Lessor bears all the risks and interests of the leased property are classified is classified as operational leasing. Operational leasing payments are recorded as expenses in the income statement throughout the term of lease.

#### **Related Parties**

In the financial statements, the Company's shareholders, companies owned by these shareholders, managers of these companies and related groups are defined as related parties. Transaction carried out with the related parties is the transfer of the services or liabilities between the related parties regardless of whether or not for a cost. (Note: 26)

In the financial statements, Ciner Group of companies as well as personnel of the Company and members of the Board of Directors, their families and companies controlled by or affiliated to the same, affiliates and subsidiaries are all accepted and expressed as "Related Parties".

Transactions carried out with the related parties for ordinary activities were realized at costs complying with the market conditions.

#### **Segment Reporting of Financial Information**

All of the assets and manufacturing facilities of the Company operate in a single geographical region and a single branch of business.

**a-Basic Reporting Method - Geographical Regions:** The Company produces goods (concentrated copper) in the country and sells them to foreign firms. Accordingly, the Company does not further carry out any reporting on the basis of geographical regions.

**b-Secondary Reporting Method - Industrial Regions:** The Company is engaged in concentrated copper production solely in the mining sector in the country. The Company has only realized concentrated copper production and sale as of January 1-December 31 2007. The Company did not carry out any reporting on the basis of industrial regions as its field of activity does not cover different risks and revenues.

Government Grants and Government Assistance: The Company discloses in the financial statements all the governmental incentives including those non-monetary governmental incentives that are followed up over their fair value as and when there is reasonable assurance that such incentives can be obtained.

Even when they are obtained in cash or in such manner so as to decrease any liability towards the government, governmental incentives are shown on the financial statements in the same manner.

The investment incentives are valued at current value when there is reasonable assurance that such incentives can be obtained and all the related conditions would be observed. When the incentive is associated with an expense item, it is systematically recorded as revenue in the subsequent periods as to include the expenses expected to be compensated. If the incentive is associated with an asset item, its current value is recorded under the capital account (such as deferred revenue) and is divided in equal installments on annual basis over estimated economic life of the asset which the investment incentive is related and is then linked with the income statement.

The Company has an incentive certificate for an investment amount of TRY 21,000,000, obtained on September 14, 2004 and ending on February 28, 2009.

Within the scope of the incentive certificate, the Company is exempted from Value Added Tax with regard to purchase of domestic and foreign investment goods and from customs duty with regard to the investment goods imported from the countries other than EU member countries.

The Company also benefits from tax and insurance premium incentives for the personnel working in Siirt/Madenköy Bakır İşletmeleri (Copper Facilities) and additionally from energy support within the scope of Law dated January 29, 2004 and numbered 5084 Incentive for Investment and Employment. In the Period of January-December 2008, general production expenses were reduced by benefiting from tax and insurance premium incentive of TRY 579.752 and energy support of TRY 1.257.193. (December 31, 2007 – tax and insurance premiums incentives of TRY 591.907, energy support of TRY 841,862)

#### **Calculated Taxes**

##### **Provision for tax for the current period:**

Provision for tax: The Company is subject to corporate tax according to the applicable laws and regulations in Turkey. Provision for Corporate Tax estimated over the earnings of the relevant period is calculated as of the reporting period. The Corporate Tax liability is calculated over the tax base produced upon rectification of the period's earnings by taking into account expenses and discounts, not accepted legally.

The Company's corporate tax was calculated as TRY 18.960.583 and provision for the same was calculated based on the Company's financial statements as of December 31, 2008.  
(December 31 2007 –TRY 4.724.711)

Information on Corporate Tax Calculations: According to the new Corporate Tax Law No. 5520, the corporate tax and provisional tax rates were determined to be 20% as to be effective from 01.01.2006. Besides the corporate tax, withholding tax at the rate of 15% shall be applied to the dividends distributed to real persons and legal entities other than dividends paid to fully fledged tax payers, resident in Turkey and limited fledged (foreign-based) tax payers deriving revenues through a work place or established representative in Turkey. Contribution of profit to the capital is not deemed dividend distribution.

Provisional tax at the rate of 20% shall be calculated quarterly by the corporate tax payers to deduct from the corporate tax and declared until 14th day and paid until close of business on 17th day of the following month. In the event that the taxes paid within the year are higher than the calculated and declared corporate tax, it would be possible that the difference be returned or deducted from subsequent taxes.

According to the corporate tax law; previous years' losses of the tax payers in the corporate tax declarations may be deducted from the entity's earning in the following periods as not to be transferred for more than 5 years.

Exceptions applicable to the Company as per Law No. 5520, such as participation earnings exception, issue premium exception, exception of earnings from sale of immovable and stake available under the entities' assets item for two years (75% of the sale is exception), may be considered Research & Development discount. Investment discount exception was revoked by Law dated March 30, 2006 and No. 5479.

Inflation Adjusted Tax Computation: Upon amendment of the Tax Procedural Code, Income Tax and Corporate Tax by Law number 5024 published in the Official Gazette dated December 30, 2003 and numbered 25332, it is obligated that income tax and corporate tax payers, calculating their revenues on balance sheet basis, issue inflation adjusted financial statements so as to be effective in 2004. As per this law, in order for inflation adjustment, it is required that the last 36 month cumulative inflation rate exceed 100% and 12 month inflation rate exceed 10%. Since the required conditions did not emerge, the Company did not subject its financial statements dated December 31, 2008 and December 31, 2007 to adjustment within the frame of the relevant provisions of Tax Procedural Law relating to inflation accounting and it calculated the tax base for the current period over these financial statements.

#### **Deferred Tax:**

Accounting for the deferred tax asset and liability is performed on the basis of timing differences arisen out of different assessments of several income and expense items in respect of accounting and tax. Deferred tax liability is calculated for all the taxable timing differences arisen; deferred tax asset is an asset on a company's balance sheet that may be used to reduce any subsequent period's income tax expense. Deferred tax assets can arise due to net loss carryovers, which are only recorded as assets if it is deemed more likely than not that the asset will be used in future fiscal periods.

Deferred tax is calculated over the tax rates effective in the period the assets arise or liabilities are fulfilled and recorded as expense and income in the income statement.

The Company recognizes deferred tax assets and liabilities for temporary differences arising from the differences between financial statements prepared in conformity with tax legislation and with CMB Communiqué Serial: XI Number:29. The mentioned differences, explained below, arise from the legitimate records of some revenue and expense items and their amounts according to CMB Communiqué Serial: XI Number:29.

The timing differences arise from the differences between accounting purpose and tax purpose revenue and expenses. The timing differences are calculated over tangible and intangible assets, inventories, adjusted deferred income, rediscount on receivables, provision for severance pay, rediscount on payables, prior years' losses and the investment allowance that the Company will benefit.

Deferred tax assets and deferred tax liabilities are set off against each other if permitted by the tax laws and regulations and in case of availability of any applicable legal right to set off current tax assets from current tax liabilities.

The Company calculated the deferred tax asset as TRY 464.006 as of December 31, 2008 and TRY 528.798 as of December 31, 2007.

**Employee Benefits / Severance Pays / Incentive Premiums / Provisions for Leaves:**

Provision for Severance Pay: Except the following legal obligations, there is no agreement establishing any obligation with regard to retirement of the Company's personnel.

The provision for severance pay expresses the present value of expected future liabilities that will occur with the retirement of employees as embodied in Turkish Labor Law. (Note: 15)

According to the Turkish Labor Law, the Company is under the obligation to pay severance pay to its personnel who have completed one year in the service of the Company and whose relation with the Company is discontinued or who retire, who complete term of service determined by the law and become entitled to retirement, who are mustered into military service or who die.

Severance pay to be paid corresponds to about one-month salary for each service year and such limit has been limited to TRY 2.173 (December 31, 2007: TRY 2,030) as of December 31, 2008.

Since there is no legal obligation to create any funds for the severance pay obligation, no special funds are allocated on the financial statements.

The provision for severance pay is calculated by estimating the present value of the possible liability payable in case of retirement of the employees.

The following actuarial assumptions were used during the calculation of the total severance pay obligation in light of explanations under Communiqué Serial No. XI/29:

	December 31, 2008	December 31, 2007
Discount Rate (%)	6,26	5,71
Rate of Potential Retirements (%)	95,00	99,80

The basic assumption is that the ceiling provision determined for each annual service increases in proportion to the inflation rate. Therefore, the discount rate shows the actual rate free of the anticipated effects of inflation. Within this framework, the total severance pay obligation was computed by using the annual 6,26% real discount rate which was determined by estimating an annual 5,4% inflation and 12% discount rate. (Total severance pay obligation as of December 31, 2007 was computed by using the annual 5,71% real discount rate which was determined by estimating an annual 5% inflation and 11% discount rate.)

The severance pay obligation recognized in the balance sheet refers to the present value less actuarial income and loss not disclosed in the income statement.

**Provision for Leaves:** Provision for Leave is calculated for leave pays generated from the Company Personnel's unused leaves for the previous years. (Note:16)

According to the existing laws and provisions of collective bargaining agreements in Turkey, severance pay is paid in case of retirement or dismissal. As per updated IAS 19 "Employee Benefits", these kinds of payments are described as defined benefit plans.

**a) Defined Benefit Plan:** As per the applicable labor law, the Company is liable to pay specific amount of severance pay to the personnel, who retire or resign and are dismissed due to bad conduct after at least one year service.

As stated in Note 15, the Company calculated the provision for severance pay in the financial statements by discounting at the estimated interest rate.

In the balance sheets, the provision for severance pays is disclosed as a separate item "Provisions for Employee Benefits" under the Long Term Liabilities.

**b) Defined Contribution Plans:** The Company is obligated pay social security premiums to the Social Security Institution. The Company shall have no liability as long as it pays these premiums. These premiums are involved in the employee expenses during the term they accrue. As of December 31, 2008, total expense of TRY 2.140.691 (December 31, 2007 – TRY 1.575.541) was disclosed relating to these premiums.

**Cash Flow Statement:** During the term the cash flow statement is issued, cash flows for the relevant period are reported as to include operating activities, investment activities and financing activities.

Cash flows from operating activities refer to cash flows from concentrated copper sales of the Company.

Cash flows from the investment activities refer to cash flows utilized and generated from mine investments of the Company (fixed investments and financial investments).

Cash flows from financing activities refer to resources used for the Company's financing activities and repayment of these resources.

Liquid assets consist of cash, demand deposits and other short term investments with maturities equal to/less than 3 months, immediately realizable and having no considerable risk of decrease/increase in value and having higher liquidity.

**Capital and Dividends:** Common stocks are classified as shareholders' equity. Dividends distributed over the common stock are deducted from the accumulated profit in the period, when the dividend distribution is decided.

**Recognition on Transaction and Delivery Dates:** All the financial asset trading is recorded on the transaction date, in other words, on the date when the Company undertakes to realize the trading. Ordinary purchases and sales are the trading according to which the delivery date of the asset is determined generally according to the legislation or arrangements in the markets.

**Disclosure and Deletion of Financial Assets and Liabilities:** The Company discloses the financial assets and liabilities to its balance sheet, when it becomes a party to the relevant financial instruments. The Company deletes entire or any part of the financial asset, when it has no longer control on the rights arising from the agreement with regard to these assets. The Company deletes the financial liabilities in the balance sheet, only if its liability defined in the agreement is revoked, annulled or prescribed.

### NOTE 3- MERGERS

The Company has no merger transaction as of the balance sheet date ( Note:28)  
(December 31, 2007 - None.)

**NOTE 4- CASH AND CASH EQUIVALENTS**

	December 31, 2008	December 31, 2007
Cash	3.551	3.344
Bank- Demand Deposits	1.054.743	678.503
Banks- Time Deposits	1.756.380	31.635.632
<b>Cash and Cash Equivalents</b>	<b>2.814.674</b>	<b>32.317.479</b>

As of December 31, 2008 and December 31, 2007, maturities of the time deposits of the Company are shorter than three months and their values valued by the effective interest method are as follows:

**December 31, 2008**

Foreign Currency	Amount of Foreign Cu.	TRY Amount	Interest Rate (%)	Maturity
USD	1.161.397	1.756.380	3,5000	Jan. 09
<b>Total</b>		<b>1.756.380</b>		

**December 31, 2007**

Type of Foreign Cu.	Amount of Foreign Cu.	TRY Amount	Interest Rate (%)	Maturity
USD	24.494.447	28.528.682	4,05	Jan. 08
USD	2.667.597	3.106.950	4,20	Jan. 08
<b>Total</b>		<b>31.635.632</b>		

The Company has no blocked liquid asset as of December 31, 2008 (December 31, 2007 - None).

**NOTE 5 - FINANCIAL INVESTMENTS**

**A. Short Term Financial Investments**

The Company has no short term financial investment as of December 31, 2008 (December 31 2007 - None.)

**B. Long Term Financial Investments**

	December 31, 2008	December 31, 2007
-Park Termik Elektrik San.ve Tic. A.Ş.	18	18
-Provision for Impairment	-	-
<b>Total</b>	<b>18</b>	<b>18</b>

Shareholding amounts and rates of the affiliate are as follows:

Title of the Company	Type of the Partnership	December 31, 2008		December 31, 2007	
		Share %	Amount	Share %	Amount
-Park Termik Elektrik San.ve Tic. A.Ş.	Affiliated Securities	-	18	-	18
			<b>18</b>		<b>18</b>

The aforementioned affiliate namely "Park Termik Elektrik San. ve Tic. A.Ş." - considered to be among the long term investments - is recorded in the financial statements as financial investments to be valued at cost.

**NOTE 6- FINANCIAL LIABILITIES**

**a) Short Term Financial Liabilities**

	December 31,2008	December 31, 2007
Short Term Bank Loans	27.578.976	30.518.819
Short Term Positions of the Long Term Financial Liabilities	-	735.854
	<b>27.578.976</b>	<b>31.254.673</b>

The Company transferred to the use of Park Holding A.Ş., a group company, TRY 24.289.723 of short term loans of total TRY 27.578.976. (December 31, 2007-TRY 30.268.379). Short term position, amounting to TRY 735.854 as of December 31, 2007, out of long term financial liabilities, repaid within the relevant period, is entirely related to the loan, transferred to the use of Park Teknik Elektrik Madencilik Turizm Sanayi ve Ticaret A.Ş., another group company. The principal and interest payments are reflected to the abovementioned companies. Therefore, no related revenue and expense items are recognized in the attached financial statements. The Company assesses the loans, used by the Company itself, according to the effective interest method.

Details of the short term financial liabilities are as follows:

**Bank Loans**

**December 31, 2008**

Type of the Foreign Cu.	Amount of the		Int. Rate (%)	Maturity
	Foreign Cu.	TRY		
USD	1.000.000	1.512.300	5,38375	Jan 09
USD	600.000	907.380	5,67125	Feb 09
USD	800.000	1.209.840	5,61375	March 09
USD	510.000	771.273	5,61500	March 09
USD	1.300.000	1.965.990	6,35125	April 09
USD	1.175.000	1.776.953	5,06750	June 09
USD	7.000.000	10.586.100	11,25000	Sept 09
USD	5.851.445	8.849.140	11,25000	Sept 09
	<b>18.236.445</b>	<b>27.578.976</b>		

**December 31, 2007**

Type of the Foreign Cu.	Amount of the		Int. Rate (%)	Maturity
	Foreign Cu.	TRY		
USD	5.988.133	6.974.378	7,00000	Oct 08
USD	10.000.000	11.647.000	7,00000	Oct 08
USD	9.600.000	11.181.120	7,00000	Oct 08
USD	400.000	465.880	7,00000	Oct 08
USD	215.000	250.411	7,35625	Dec 08
TL	-	30	-	Jan 08
	<b>26.203.133</b>	<b>30.518.819</b>		

### Short Term Positions of the Long Term Financial Liabilities

Long Term Loan of TRY 735.854, equivalence of USD 461.472, with the maturity March 2009, transferred from December 31, 2007, was repaid in April 2008; therefore, there exists no short term positions of the long term financial liabilities.

#### December 31, 2007

Type of the Foreign Cu.	Amount of the Foreign Cu.	TRY	Int. Rate (%)	Maturity
USD	461.472	735.854	7,50000	December 08
	<b>461.472</b>	<b>735.854</b>		

### b) Long Term Financial Liabilities

	December 31, 2008	December 31, 2007
Long Term Bank Loans	-	1.404.495
	<b>-</b>	<b>1.404.495</b>

The Company transferred, to the use of Park Teknik Elektrik Madencilik Turizm Sanayi ve Ticaret A.Ş. TRY 239.795 out of the loan of total TRY 1.404.495 as of December 31, 2007. The principal and interest payments are reflected to the abovementioned companies. Therefore, no related revenue and expense items are recognized in the attached financial statements. The Company assesses the loans, used in its own body, according to the effective interest method.

Details of the long term financial liabilities are as follows:

#### Bank Loans

##### December 31, 2007

Type of the Foreign Cu.	Amount of the Foreign Cu.	TRY	Int. Rate (%)	Maturity
USD	1.000.000	1.164.700	7,40875	Jan 09
USD	153.812	239.795	7,50000	April 09
	<b>1.153.812</b>	<b>1.404.495</b>		

## NOTE 7- TRADE RECEIVABLES AND PAYABLES

### A. Trade Receivables

#### a) Short Term Trade Receivables

	December 31, 2008	December 31, 2007
Trade receivables	3.406.181	1.884.965
Other trade receivables	1.989	29
Doubtful trade receivables	134.781	172.513
Provision for doubtful trade receivables	(134.781)	(172.513)
<b>Total</b>	<b>3.408.170</b>	<b>1.884.994</b>

Receivables Due from Related Parties item is TRY 29.549 (December 31, 2007-TRY 298.757).

Details of the related transactions are given in Note 26.

Maturity analysis of the receivables is given in Note 27.

Analysis of the receivables, which are overdue and for which provisions for doubtful receivables are calculated, is as follows:

<b>Term after Maturity</b>	<b>December 31, 2008</b>	<b>December 31, 2007</b>
3-12 months	-	52.979
1-5 years	52.979	-
More than 5 years	81.802	119.534
	<b>134.781</b>	<b>172.513</b>

Provision is calculated for the collections which are not expected to be fulfilled. Since it is not possible that the Company's receivables abroad amounting to EUR 4.725.58 and GBP 12.747,76 (TRY 37.732) be collected, these receivables were closed. The movements of provision for doubtful receivables are as follows:

	<b>December 31, 2008</b>	<b>December 31, 2007</b>
Beginning Balance	172.513	125.696
Period Expense	-	52.979
Receivables Abandoned	(37.732)	-
Foreign Exchange Difference	-	(6.162)
<b>Ending Balance</b>	<b>134.781</b>	<b>172.513</b>

There is no collateral collected for unexpired receivables (December 31, 2007 – None)

#### **b) Long Term Trade Receivables**

The Company has no long term trade receivables (December 31, 2007 - None.)

### **B. Trade Payables**

#### **a) Short Term Trade Payables**

	<b>December 31, 2008</b>	<b>December 31, 2007</b>
Trade Payables	5.394.436	9.572.105
Other trade payables	8.591	8.591
<b>Total</b>	<b>5.403.027</b>	<b>9.580.696</b>

Payables Due to Related Parties under the Trade Payables is net TRY 418.989 (December 31, 2007 – TRY 504.307). Details of the related transactions are given in Note 26.

There is no possible interest to arise in the following periods relating to forward purchases; therefore, no provision for interest is calculated.

#### **b. Long Term Trade Payables**

The Company has no long term trade payables. (December 31, 2007 - None.)

**NOTE 8- OTHER RECEIVABLES AND PAYABLES**

**A. Other Receivables**

**a) Other Short Term Receivables**

	December 31, 2008	December 31, 2007
Deposits and Guarantees Given	40.330	27.505
Receivables Due from Shareholders	201.198.531	93.328.582
Receivables Due from other Group Companies	298.944	739.146
Other miscellaneous receivables	269.378	81.843
Other doubtful receivables	29.041	29.041
Provision for other doubtful miscellaneous receivables	(29.041)	(29.041)
<b>Total</b>	<b>201.807.183</b>	<b>94.177.076</b>

Amount of receivables due from the related parties under the other receivables item is TRY 201.497.475 (December 31, 2007- TRY 94.067.728). Details of the related transactions are given in Note 26.

Maturity analysis of the other receivables is given in Note 27.

**b) Other Long Term Receivables**

	December 31, 2008	December 31, 2007
Deposits and guarantees given	425	425
Other miscellaneous receivables	-	239.795
<b>Total</b>	<b>425</b>	<b>240.220</b>

**B. Other Liabilities**

**a) Other Short Term Liabilities**

	December 31, 2008	December 31, 2007
Taxes, charges and other similar liabilities payable	183.601	108.186
Social security premiums payable	395.836	223.703
Payables to personnel	742.601	539.987
Dividends payable to shareholders	1.773	1.773
Other miscellaneous liabilities	24.626	580
<b>Total</b>	<b>1.348.437</b>	<b>874.229</b>

Amount of other liabilities payable to the related parties under the Other Liabilities item is TRY 744.374, (December 31, 2007- TRY 541.760). Details of the related transactions are given in Note 26.

**b) Other Long Term Liabilities**

The Company has no other long term liabilities (December 31, 2007 - None)

**NOTE 9- INVENTORIES**

	December 31, 2008	December 31, 2007
Raw Materials	5.652.452	4.950.940
Finished Goods	2.007.776	3.567.164
Other Inventories	44.954	42.071
Provision for impairment of inventories	(93.497)	(106.114)
<b>Total</b>	<b>7.611.685</b>	<b>8.454.061</b>

The due date difference, arisen within and at the end of the year, the recorded values and nominal values of which are different, and amounting to TRY 230.199 TL is recorded as interest expense.  
(Dec 31, 2007- TRY 204.980) (Note: 23)

Movements of provision for impairment of inventories:

	December 31, 2008	December 31, 2007
Beginning Balance	(106.114)	(90.134)
Provision Set Aside in the Period	93.497	(155.855)
Provision No Longer Required (-)	106.114	139.875
<b>Ending Balance</b>	<b>93.497</b>	<b>(106.114)</b>

#### NOTE 10- TANGIBLE FIXED ASSETS

Movements of tangible fixed assets as of December 31, 2008 and December 31, 2007 are as follows:

Book Value	December 31, 2007 -Value	Purchases	Sales	Transfer	Valuation Difference	December 31, 2008
Lands	100.000	-	(100.000)	-	3.416.141	3.416.141
Underground and Aboveground						
Structure	2.372.325	440.595	-	46.850	-	2.859.770
Buildings	20.854.210	1.234	-	410.897	4.021.843	25.288.184
Property, Plant and Equipment	38.896.854	3.769.878	(11.160.107)	118.718	-	31.625.343
Vehicles	323.762	107.108	-	-	-	430.870
Furniture and Fixtures	2.971.697	538.039	(17.829)	-	-	3.491.907
Other Tangible Fixed Assets	2.968	4.910	-	-	-	7.878
Constructions in Progress	1.419.750	691.198	(1.399.794)	(576.465)	-	134.689
<b>Total</b>	<b>66.941.566</b>	<b>5.552.962</b>	<b>(12.677.730)</b>	<b>-</b>	<b>7.437.984</b>	<b>67.254.782</b>

Accumulated Depreciation	Dec 31, 2007 Value	Period Expense	Sales	Transfer	Valuation Difference	Dec 31, 2008 Value
Lands	-	-	-	-	-	-
Underground and Aboveground						
Structures	730.013	350.018	-	-	-	1.080.031
Buildings	6.669.231	924.611	-	-	1.791.391	9.385.233
Plant, Machineries and Devices	19.116.325	3.919.081	(11.134.349)		-	11.901.057
Vehicles	169.714	79.904	-	-	-	249.618
Fixtures	1.997.580	300.220	(5.926)	-	-	2.291.874
Other Tangible Fixed Assets	1.360	2.152	-	-	-	3.512
<b>Total</b>	<b>28.684.223</b>	<b>5.575.986</b>	<b>(11.140.275)</b>	<b>-</b>	<b>1.791.391</b>	<b>24.911.325</b>

Net Book Value	Dec 31, 2008 Value	Dec 31, 2007 Value
Lands	3.416.141	100.000
Underground and Aboveground		
Structures	1.779.739	1.642.312
Buildings	15.902.951	14.184.979
Plant, Machineries and Devices	19.724.286	19.780.529
Vehicles	181.252	154.048
Fixtures	1.200.033	974.117
Other Tangible Fixed Assets	4.366	1.608
Constructions in Progress	134.689	1.419.750
<b>Total</b>	<b>42.343.457</b>	<b>38.257.343</b>

Of the depreciation expense of tangible fixed assets as of December 31, 2008, TRY 5.575.986; the transfers to specific accounts are as follows: TRY 4.976.012 to cost of manufacturing, TRY 595.403 to Expenses and Losses of Idle Capacity, TRY 4.271 to Cost of Manufacturing and TRY 300 is deducted from revaluation fund item.

Of the depreciation expense of tangible fixed assets as of December 31, 2008, TRY 5.781.424; the transfers to specific accounts are as follows: TRY 10.100 to General Administrative Expenses, TRY 618.622 to Expenses and Losses of Idle Capacity, TRY 5.152.402 to Cost of Manufacturing and TRY 300 is deducted from revaluation fund item.

#### Financial Leasing

The Company has no financial assets acquired by the way of financial leasing.

#### Pledges and Mortgages on the Assets

There exists no mortgage or pledge on the tangible assets of the Company as of December 31, 2008. (December 31, 2007- TRY 27.000.000)

#### NOTE 11- INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets of the Company, acquired by the Company through purchase, as of December 31, 2008 and December 31, 2007 are as follows:

Book Value	Dec 31, 2007 Value	Purchases	Dec 31, 2008 Value
Rights	10.238.200	22.879	10.261.079
Special Costs	1.632.280	2.000	1.634.280
Extraction Expenses	487.148	-	487.148
Preparation and Development Expenses	6.921.525	1.803.177	8.724.702
<b>Total</b>	<b>19.279.153</b>	<b>1.828.056</b>	<b>21.107.209</b>

Accumulated Depreciation Cost	Dec 31, 2007 Value	Period Expense	Dec 31, 2008 Value
Rights	4.954.594	893.431	5.848.025
Special Costs	509.964	186.625	696.589
Preparation and Development Expenses	2.492.805	1.766.492	4.259.297
<b>Total</b>	<b>7.957.363</b>	<b>2.846.548</b>	<b>10.803.911</b>

Net Book Value	Dec 31, 2008 Value	Dec 31, 2007 Value
Rights	4.413.054	5.283.606
Special Rights	937.691	1.122.316
Extraction Expenses	487.148	487.148
Preparation and Development Expenses	4.465.405	4.428.720
<b>Total</b>	<b>10.303.298</b>	<b>11.321.790</b>

Of the depreciation expenses of intangible fixed assets as of December 31, 2008, TRY 2.846.548; the transfers to specific accounts are as follows: TRY 2.842.710 to Cost of Manufacturing and TRY 3.838 to General Administrative Expenses.

Of the depreciation expenses of intangible assets as of December 31, 2007, TRY 1.654.088; the transfers to specific accounts are as follows: TRY 6.671 to General Administrative Expenses and TRY 1.647.417 to Cost of Manufacturing.

**NOTE 12- GOVERNMENT INCENTIVES AND ASSISTANCE**

The Company has an incentive certificate for an investment amount of TRY 21.000.000 valid until February 28, 2009. Within the scope of the incentive certificate, Value Added Tax Exemption is provided for the purchase of domestic and foreign investment goods and customs duty exemption for imported investment goods.

Pursuant to Law on Encouragement of Investments and Employment dated January 29, 2004 and numbered 5048, the Company benefits from tax and insurance premium incentives for its personnel employed at Siirt/ Madenköy Copper enterprise and additionally benefits from the energy support. In January-December 2008 Period, tax and insurance premium incentive of TRY 579.752 and energy support of TRY 1.257.193 were benefited and deducted from the general cost of manufacturing (December 31, 2007 – tax and insurance premium incentives; TRY 591,907, energy support; TRY 841,862)

**NOTE 13- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**A. Provisions for Liabilities**

**a) Provisions for Short Term Liabilities**

	December 31, 2008	December 31, 2007
Provisions for sales discounts	1.624.462	937.943
Provisions for Lawsuits	166.617	50.000
Government's mining share	428.467	322.501
Provisions for interest	1.170.307	642.535
Other provisions	10.104	4.616
<b>Total</b>	<b>3.399.957</b>	<b>1.957.595</b>

TRY 1.114.629 of the provision for interest of TRY 1.170.307 is related to the loans transferred by the Company to the use of its Group Companies; accordingly, the Company did not record such amount as expense in its financial statements but reflected it to the relevant company.

(December 31, 2007- TRY 613.341)

**b) Provision for Long Term Liabilities**

The Company has no provision for long term liabilities as of December 31, 2008

(December 31, 2007 – None.)

**B. Guarantees Given and Taken:**

**a) Guarantees Taken**

		December 31, 2008		December 31, 2007	
		Foreign Currency	TRY	Foreign Currency	TRY
Letters of Guarantee	TRY	-	4.150	-	-
Letters of Guarantee	EUR	105.200	225.212	27.170	46.466
Checks in Guarantee	TRY	-	75.000	-	-
Notes in Guarantee	TRY	-	1.316.865	-	984.365
<b>Total</b>			<b>1.621.227</b>		<b>1.030.831</b>

**b) Guarantees Given**

		December 31, 2008		December 31, 2007	
		Foreign Currency	TRY	Foreign Currency	TRY
Letters of Guarantee	TRY	-	1.075.787	-	1.026.883
Letters of Guarantee	EUR	-	-	168.739	288.578
Cash Collaterals	TRY	-	36.855	-	1.337
Mortgages Given	TRY	-	-	-	27.000.000
<b>Total</b>			<b>1.112.642</b>		<b>28.316.798</b>

A mortgage with the amount of TRY 27.000.000 in favor of İş Bankası on the plant located in Edirne was released in January 2008.

**NOTE 14- UNDERTAKINGS**

**Forward and Option Contracts**

The Company has no forward and option contracts, concluded with the financial institutions against foreign currency risks as of December 31, 2008 (December 31, 2007-None)

**Operational Leasing**

The Company has not conducted any financial leasing transaction. However, in 2008 fiscal period, the Company concluded leasing transactions with the group companies and independent companies and paid total rental cost of TRY 1.630.812, consisting of TRY 32.113 for lands, TRY 347.593 for the vehicles, TRY 1.014.440 for the machineries, TRY 236.666 for Buildings, Public Houses, Depots (December 31, 2007- TRY 2.534.329)

**Export Undertakings**

The Company has an export undertaking with the amount of USD 13.522.915 (December 31, 2007 – USD 26.529.623) for the loans transferred to the use of the related companies.

**NOTE 15- PROVISIONS FOR EMPLOYEE BENEFITS**

	Dec 31, 2008	Dec 31, 2007
Provision for Severance Pay	3.092.353	3.052.236
<b>Total</b>	<b>3.092.353</b>	<b>3.052.236</b>

Legal severance pay as of December 31, 2008 is TRY 4.436.275.

Movements of the provision for severance pay within the year are as follows:

January 1, 2008	3.052.236
Payments in the year (-)	(180.363)
Increase in the year (+)	220.480
<b>December 31, 2008</b>	<b>3.092.353</b>

## NOTE 16- OTHER ASSETS AND OTHER LIABILITIES

### A. Other Assets

#### a) Other Current Assets

	Dec 31, 2008	Dec 31, 2007
Order advances given	39.689	305.917
Expenses for Forthcoming months	456.192	446.430
Income accruals	1.146.514	597.753
VAT Transferred	4.340.583	4.165.420
VAT Receivable	730.961	715.897
Prepaid Provisional Tax	8.111.897	2.493.511
Prepaid Withholding Tax	13.485	46.049
Job Advances	5.276	532
Advances Given to Personnel	21.253	21.646
<b>Total</b>	<b>14.865.850</b>	<b>8.793.155</b>

Receivables Due from Related Parties under the Other Current Assets Item is net TRY 26.529 and details of the relevant transactions are given in Note 26 (December 31, 2007- TRY 22.178)

#### b) Other Fixed Assets

	December 31, 2008	December 31, 2007
Order Advances Given	22.878	
Expenses for Forthcoming Years	103.424	193.089
<b>Total</b>	<b>126.302</b>	<b>193.089</b>

### B. Other Liabilities

#### a) Other Short Term Liabilities

	December 31, 2008	December 31, 2007
Provisions for Leaves	481.856	215.639
Expense Accruals	66.677	750
<b>Total</b>	<b>548.533</b>	<b>216.389</b>

#### Incentive Bonus

There is no incentive premium amount calculated as of December 31, 2008. (December 31, 2007 – None)

#### Provision for Unused Leaves

Provision for leave of TRY 481.856 was calculated based on the Company personnel's unused leaves for the previous years. (December 31, 2007- TRY 215.639)

The Company has no provision calculated for social benefit increase and tax risks.

#### b) Other Long Term Liabilities

The Company has no other long term liabilities (December 31, 2007 – None)

## NOTE 17- SHAREHOLDERS' EQUITY

### a) Paid-up capital

Shareholding structure of the Company as of December 31, 2008 and December 31, 2007 are as follows:

Shareholders	Share Rate %	Dec 31, 2008		Dec 31, 2007	
		Share Amount	Share Rate%	Share	Amount
Park Holding A.Ş.	43,94	52.733.458	43,94	21.093.383	
Park Enerji Ekip. Madencilik San.veTic.A.Ş.	24,50	29.400.000	24,50	11.760.000	
Turgay Ciner	0,83	1.000.000	0,83	400.000	
Others	30,73	36.866.542	30,73	14.746.617	
<b>TOTAL</b>	<b>100,00</b>	<b>120.000.000</b>	<b>100,00</b>	<b>48.000.000</b>	

### Information regarding Capital Stock

Group	Registered/ Bearer	Total Nominal Value (TRY)	Rate (%)	Concession
A	Registered	15.000.000	12,50	Right to Elect 6 Members of the Board of Directors and Board of Auditors
B	Bearer	105.000.000	87,50	Right to Elect 3 Members of the Board of Directors
		<b>120.000.000</b>	<b>100,00</b>	

The Company increased its issued capital from TRY 48.000.000 in 60.000.000 TL registered capital ceiling to TRY 120.000.000 as per the resolutions passed by the Board of Directors on April 18, 2008. TRY 3.840.000 of the increase was paid from 2007 profit share; TRY 28.094.880 from the previous years' profit; TRY 40.065.114 from capital adjustment differences; TRY 6 from issue premiums. Accordingly, the Company's registered capital was increased to TRY 120.000.000. The capital increase was registered by the Trade Registry Office on June 24, 2008.

### b) Capital Adjustment Differences

TRY 40.065.114 of the capital adjustment, amounting to TRY 40.960.229 remained after deduction of the loss from the Company's capital adjustment differences arisen before was contributed to the capital in 2008. Remaining TRY 895.115 was calculated in the paid-up capital.

Paid-up capital	Dec. 31, 2008	Dec. 31, 2007
Historical Value	120.000.000	48.000.000
Capital Adjustment Differences	895.115	40.960.229
<b>Indexed Value</b>	<b>120.895.115</b>	<b>88.960.229</b>

In the financial statements issued by the Company within the scope of Communiqué Serial: XI and Number 25 as per the announcement dated May 2, 2008 and numbered 278/7447 of the CMB, the Company recorded TRY 40.960.229 from the capital under the "Capital Adjustment Differences", TRY 914.227 under the legal reserves and TRY 8.089 generated from inflation adjusted legal reserves under the "Previous Years' Profit/Loss", out of total TRY 41.882.545 reported in the Shareholders' Equity Inflation Adjustment Differences" account.

### c) Issue Premium of Participation

#### December 31, 2008

Issue Premium of TRY 6, gained from affiliates, was used in capital increase in 2008.

#### December 31, 2007

In 2006 and 2007 the Company took part in the capital increase of its affiliate, namely "Park Termik Elektrik Sanayi ve Ticaret A.Ş." which is shown as an affiliated security pro rata to its share and reported the amount of TRY 6 obtained, which corresponds to the amount of bonus share certificates, under the Equity account group on the balance sheet as "Issue Premium of Participation".

#### d) Value Increase Funds

Value Increase Fund of TRY 5.646.593 was calculated as a result of valuation of the buildings, located in Edirne, and reported as tangible fixed assets in the balance sheet. TRY 5.481.605, less the calculated deferred tax differences, is involved in the Value Increase Fund account under the Shareholders' Equity in the balance sheet.

The revaluation fund of TRY 5.481.605, disclosed in the balance sheet, consists of the following:  
(December 31, 2007- None.)

	Original Value (Net)	Revalued Amount	Valuation Difference
Lands	-	3.416.141	3.416.141
Buildings	7.959.949	10.190.401	2.230.452
Tax difference deferred according to expertise value			(164.988)
<b>Net valuation difference</b>			<b>5.481.605</b>

#### e) Restricted Reserves from Profits

**Legal Reserves:** Legal reserves comprise first and second tier legal reserves that are allocated according to the Turkish Commercial Code. First tier legal reserves are allocated as 5% per annum from the commercial profit of the previous term until 20% of the historical capital paid up is reached by also taking into consideration the total of reserves set aside during the previous terms. Second tier legal reserves are set aside in the annual rate of 10% over all dividend distributions in cash after first tier legal reserves and dividends.

As per the resolution passed at Ordinary General Assembly of the Company held on April 9, 2008, first tier legal reserve of TRY 920.852 and second tier legal reserve of TRY 144.000 were set aside from the profit of 2007.

Profit reserves as of December 31, 2008 are as follows:

	December 31, 2008	December 31, 2007
First Tier Legal Reserve	3.891.196	2.970.344
Second Tier Legal Reserve	528.000	384.000
	<b>4.419.196</b>	<b>3.354.344</b>

Legal reserves of TRY 4.419.196 and TRY 3.354.344 disclosed in the legal trial balances as of December 31, 2008 and December 31, 2007, are recorded as restricted reserves from profit. Indexation differences item of TRY 8.089 was recorded under the previous years' profits.

**Special Reserves:** Profit of TRY 1.500, generated through the sale of a portion of the fixed assets during 2005, was not recorded as profit pursuant to tax legislation and was transferred to special reserves under the title of renewal fund. The depreciation for the fixed asset which was obtained in place of such fixed asset sold during the year is deducted from the account of reserved fund. The balance of the renewal fund as of December 31, 2008 is TRY 375. (December 31, 2007- TRY 675.)

#### f) Previous Years' Profit/Loss

The Company made necessary adjustments within the scope of Communiqué XI/29 and previous years' profit/loss details after adjustment are as follows

	December 31, 2008	December 31, 2007
Previous Years' Profit	17.788.013	31.353.432
Net Period Profit	-	19.434.313
	<b>17.788.013</b>	<b>50.787.745</b>

As of December 31, 2006, legal reserve of TRY 1.968.786 was set aside from the previous years' profit of total TRY 39.574.306 - consisting extraordinary reserves of TRY 7.867.370 and net period profit of TRY 31.706.936 - and distribution of dividend TRY 6.240.000 was made as per Communiqué Serial XI/25 of the CMB.

TRY 20.177 was transferred to the legal reserves from the previous years' profit balance of TRY 31.365.520 upon consideration of the announcement dated May 2, 2008 and numbered 278-7447 of the CMB; and added legal reserves indexation differences of TRY 8.089 that is disclosed under the capital adjustment differences account; and TRY 31.353.432 was disclosed as the previous years' profit as of December 31, 2007. TRY 19.434.313 net period profit of December 31, 2007 and TRY 28.094.880 of TRY 50.787.745 the previous years' profit were together used in capital increase in 2008. Legal reserves of TRY 1.064.852 were set aside from 2007 net period profit and TRY 3.840.000 was contributed to the capital and distributed to the shareholders by the way of delivery of bonus shares as per the resolution of the Ordinary General Assembly held on April 9, 2008. Balance TRY 17.788.013 was recorded as the previous years' profit as of December 31, 2008.

## NOT 18-SALES AND COST OF SALES

### A. Sales Revenues

	Jan 1, 2008 Dec 31, 2008	Jan 1, 2007 Dec 31, 2007
Domestic Sales	475.708	371.603
Foreign Sales	120.038.566	85.194.617
Sales Discounts	(423.684)	(377.887)
Other Discounts	(9.376.757)	(5.147.688)
<b>Net Sales</b>	<b>110.713.833</b>	<b>80.040.645</b>

### Sales Amounts:

	Jan 1, 2008 Dec 31, 2008	Jan 1, 2007 Dec 31, 2007
Concentrated Copper	60.931	47.417

### B. Cost of Sales (-)

	Jan 1, 2008 Dec 31, 2008	Jan 1, 2007 Dec 31, 2007
Indirect Raw Material Exp.	9.159.912	7.837.466
Indirect Workmanship Exp.	8.462.718	5.543.042
General Production Exp.	18.487.085	18.877.482
Cost of Finished Products	36.109.715	32.257.990
Change in Finished Product Inventories	1.559.388	917.926
Finished Products at the Beginning of Period	3.567.164	4.485.090
Finished Products at the End of Period	2.007.776	3.567.164
Cost of Finished Products Sold	37.669.103	33.175.916
Commercial Goods at the Beginning of the Period	-	-
Purchases	203.143	117.902
Commercial Goods at the End of the Period	-	-
Cost of Goods Sold	203.143	117.902
Cost of Services Sold	94.390	36.967
Cost of Other Sales	-	104.648
<b>Total Cost of Sales</b>	<b>37.966.636</b>	<b>33.435.433</b>

**Production Volume:**

		Jan 1, 2008	Jan 1, 2007
	Unit	Dec 31, 2008	Dec 31, 2007
Concentrated Copper	Wmt	64.371	52.554

**NOT 19- RESEARCH & DEVELOPMENT / MARKETING-SALE AND DISTRIBUTION / GENERAL ADMINISTRATIVE EXPENSES (-)**

**a) Costs of Marketing, Sales and Distribution**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Material expenses	309.208	263.899
Transportation expenses	3.644.732	2.689.076
Freight expenses	2.986.371	1.614.866
Export expenses	1.923.193	1.218.475
Other expenses	180.067	308.070
<b>Total</b>	<b>9.043.571</b>	<b>6.094.386</b>

**b) General Administrative Expenses**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Personnel Expenses	1.318.113	1.028.987
Depreciation of Tangible Fixed Assets	4.271	10.100
Intangible Fixed Assets Redemption Share	3.838	6.671
Consultancy Expenses	4.075.779	2.673.713
Lease Expenses	400.053	552.259
Taxes, Duties and Levies	733.126	385.240
Aids and Grants	2.673.436	59
Provision for Severance Pay and Leave	148.875	51.470
Other Expenses	696.500	458.274
<b>Total</b>	<b>10.053.991</b>	<b>5.166.773</b>

**NOTE 20- EXPENSES ACCORDING TO FEATURES (-)**

**A. Depreciation and Redemption Expenses**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Cost of Sale	7.818.722	6.799.819
General Administrative Expenses	8.109	16.771
Expenses of Idle Capacity	595.403	618.622
Renewal Fund	300	300
<b>Total</b>	<b>8.422.534</b>	<b>7.435.512</b>

**B. Personnel Expenses**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Cost of Manufacturing	12.254.903	9.615.088
Salaries and Fees	9.596.996	7.096.622
Employee Benefits	2.657.907	2.518.466
General Administrative Expenses	1.318.113	1.028.987
Salaries and Fees	1.084.757	883.477
Employee Benefits	233.356	145.510
<b>Total</b>	<b>13.573.016</b>	<b>10.644.075</b>

**NOTE 21- REVENUES/EXPENSES FROM OTHER ACTIVITIES**

**A. Revenues from Other Activities**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Commission Revenues	504.733	229.360
Provisions No Longer Required	220.367	733.238
Revenues from Leases	33.627	8.268
Other Ordinary Revenues and Profits	-	9.859
Previous Period's Revenue and Profits	4.318	372.776
Other extraordinary Revenue and Profits	212.856	53.347
<b>Total</b>	<b>975.901</b>	<b>1.406.848</b>

**B. Expenses from Other Activities**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Expenses of Provisions	140.126	107.929
Expenses of Idle Capacity	595.903	624.815
Previous Period's Expenses and Losses	66.719	14.802
Other Extraordinary Expenses and Losses	22.755	852.246
<b>Total</b>	<b>825.503</b>	<b>1.599.792</b>

**NOTE 22- FINANCIAL REVENUES**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Interest Revenues	8.067.318	5.768.366
Financial revenues from Sales	11.170	-
Foreign Exchange Profits	40.829.158	1.759.751
Rediscount Interest Revenues	770.285	930.656
<b>Total</b>	<b>49.677.931</b>	<b>8.458.773</b>

**NOTE 23- FINANCIAL EXPENSES**

	Jan 1, 2008	Jan 1, 2007
	Dec 31, 2008	Dec 31, 2007
Interest Expenses	189.698	133.468
Financial expenses from purchases	269.118	396.650
Foreign exchange losses	7.560.839	16.983.633
Rediscount interest losses	1.638.376	1.070.241
Others	130.648	257.398
<b>Total</b>	<b>9.788.679</b>	<b>18.841.390</b>

Financial expenses of TRY 269.118 from the forward purchases consist of fixed assets of TRY 37.351, inventories of TRY 230.199 and service purchases of TRY 1568. (December 31, 2007 – financial expenses of TRY 396.650 consists of fixed assets of TRY 191.670, inventories of TRY 204.244 and service purchases of TRY 736.)

Total financing expenses, arisen within the relevant period, do not have any portion encumbered or required to be encumbered on the fixed assets and inventories. (December 31, 2007 – None)

#### **NOTE 24- TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED ASSETS AND LIABILITIES)**

Accounting for the deferred tax asset and liability is performed for temporary differences arising from the differences between financial statements prepared in conformity with tax legislation and with CMB Communiqué Serial: XI Number:29. The mentioned differences arise from the timing differences between legitimate records of some revenue and expense items and their amounts according to CMB Communiqué Serial: XI Number:29 and are explained in Note 2 herein.

##### **A. Period Profit Tax Liability**

As per the Corporate Tax No. 5520, rate of corporate tax and provisional tax is applicable at the rate of 20% (For 2007, 20%). This rate is applied to the tax base to be calculated by addition of expenses, the offsetting of which is not accepted by the tax legislation, to the commercial revenue of the entities and by deducting exceptions (such as exemption of participation earnings) and discounts (such as investment discount) anticipated in the tax legislation.

Considering the financial statements of the Company as of December 31, 2008, provision for legal tax of TRY 18.960.583 was calculated. (December 31, 2007- TRY 4.724.711)

##### **B. Deferred Tax Assets and Liabilities**

Items considered for deferred tax and corporate tax are as follows:

<b>Deferred Tax Assets</b>	<b>Temporary Differences</b>		<b>Deferred Tax Asset (Liability)</b>	
	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>
a- Provision for severance pay and leave	3.574.209	3.267.875	714.842	653.575
b- Provision for Doubtful Receivables	89.906	129.910	17.981	25.982
c- Rediscount on Receivables	1.569.702	744.262	313.940	148.852
d- Raw Materials – Finished Goods	272.772	-	54.555	-
e- Provision for Impairment of Inventories	93.497	106.114	18.699	21.223
f- Buildings	-	2.347.061	-	117.353
g- Provision for Liabilities and Expenses	175.171	54.615	35.034	10.923
<b>Total</b>	<b>5.775.257</b>	<b>6.649.837</b>	<b>1.155.051</b>	<b>977.908</b>

<b>Deferred Tax Liabilities</b>	<b>Temporary Differences</b>		<b>Deferred Tax Asset (Liability)</b>	
	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>	<b>Dec 31, 2008</b>	<b>Dec 31, 2007</b>
a- Expenses of the Forthcoming months/years	-	37.351	-	7.470
b- Income Accruals	153.887	-	30.777	-
c- Rediscount on Payables	26.022	68.674	5.204	13.735
d- Raw Materials-Finished Goods	-	96.094	-	19.219
e- Tangible Fixed Assets	2.095.485	1.610.268	398.189	322.053
f- Intangible Fixed Assets	459.432	433.165	91.887	86.633
<b>Total</b>	<b>2.734.826</b>	<b>2.245.552</b>	<b>526.057</b>	<b>449.110</b>
<b>Net Deferred Tax Asset</b>	<b>3.040.431</b>	<b>4.404.285</b>	<b>628.994</b>	<b>528.798</b>
<b>Lands and buildings subject to Expert Examination</b>	<b>3.299.762</b>	<b>-</b>	<b>164.988</b>	<b>-</b>
<b>After-Expert Examination Net Deferred Tax Asset</b>	<b>(259.331)</b>	<b>4.404.285</b>	<b>464.006</b>	<b>528.798</b>

	Dec 31, 2008	Dec 31, 2007
Deferred tax assets	1.155.051	977.908
Deferred tax liabilities	(691.045)	(449.110)
<b>Net Deferred Tax Asset</b>	<b>464.006</b>	<b>528.798</b>

Table of deferred tax movements is given below:

Balance of December 31, 2007	528.798
Deferred tax income of the Period	100.196
Deferred tax expense involved in the shareholders' equity	(164.988)
Balance of December 31, 2008	464.006

Deferred tax asset difference of TRY 100.196 was recorded as tax income of the period; and deferred tax liability difference of TRY 164.988 was recorded under the value increase fund item of the balance sheet.

Article 5, regarding exceptions, of the Corporate Tax No. 5520 rules that in case of compliance with the relevant conditions, 75% of the earnings from sale of the immovable would be exempted. Pursuant to this scope, TRY 6.969 calculated at the rate of 5% over the difference TRY 139.384 between the IFRS value and net book value was recorded in the income statement.

#### NOTE 25- EARNINGS PER SHARE

For the periods December 31, 2008 and December 31, 2007, the weighted average of Company shares and unit earnings per share is as follows:

	Jan. 1, 2008	Jan. 1, 2007
	Dec. 31, 2008	Dec.31, 2007
-Net period profit	74.828.898	19.434.313
-Number of Shares	12.000.000.000	4.800.000.000
<b>-Distributable Profit per Share</b>	<b>0,00624</b>	<b>0,00405</b>

The Company's total amount of resources to be distributed as dividend is TRY 17.788.013 and the amount of dividend from the previous years' profit is TRY 88.913.274.

The amount arisen during the calculations of first financial statement rectified according to the inflation as per repealed Communiqué Serial: XI and No.25 was taken into account as deduction item while calculating the dividend to be distributed, within the frame of the arrangement of the CMB on dividend distribution. Subsequently, this amount was classified under the previous years' loss and was deducted from the period profit, if any and retained previous years' profit and the remaining loss were deducted respectively from extraordinary reserves, legal reserves and capital reserves arisen from rectification of shareholders' equity items according to the inflation accounting. However, section regarding shareholders' equity of the announcement made with respect to Communiqué Serial: XI and No: 29 establishes that restricted reserves from the profit item is required to be recorded with its amount disclosed in the official records and different accounting valuations could not cause any change in this situation. As per the relevant arrangement, legal reserves less the previous year's loss are at the moment disclosed with the registered value and difference was balanced in the previous year's profit/loss account.

**NOTE 26- DISCLOSURES BY RELATED PARTIES**

**A. Transactions with the Related Parties in the Period**

**a) Receivables and Payables**

**aa) Short Term Receivables**

**December 31, 2008**

Name-Surname/Title	Type of Partnership	Trade Receivables	Other Receivables	Other Current Assets	Total
Park Holding A.Ş.	Shareholder	-	202.763.567	-	202.763.567
Park Termik Elektrik San ve Tic.A.Ş.	Affiliated Security	9.041	-	-	9.041
Park Teknik Elekt.Mad.Turz. San.Tic.A.Ş.	Group Company	20.512	301.608	-	322.120
Receivables Due from Managers	Personnel	-	-	10.500	10.500
Receivables Due from Personnel	Personnel	-	-	16.029	16.029
		<b>29.553</b>	<b>203.065.175</b>	<b>26.529</b>	<b>203.121.257</b>
<b>Rediscount</b>		<b>(4)</b>	<b>(1.567.700)</b>	<b>-</b>	<b>(1.567.704)</b>
<b>Total</b>		<b>29.549</b>	<b>201.497.475</b>	<b>26.529</b>	<b>201.553.553</b>

**December 31, 2007**

Name-Surname/Title	Type of Partnership	Trade Receivables	Other Receivables	Other Current Assets	Total
Park Holding A.Ş.	Shareholder	-	94.064.588	-	94.064.588
Park Demir Maden San.ve Tic.A.Ş.	Group Company	302.282	-	-	302.282
Park Teknik Elkt.Mad.Turz. San.Tic.A.Ş.	Group Company	-	739.146	-	739.146
Receivables Due from Personnel	Personnel	-	-	21.978	21.978
Receivables Due from Other Related Parties	Group Personnel	-	-	200	200
		<b>302.282</b>	<b>94.803.734</b>	<b>22.178</b>	<b>95.128.194</b>
<b>Rediscount</b>		<b>(3.525)</b>	<b>(736.006)</b>	<b>-</b>	<b>(739.531)</b>
<b>Total</b>		<b>298.757</b>	<b>94.067.728</b>	<b>22.178</b>	<b>94.388.663</b>

**ab) Long Term Receivables**

There exist no long term receivables as of December 31, 2008.

**December 31, 2007**

Name-Surname/Title	Type of Partnership	Trade Receivables	Other Receivables	Other Fixed Assets	Total
Park Holding A.Ş.	Shareholder	-	-	-	-
Park Teknik Elkt.Mad.Turz. San.Tic.A.Ş.	Group Company	-	239.795	-	239.795
		-	<b>239.795</b>	-	<b>239.795</b>
<b>Rediscount</b>		-	-	-	-
<b>Total</b>		-	<b>239.795</b>	-	<b>239.795</b>

**ac) Short Term Payables**

**December 31, 2008**

Name-Surname/Title	Type of Partnership	Trade Payables	Other Payables	Other Short Term Liabilities	Total
Park Sig.Ara.Hiz.Ltd.Şti.	Group Company	426.593	-	-	426.593
Payables Due to Personnel	Personnel	-	742.601	-	742.601
Dividends Payable to Related Parties	Shareholder	-	1.773	-	1.773
		<b>426.593</b>	<b>744.374</b>	-	<b>1.170.967</b>
<b>Rediscount</b>		<b>(7.604)</b>	-	-	<b>(7.604)</b>
<b>Total</b>		<b>418.989</b>	<b>744.374</b>	-	<b>1.163.363</b>

**December 31, 2007**

Name-Surname/Title	Type of Partnership	Trade Payables	Other Payables	Other Short Term Liabilities	Total
Park Sig.Ara.Hiz.Ltd.Şti.	Group Company	513.728	-	-	513.728
Payables Due to Personnel	Personnel	-	539.987	-	539.987
Dividends Payable to Related Parties	Shareholder	-	1.773	-	1.773
		<b>513.728</b>	<b>541.760</b>	-	<b>1.055.488</b>
<b>Rediscount</b>		<b>(9.421)</b>	-	-	<b>(9.421)</b>
<b>Total</b>		<b>504.307</b>	<b>541.760</b>	-	<b>1.046.067</b>

**b) Purchases and Sales of Goods and Services**

**ba) Purchases**

December 31, 2008	Type of Partnership	Goods	Services	Fixed Asset	Int+For. Cu. Diff.	Lease	Others	Total
-Park Holding A.Ş.	Shareholder	-	4.660.935	-	4.432.859	229.441	-	9.323.235
-Park Enerji Ekip.Mad.Elk.Ürt.San.ve Tic. A.Ş.	Shareholder	187.289	3.177	2.510.101	5.935	-	-	2.706.502
-Ceytaş Mad.Tekstil San.ve Tic. A.Ş.	Group Co.	129.540	-	56.595	20.864	-	-	206.999
-Eti Soda Üretim Pazarlama Nak.San.Tic.A.Ş.	Group Co.	1.651	-	-	133	-	-	1.784
-Havaş Turizm Sey.ve Kargo Taş. A.Ş.	Group Co.	-	64.463	-	80.621	243.713	562	389.359
-Ciner Matbaacılık Yayın. San.ve Tic. A.Ş.	Group Co.	-	-	27.966	-	-	-	27.966
-Park Teknik Mad. Turizm San.ve Tic. A.Ş.	Group Co.	290.738	161.039	52.324	55.829	82.499	27	642.456
-Park Termik Elektrik San.ve Tic.A.Ş.	Aff. Security.	-	5.971	26.408	593	600	-	33.572
-Park Makine Yedek Parça San. A.Ş.	Group Co.	159.642	57.629	9.295	64.402	-	-	290.968
-Park Sigorta Aracılık Hiz..Ltd.Şti.	Group Co.	-	457.015	-	-	-	-	457.015
-Ciner Turizm Tic.İnş.Servis Hizm. A.Ş.	Group Co.	-	575	-	-	-	-	575
-Silopi Elektrik Üretim A.Ş.	Group Co.	-	16.472	6.820	939	2.556	-	26.787
<b>TOTAL</b>		<b>768.860</b>	<b>5.427.276</b>	<b>2.689.509</b>	<b>4.662.175</b>	<b>558.809</b>	<b>589</b>	<b>14.107.218</b>

December 31, 2007	Type of Partnership	Goods	Services	Fixed Asset	Int+For. Cu. Diff.	Lease	Others	Total
-Park Holding A.Ş.	Shareholder	-	3.170.191	-	10.140.760	311.598	-	13.622.549
-Park Enerji Ekip. Mad. San.ve Tic. A.Ş.	Shareholder	3.796	4.977	36.750	23.410	-	-	68.933
-Akpet Akaryakıt Dağıtım A.Ş.	Group Co.	57.343	-	-	-	-	-	57.343
-Ceytaş Mad.Tekstil San.ve Tic. A.Ş.	Group Co.	-	-	-	3.685	-	-	3.685
-Eti Soda Üretim Pazarlama Nak.San.Tic.A.Ş.	Group Co.	240	1.167	-	136	-	-	1.543
-Havaş Turizm Sey.ve Kargo Taş. A.Ş.	Group Co.	-	56.622	-	6.317	184.243	2.772	249.954
-Park Demir Maden San.ve Tic. A.Ş.	Group Co.	426.730	18.901	2.356.051	144.060	67.224	-	3.012.966
-Park Havacılık Taşımacılık ve Tic. A.Ş.	Group Co.	-	-	-	-	197.507	-	197.507
-Park Teknik Madencilik Turizm San.ve Tic. A.Ş.	Group Co.	230.118	122.723	10.652	594.326	78.889	-	1.036.708
-Park Termik Elektrik San.ve Tic.A.Ş.	Aff. Security	-	47.470	-	51.323	-	-	98.793
-Park Makine Yedek Parça San. A.Ş.	Group Co.	93.464	8.605	518	1.912	-	-	104.499
-Park Sigorta Aracılık Hiz.Ltd.Şti.	Group Co.	-	442.290	-	-	-	-	442.290
-Silopi Elektrik Üretim A.Ş.	Group Co.	-	-	54.614	341	639	-	55.594
<b>TOTAL</b>		<b>811.691</b>	<b>3.872.946</b>	<b>2.458.585</b>	<b>10.966.270</b>	<b>840.100</b>	<b>2.772</b>	<b>18.952.364</b>

bb) Sales

December 31, 2008	Type of	Int+For. Cu.						
Related Company	Partnership	Goods	Services	Fixed Asset	Diff.	Lease	Others	Total
-Park Holding A.Ş.	Shareholder	-	504.733	-	40.823.963	-	7	41.328.703
-Park Enerji Ekip.Mad. Elk.Ürt.San.ve Tic. A.Ş.	Shareholder	206.231	15.760	16.750	95.916	24.806	5.376	364.839
-Ceytaş Mad.Tekstil San.ve Tic. A.Ş.	Group Co.	850	-	-	7.849	-	4.995	13.694
-Havaş Turizm Sey.ve Kargo Taş. A.Ş.	Group Co.	-	-	-	4.871	-	561	5.432
-Park Teknik Mad.Turiz.San.ve Tic. A.Ş.	Group Co.	83.724	26.938	-	115.924	1.900	2.846	231.332
-Park Termik Elektrik San.ve Tic.A.Ş.	Aff. Security	22.038	-	-	12	915	-	22.965
-Park Makine Yedek Parça San. A.Ş.	Group Co.	-	-	-	2.962	-	-	2.962
-Park İnş. Turizm Maden San.ve Tic. A.Ş.	Group Co.	-	-	-	-	-	1.157	1.157
-Silopi Elektrik Üretim A.Ş.	Group Co.	385	46.770	-	4.764	-	-	51.919
<b>TOTAL</b>		<b>313.228</b>	<b>594.201</b>	<b>16.750</b>	<b>41.056.261</b>	<b>27.621</b>	<b>14.942</b>	<b>42.023.003</b>

December 31, 2007	Type of	Int+For. Cu.						
Related Company	Partnership	Goods	Services	Fixed Assets	Diff.	Lease	Others	Total
-Turgay Ciner	Shareholder	260	-	-	-	-	-	260
-Park Holding A.Ş.	Shareholder	-	229.360	-	4.369.742	-	-	4.599.102
-Park Enerji Ekip.Mad.San.ve Tic. A.Ş.	Shareholder	50.226	14.329	75.059	5.942	3.120	7.527	156.203
-Ceytaş Mad.Tekstil San.ve Tic. A.Ş.	Group Co.	24.030	2.940	196.157	11.999	-	1.184	236.310
-Eti Soda Üretim Paz.Nak.San.Tic.A.Ş.	Group Co.	1.638	-	-	-	-	-	1.638
-Havaş Turizm Sey.ve Kargo Taş. A.Ş.	Group Co.	-	-	-	19.103	-	-	19.103
-Park Demir Maden San.ve Tic. A.Ş.	Group Co.	2.980	-	-	13.521	-	-	16.501
-Park Havacılık Taşm. San.ve Tic. A.Ş.	Group Co.	-	-	-	5.537	-	-	5.537
-Park Maden Enerji San.ve Tic. Ltd.	Group Co.	-	-	-	-	-	1.072	1.072
-Park Teknik Mad.Turiz.San.ve Tic. A.Ş.	Group Co.	135.221	17.663	7.159	287.656	-	3.019	450.718
-Park Termik Elektrik San.ve Tic.A.Ş.	Affiliated Sec.	100	-	-	21.189	-	-	21.289
-Park Makine Yed.Parça San. A.Ş.	Group Co.	-	-	-	5.031	-	-	5.031
-Silopi Elektrik Üretim A.Ş.	Group Co.	1.065	649	-	1.181	-	956	3.851
<b>TOTAL</b>		<b>215.520</b>	<b>264.941</b>	<b>278.375</b>	<b>4.740.901</b>	<b>3.120</b>	<b>13.758</b>	<b>5.516.615</b>

The Company applies maturity difference to its receivables and payables in USD from/to the related parties at an annual rate of 6.32% (December 31, 2007- 7.80%)

**c.Information regarding Guarantees, Undertakings, Sureties from/to the Related Companies**

The Company collects sureties from the group companies for the loans used by the Company and similarly provides sureties in favor of these companies. Undue principal balances of the loans used are disclosed under the risk amount in the following statements. Non-risk surety amounts are related to the general agreements on the loans used and repaid or not to be used by the group companies, however continued to be disclosed in the attached statements, since they are involved in the bank agreements.

December 31, 2008

Related Company	Type of Partnership	Given	Guarantee/ Surety/Undertaking	Amount	Risk Amount
-Park Holding A.Ş.	Shareholder	Given	Surety - USD	20.918.252	-
		Given	Surety - EUR	16.310.211	-
-Park Enerji E. Mad. San.ve Tic. A.Ş.	Shareholder	Given	Surety - TRY	250.000	-
-Turgay Ciner	Shareholder	Given	Surety - USD	16.684.889	-
-Park Teknik Elekt. Mad. Turizm San.ve Tic. A.Ş.	Group Company	Given	Surety - TRY	4.800.000	2.400.000
		Given	Surety - USD	15.175.000	-
		Given	Surety - EUR	6.287.367	-
-Kanal 1 TV Radyo Yayıncılığı A.Ş.*	Group Company	Given	Surety - EUR	2.830.000	-
-Park Denizcilik Hopa Liman İşl.A.Ş.	Group Company	Given	Surety - TRY	18.000	18.000
-Park Termik Elektrik San.ve Tic. A.Ş.	Group Company	Given	Surety - USD	140.375.000	-
-Park Yatırım Holding A.Ş. (**)	Group Company	Given	Surety - USD	4.000.000	-
		Given	Surety - TRY	600.000	-
-Eti Soda Üretim A.Ş.	Group Company	Given	Surety - USD	6.240.000	-
<b>Total</b>		<b>Given</b>	<b>Surety - USD</b>	<b>203.393.141</b>	<b>-</b>
<b>Total</b>		<b>Given</b>	<b>Surety - EUR</b>	<b>25.427.578</b>	<b>-</b>
<b>Total</b>		<b>Given</b>	<b>Surety - TRY</b>	<b>5.668.000</b>	<b>2.418.000</b>

\* Commercial title of Kanal 1 Televizyon Radyo Yayıncılığı A.Ş. was changed into Görsel Yayınlar A.Ş.

\*\* Park Yatırım Holding A.Ş. was merged into Park Holding A.Ş. on June 4, 2008

December 31, 2007

Related Company	Type of Partnership	Given	Guarantee/ Surety/Undertaking	Amount	Risk Amount
-Park Holding A.Ş.	Shareholder	Given	Surety - USD	20.918.252	-
		Given	Surety - EUR	16.310.211	-
-Park Enerji E. Mad. San.ve Tic. A.Ş.	Shareholder	Given	Surety - TRY	250.000	-
-Turgay Ciner	Shareholder	Given	Surety - USD	16.684.889	-
-Park Teknik Elekt. Mad. Turizm San.ve Tic. A.Ş.	Group Company	Given	Surety - TRY	4.800.000	2.400.000
		Given	Surety - USD	15.175.000	-
		Given	Surety - EUR	6.287.367	-
-MTV Merkez Televizyon A.Ş.*	Group Company	Given	Surety - EUR	2.830.000	-
-Park Denizcilik Hopa Liman İşl.A.Ş.	Group Company	Given	Surety - TRY	18.000	18.000
-Park Termik Elektrik San.ve Tic. A.Ş.	Group Company	Given	Surety - USD	140.375.000	13.351.080
-Park Yatırım Holding A.Ş.	Group Company	Given	Surety - USD	4.000.000	1.000.000
		Given	Surety - TRY	600.000	-
-Eti Soda Üretim A.Ş.	Group Company	Given	Surety - USD	6.240.000	-
<b>Total</b>		<b>Given</b>	<b>Surety - USD</b>	<b>203.393.141</b>	<b>14.351.080</b>
<b>Total</b>		<b>Given</b>	<b>Surety - EUR</b>	<b>25.427.578</b>	<b>-</b>
<b>Total</b>		<b>Given</b>	<b>Surety - TRY</b>	<b>5.668.000</b>	<b>2.418.000</b>

\* Commercial title of MTV Merkez Televizyon A.Ş. was changed into Kanal 1 Televizyon Radyo Yayıncılığı A.Ş.

**December 31, 2008**

<b>Company</b>	<b>Type of Partnership</b>	<b>Received</b>	<b>Guarantee/ Surety/Undertaking</b>	<b>Amount</b>	<b>Risk Amount</b>
- Park Holding A.Ş. -Park Enerji Ekip. - Turgay Ciner	Shareholder	Received	Surety – TRY	300.000	93.135
- Park Holding A.Ş. -Park Termik A.Ş. - Turgay Ciner	Shareholder/ Group Co.	Received	Surety - USD	23.000.000	-
- Park Holding A.Ş. - Park Teknik A.Ş. - Turgay Ciner - Ceytaş A.Ş.	Shareholder/ Group Co.	Received Received	Surety - USD Surety- TRY	10.447.500 1.230.501	- -
- Park Holding A.Ş. - Park Termik A.Ş. - Park Teknik A.Ş. - Turgay Ciner - Ceytaş A.Ş.	Shareholder/ Group Co.	Received	Surety – TRY	600.000	12.609
-Park Holding A.Ş. - Park Termik A.Ş. - Park Teknik A.Ş. - Turgay Ciner - Park Yatırım Holding - Park Enerji Ekipmanları Mad. A.Ş	Shareholder/ Group Co.	Received Received Received Received	Surety – TRY Surety - USD Surety- EUR Surety- CHF	772.000 7.280.000 8.917.876 1.623.000	308.800 5.385.000 - -
-Park Termik A.Ş. - Park Teknik A.Ş. - Turgay Ciner	Shareholder/ Group Co.	Received Received	Surety – TRY Surety - USD	50.000 56.191.770	- 12.851.445
-Turgay Ciner	Shareholder	Received	Surety – TRY	7.150.000	5.000
<b>Total</b>		<b>Received</b>	<b>Surety – TRY</b>	<b>10.102.501</b>	<b>419.544</b>
<b>Total</b>		<b>Received</b>	<b>Surety – USD</b>	<b>96.919.270</b>	<b>18.236.445</b>
<b>Total</b>		<b>Received</b>	<b>Surety- EUR</b>	<b>8.917.876</b>	<b>-</b>
<b>Total</b>		<b>Received</b>	<b>Surety- CHF</b>	<b>1.623.000</b>	<b>-</b>

**December 31, 2007**

<b>Company</b>	<b>Type of Partnership</b>	<b>Received</b>	<b>Guarantee/ Surety/Undertaking</b>	<b>Amount</b>	<b>Risk Amount</b>
- Park Holding A.Ş. - Park Enerji Ekip. - Turgay Ciner	Shareholder	Received	Surety – TRY	300.000	93.135
- Park Holding A.Ş. - Park Termik A.Ş. - Turgay Ciner	Shareholder/ Group Co.	Received	Surety - USD	23.000.000	-
- Park Holding A.Ş. - Park Teknik A.Ş. - Turgay Ciner - Ceytaş A.Ş.	Shareholder/ Group Co.	Received Received	Surety - USD Surety- TRY	10.447.500 1.230.501	615.284 -
- Park Holding A.Ş. - Park Termik A.Ş. - Park Teknik A.Ş. - Turgay Ciner - Ceytaş A.Ş.	Shareholder/ Group Co.	Received	Surety – TRY	600.000	12.609
- Park Holding A.Ş. - Park Termik A.Ş. - Park Teknik A.Ş. - Turgay Ciner - Park Yatırım Holding - Park Enerji Ekipmanları Mad. A.Ş.	Shareholder/ Group Co.	Received Received Received Received	Surety – TRY Surety - USD Surety- EUR Surety- CHF	772.000 1.579.500 8.917.876 1.623.000	308.800 1.215.000 2.903.720 -
-Park Termik A.Ş. - Park Teknik A.Ş. - Turgay Ciner	Shareholder/ Group Co.	Received Received	Surety – TRY Surety - USD	50.000 56.191.770	- 25.988.133
- Turgay Ciner	Shareholder	Received	Surety – TRY	7.150.000	5.000
<b>Total</b>		<b>Received</b>	<b>Surety – TRY</b>	<b>10.102.501</b>	<b>419.544</b>
<b>Total</b>		<b>Received</b>	<b>Surety – USD</b>	<b>91.218.770</b>	<b>27.818.417</b>
<b>Total</b>		<b>Received</b>	<b>Surety- EUR</b>	<b>8.917.876</b>	<b>2.903.720</b>
<b>Total</b>		<b>Received</b>	<b>Surety- CHF</b>	<b>1.623.000</b>	<b>-</b>

**d. Mortgaged and Guaranteed Receivables and Payables Due from/to Related Companies and Maturity Conditions**

There is no mortgaged and guaranteed receivables and payables due from/to the related companies (December 31, 2007 -None)

**e. Provisions for Doubtful Receivables Due from Related Companies**

There is no provision for doubtful receivables due from related companies (December 31, 2007-None)

**B. Benefits Provided to the Top Executives**

Total amount of salaries, premiums and similar benefits provided to the Company's top executives in the period ending on December 31, 2008 is TRY 342.607 (December 31, 2007- TRY 312.269).

**NOTE 27- TYPE AND LEVEL OF RISKS ARISING OUT OF FINANCIAL INSTRUMENTS**

**A. Targets, Aims and Policies of Financial Risk Management**

The Company finances its investments and activities with its shareholders' equity thanks to the cash flows, arisen in the previous periods and supported by the revenues from activities. Cash surplus of the Company are assessed with deposits and deposit equivalent instruments based on the proceeds of non-risk investment instruments and are periodically transferred to the use based on foreign financing resource cost of the group according to the needs and demands of the group companies.

Additionally, the Company tracks trade and non-trade receivables and payables through standardized reports in compliance with the public and corporate governance principles. In principle, risks, which may possibly arise out of financial instruments, are loan risk, liquidity risk, market and foreign currency risks.

**B. Market and Foreign Currency Risk**

The Company is sensitive to interest risk due to interest cost applicable to the Company's receivables and payables and to foreign currency risk since entire of the sales revenues comes from export revenues and the receivables are indexed to USD/EUR.

The Company's foreign currency availability statement, denominated in original and Turkish currencies, including foreign assets and liabilities as of December 31, 2008 and December 31, 2007, are as follows:

December 31, 2008

	TRY Consideration	USD	EUR	GBP
1. Trade Receivables	3.408.183	2.253.642	-	-
2a. Monetary Financial Assets	206.186.076	136.339.382	14	-
2b. Non-Monetary Financial Assets	20.700	-	11.885	-
3. Others	-	-	-	-
<b>4. Current Assets</b>	<b>209.614.959</b>	<b>138.593.024</b>	<b>11.899</b>	
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-
7. Others	-	-	-	-
<b>8. Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets</b>	<b>209.614.959</b>	<b>138.593.024</b>	<b>11.899</b>	
10. Trade Payables	322.823	212.672	560	-
11. Financial Liabilities	27.578.976	18.236.445	-	-
12a. Other Monetary Liabilities	2.828.307	1.870.202	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-
<b>13. Short Term Liabilities</b>	<b>30.730.106</b>	<b>20.319.319</b>	<b>560</b>	<b>-</b>
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-
16b. Other Non-monetary Liabilities	-	-	-	-
<b>17. Long-Term Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total Liabilities</b>	<b>30.730.106</b>	<b>20.319.319</b>	<b>560</b>	<b>-</b>
<b>19. Net Asset Position of Extra Budgetary</b>				
Foreign Currency Derivative Instruments / (Liability) Position	-	-	-	-
<b>19a. Amount of Active Extra Budgetary Foreign Currency Derivative Products</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19b. Amount of Passive Extra Budgetary Foreign Currency Derivative Products</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>20. Net Foreign Assets/ (Liabilities) Position</b>	<b>178.884.853</b>	<b>118.273.705</b>	<b>11.339</b>	
<b>21. Monetary Items Net Foreign Assets/(Liabilities) Position</b>	<b>178.864.153</b>	<b>118.273.705</b>	<b>-546</b>	
<b>22. Total Acquisition Value of the Financial Instruments Used</b>				
for Foreign Currency Hedge	-	-	-	-
<b>23. Amount of Hedged Portion of Foreign Currency Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Amount of Hedged Portion of Foreign Currency Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>25. Exportation</b>	<b>110.238.125</b>	<b>84.359.407</b>	<b>-</b>	<b>-</b>
<b>26. Importation</b>	<b>2.068.215</b>	<b>120.499</b>	<b>998.071</b>	<b>3.175</b>

December 31, 2007

	TRY Consideration	USD	EUR	GBP	CHF	SEK
1. Trade Receivables	1.923.189	1.618.835	4.726	12.748	-	-
2a. Monetary Financial Assets	127.072.926	108.933.223	14	-	-	-
2b. Non-Monetary Financial Assets	221.623	-	126.393	-	-	-
3. Others	-	-	-	-	-	-
<b>4. Current Assets</b>	<b>129.217.738</b>	<b>110.552.058</b>	<b>131.133</b>	<b>12.748</b>	-	-
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Financial Assets	239.795	153.812	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-
7. Others	-	-	-	-	-	-
<b>8. Fixed Assets</b>	<b>239.795</b>	<b>153.812</b>	-	-	-	-
<b>9. Total assets</b>	<b>129.457.533</b>	<b>110.705.870</b>	<b>131.133</b>	<b>12.748</b>	-	-
10. Trade Payables	4.973.586	5.740	2.904.280	-	-	-
11. Financial Liabilities	31.254.643	26.664.605	-	-	-	-
12a. Other Monetary Liabilities	1.580.479	1.356.983	-	-	-	-
12b. Other Non-Monetary Liabilities	-	-	-	-	-	-
<b>13. Short Term Liabilities</b>	<b>37.808.708</b>	<b>28.027.328</b>	<b>2.904.280</b>	-	-	-
14. Trade Payables	-	-	-	-	-	-
15. Financial Liabilities	1.404.495	1.153.812	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	-	-
16b. Other Non-monetary Liabilities	-	-	-	-	-	-
<b>17. Long-Term Liabilities</b>	<b>1.404.495</b>	<b>1.153.812</b>	-	-	-	-
<b>18. Total Liabilities</b>	<b>39.213.203</b>	<b>29.181.140</b>	<b>2.904.280</b>	-	-	-
<b>19. Net Asset Position of Extra Budgetary Foreign Currency</b>						
Derivative Instruments / (Liability) Position	-	-	-	-	-	-
<b>19a. Amount of Active Extra Budgetary</b>						
Foreign Currency Derivative Products	-	-	-	-	-	-
<b>19b. Amount of Passive Extra Budgetary</b>						
Foreign Currency Derivative Products	-	-	-	-	-	-
<b>20. Net Foreign Assets/ (Liabilities) Position</b>	<b>90.244.330</b>	<b>81.524.730</b>	<b>-2.773.147</b>	<b>12.748</b>	-	-
<b>21. Monetary Items Net Foreign Assets/(Liabilities) Position</b>	<b>90.022.707</b>	<b>81.524.730</b>	<b>-2.899.540</b>	<b>12.748</b>	-	-
<b>22. Total Acquisition Value of the Financial Instruments</b>						
Used for Foreign Currency Hedge	-	-	-	-	-	-
<b>23. Amount of Hedged Portion of Foreign Currency Assets</b>	-	-	-	-	-	-
<b>24. Amount of Hedged Portion of Foreign Currency Liabilities</b>	-	-	-	-	-	-
<b>25. Exportation</b>	<b>79.669.042</b>	<b>62.351.372</b>	-	-	-	-
<b>26. Importation</b>	<b>2.084.640</b>	<b>324.185</b>	<b>463.805</b>	<b>97.523</b>	<b>469.937</b>	<b>241.696</b>

According to the budgetary position as of December 31, 2008 and December 31, 2007, based on the assumption that Turkish Lira comes into/loses in value at 10% against United States Dollar and all the variables remain stable; gross profit as a result of foreign currency profit arising out of assets and liabilities in USD and Euro is higher or less by TRY 17.886.415 as to be seen from Foreign Currency Sensitivity Analysis Statement given below. (December 31, 2007 – TRY 9.002.270).

December 31, 2008	Profit/Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of change by % 10 of USD:			
1- Net assets/liabilities in USD	17.886.532	17.886.532		
2- Amount hedged from USD risk (-)	-	-		
<b>3- USD Net Effect</b>	<b>17.886.532</b>	<b>17.886.532</b>		
	In case of change by % 10 of EUR			
4- Net assets/liabilities in EUR	2.427	2.427		
5- Amount hedged from EUR risk (-)	2.544	2.544		
<b>6- Euro net effect</b>	<b>(117)</b>	<b>(117)</b>		

December 31, 2007	Profit/Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
	In case of change in USD by % 10:			
1- Net assets/liabilities in USD	9.495.185	9.495.185		
2- Amount hedged from USD risk (-)	0	0		
<b>3- USD Net Effect</b>	<b>9.495.185</b>	<b>9.495.185</b>		
	In case of change in EUR by % 10:			
4- Net assets/liabilities in EUR	(474.264)	(474.264)		
5- Amount hedged from EUR risk (-)	21.616	21.616		
<b>6- Euro net effect</b>	<b>(495.880)</b>	<b>(495.880)</b>		
	In case of change in GBP by % 10:			
7- Net assets/liabilities in GBP	2.965	2.965		
8- Amount hedged from GBP risk (-)	-	-		
<b>9- GBP net effect</b>	<b>2.965</b>	<b>2.965</b>		

The Company has foreign currency income of TRY 40.829.158 and foreign currency loss of TRY 7.560.839 as a result of foreign currency positions as of December 31, 2008 (December 31, 2007- respectively TRY 1.759.751 and TRY 16.983.633)

### C. Interest Rate Risk Management and Interest Rate Sensitivity

The Company manages almost all of its receivables and borrowings in foreign currency with the variable interest rate. Relations of receivable/payables of the Company with the Group companies are followed up in USD; and interest cost is applicable to the forward receivables and payables to account interest rates in line with the market conditions. Additionally, interest rate diversification is made for different interests and maturities by benefiting from alternatives of deposits.

The following sensitivity analysis is made according to interest rate changes anticipated for the entire of receivables and borrowings in foreign currency with available variable interest on the reporting date. The Company's management made sensitivity analysis by taking into account USD 1 point increase/decrease in interest rates.

As of December 31, 2008 and December 31, 2007, figures in the interest position table discloses TRY consideration of the Company's receivables and payables in foreign currency due from the related companies

Fixed Interest Financial Instruments		Dec 31, 2008	Dec 31, 2007
Financial Assets	Assets, whose acquisition value difference is involved in profit/loss	177.536.489	63.420.156
	Financial assets ready for sale	-	-
Financial Liabilities		3.289.253	2.150.994

If the interest in USD had been higher /lower by 1 point on December 31, 2008 and all the other variables had remained stable, pre-tax profit would have been higher/lower by TRY 1.161.574 (December 31, 2007 – TRY 594.516).

Aforesaid interest rate change has no effect directly on shareholders' equity without any effect on profit/loss.

#### D. Liquidity Risk

The Company's financial risk arises from export financing loan; accordingly, the liquidity risk was minimized by this method since, the loan repayments are indexed to the export revenues.

The following table indicates maturities of the Company's financial liabilities, which are not derivatives.

Maturities under the agreement	Book Value	Sum of cash outflows under the agreement (=I+II+III+IV)				
		Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Longer than 5 years (IV)	
<b>Non-derivative financial liabilities</b>	<b>56.783.679</b>	<b>48.658.297</b>	<b>24.646.697</b>	<b>23.834.619</b>	<b>176.981</b>	<b>-</b>
Bank Loans	27.578.976	27.578.976	4.400.793	23.178.183		
Trade Payables	5.429.049	5.429.049	5.294.982	125.476	8.591	-
Other Payables	1.348.437	1.348.437	1.346.664	-	1.773	-
Other Liabilities/Provisions (*)	22.427.217	14.301.835	13.604.258	530.960	166.617	-

\* Difference between book value of other liabilities/provisions and sum of cash outflows, amounting to TRY 8.125.382, arises from the pre-paid taxes to be deducted from the corporate tax to be paid in April 2009 (December 31, 2007- TRY 2.539.560).

#### December 31, 2007

Maturities under the agreement	Book Value	Sum of cash outflows under the agreement (=I+II+III+IV)				
		Shorter than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Longer than 5 years (IV)	
<b>Non-derivative financial liabilities</b>	<b>49.865.823</b>	<b>47.326.263</b>	<b>12.849.110</b>	<b>33.012.294</b>	<b>1.464.859</b>	<b>-</b>
Bank Loans	32.659.168	32.659.168	735.884	30.518.789	1.404.495	-
Trade Payables	9.649.370	9.649.370	7.469.775	2.171.004	8.591	-
Other Payables	874.229	874.229	872.456		1.773	-
Other Liabilities/Provisions (*)	6.683.056	4.143.496	3.770.995	322.501	50.000	-

#### E. Loan Risk Management

As the Company is a global manufacturer in the field of mining, it exports entire of its manufacturing. 90% of the export revenue is collected in advance. Therefore; customer risk and loan risk are at minimum levels. Credit risk exposure with regard to the types of financial instruments are as follows as of December 31, 2008 and December 31, 2007; in determination of the amounts, factors resulting in increase in credit rating, such as guarantees received, were not taken into account.

	Receivables				Deposits in the Banks	Cash and cash equivalents
	Trade Receivables		Other Receivables			
December 31, 2008	Related Party	Other Party	Related Party	Other Party		
<b>Maximum credit risk exposure as of reporting date (A+B+C+D+E)</b>	<b>29.553</b>	<b>3.380.619</b>	<b>203.065.175</b>	<b>310.133</b>	<b>2.811.123</b>	<b>3.551</b>
- Portion-guaranteed by collateral etc. of the maximum risk,.	-	-	-	3.395	-	-
A. Net book value of undue or non-impaired financial assets (1)	20.513	3.378.630	203.065.175	306.521	2.811.123	3.551
B. Value of the financial assets, whose conditions are re-assessed, which would otherwise be considered overdue or impaired	-	-	-	-	-	-
C. Net book value of the assets, overdue but not impaired (2)	9.040	1.989	-	3.612	-	-
- Portion, guaranteed by collateral etc.	-	-	-	3.395	-	-
D. Net book value of the impaired assets (3)	-	-	-	-	-	-
- Overdue (gross book value)	-	134.781	-	29.041	-	-
- Impairment (-)	-	-134.781	-	-29.041	-	-
- Portion of net value, guaranteed by collateral etc.	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Portion - guaranteed by collateral etc.- of net value	-	-	-	-	-	-
E. Off-the-balance-sheet credit risk inclusive items	-	-	-	-	-	-

(1) The Company's financial assets are not expected to be exposed to impairment in the future.

	Receivables				Deposits in the Banks	Cash and cash equivalents
	Trade Receivables		Other Receivables			
December 31, 2007	Related Party	Other Party	Related Party	Other Party		
<b>Maximum credit risk exposure as of reporting date (A+B+C+D+E)</b>	<b>302.282</b>	<b>1.590.968</b>	<b>95.043.529</b>	<b>109.773</b>	<b>32.314.135</b>	<b>3.344</b>
- Portion-guaranteed by collateral etc. - of the maximum risk,.	-	-	-	-	-	-
A. Net book value of undue or non-impaired financial assets (1)						
B. Value of the financial assets, whose conditions are re-assessed, which would otherwise be considered overdue or impaired	302.282	1.583.184	95.043.529	109.556	32.314.135	3.344
C. Net book value of the assets, overdue but not impaired (2)	-	-	-	-	-	-
- Portion, guaranteed by collateral etc.	-	7.784	-	217	-	-
D. Net book value of the impaired assets (3)						
- Overdue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	172.513	-	29.041	-	-
- Portion of net value, guaranteed by collateral etc.	-	-172.513	-	-29.041	-	-
- Undue (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- Portion - guaranteed by collateral etc.- of net value	-	-	-	-	-	-
E. Off-the-balance-sheet credit risk inclusive items	-	-	-	-	-	-
<b>Maximum credit risk exposure as of reporting date (A+B+C+D+E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

Table on the aging of the assets, overdue but not impaired, is given below

December 31, 2008	Receivables		Deposits in the Banks	Derivative Instruments	Others
	Trade Receivables	Other Receivables			
1-30 days overdue	9.792	-			
1-3 months overdue	1.217	3.395			
3-12 months overdue	-	-			
1-5 years overdue	20	217			
More than 5 years overdue	-	-			
Total	11.029	3.612			
Portion – guaranteed by collateral etc.	-	3.395			

December 31, 2007	Receivables		Deposits in the Banks	Derivative Instruments	Others
	Trade Receivables	Other Receivables			
1-30 days overdue	7.764	217			
1-3 months overdue	-	-			
3-12 months overdue	-	-			
1-5 years overdue	20	-			
More than 5 years overdue	-	-			
Total	7.784	217			
Portion – guaranteed by collateral etc.	-	-			

#### NOTE 28- EVENTS AFTER THE BALANCE SHEET DATE

- The Company's significant event of disclosure dated 22.01.2009 is given below:

"As disclosed to the public in our Company's Significant Event of Disclosure dated 06.01.2009, an application was filed with the Capital Market Board with the request for ratification of merger transaction conducted by acquisition of Ceytaş Madencilik Tekstil Sanayi ve Ticaret A.Ş. by Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. within the frame of Article 45 of the Turkish Commercial Code, Articles 18-20 of the Corporate Tax Law and the Communiqué of the CMB regarding principles of merger.

At our Company's Board of Directors Meeting dated 22.01.2009, according to the reports issued by the experts appointed by Audit Company namely "Denkar Bağımsız Denetim YMM A.Ş. and Republic of Turkey, İstanbul Kadıköy 3rd Commercial Court of First Instance, respectively merger methods of Stock Exchange Value, Discounted Cash Flow and Shareholders' Equity are applied at the rates successively 50%, 25% and 25%; and the merger rate was determined to be 0,8061 and the change rate was determined to be 1,15654; and the merger agreement including these rates was approved.

Accordingly, our Company's issued capital, still amounting to TRY 120.000.000 would be increased to TRY 148.867.243 by an increase of TRY 28.867.243 and 1 share certificate of Ceytaş Madencilik Tekstil Sanayi ve Ticaret A.Ş. with a nominal value of 1 Kr and 1 share certificate of Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. with a nominal value of 1 Kr would be delivered to the shareholders.

The merger agreement, merger rates and the amount of capital increase have not been finalized yet and would be finalized upon approval of the CMB; and merger transactions and the date of General Assembly to which other amendments of the articles of association, disclosed to the public in our disclosure dated 06.01.2009, would be submitted to the ratification of the shareholders, would subsequently be announced."

The Company obtained approval of the CMB with Letter dated 16.02.2009 and numbered B.02.1.SPK.0.13-228-2372 for increase to TRY 300 of the registered capital still amounting to TRY 120 Million and announced by Significant Event of Disclosure dated 31.12.2008 and for amendment of several articles of the Company's articles of association as required by the Energy Market Regulatory Authority, in order to obtain generation license for the "Tarihler Hydro-Electric Power Plant" planned to be established in Siirt. At the Board of Directors Meeting dated February 16, 2009 relating to the aforesaid matter, it was resolved that Extraordinary General Assembly would convene on March 13, 2009.

- Ceiling of severance pay became TRY 2,260 as of January 1, 2009.
- The Company caused severance-notice pay of TRY 132.086 to accrue as of January 1, 2009.
- The financial statements were approved by the Board of Directors on March 12, 2009.
- As per Article 9 of Section 3 of Communiqué Serial XI and Number: 29 of the Capital Market Board, the statement of responsibility was signed by Süleyman UYAN – Board Member and Managing Director and Tacigül ERDEM – Deputy General Manager on March 12, 2009.

#### **December 31, 2007**

- As of January 1, 2008, the severance pay ceiling became TRY 2.088.
- A mortgage with the amount of TRY 27.000.000 in favor of İş Bankası on the plant located in Edirne has been released.
- Pursuant to the letter dated January 25, 2008 and numbered 4683 served on the Company by Republic of Turkey on February 1, 2008, General Directorate of Labor of the Ministry of Labor and Social Security; it was determined that a qualified majority required by the Law was obtained to conclude a collective bargaining agreement in the enterprise located in Maden Village of Şirvan / Siirt with the number of 272 members of T.Maden-Labor Union.

#### **NOTE 29- OTHER IMPORTANT MATTERS CONSIDERABLY AFFECTING FINANCIAL STATEMENTS AND REQUIRED TO BE DISCLOSED FOR CLEARANCE, INTERPRETABILITY AND COMPREHENSIBILITY OF FINANCIAL STATEMENTS**

##### **A- Disclosures of Financial Statements:**

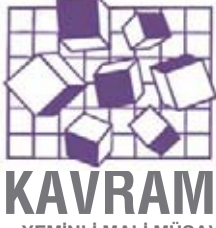
- 1) Total insurance amount of asset values as of December 31, 2008 is TRY 51.382.460 (Dec 31, 2007- 48.817.627)
- 2) Sureties of USD 4.981.725, EUR 1.143.360, SFR 22.120 and TRY 75.370 given to Merkez Yayın Holding A.Ş., as reported under the Section of Sureties given in favor of the companies as stated in Note 9 of the financial statements – issued as per Communiqué XI/25 of the CMB in the previous periods - were released due to transfer of the Merkez Group Companies as per the protocol entered into by and between Ciner Group and Savings Deposits Insurance Fund (SDIF).
- 3) Negotiations for collective bargaining between the Company and Turkish Mine Workers Labor Union relating to the Company's work place in Siirt/Madenköy were finalized with an agreement on June 25, 2008. The collective bargaining agreement would be effective between 01.03.2008 and 31.12.2009.
- 4) The Company granted the land and the buildings thereon, located in Siirt/Madenköy and amounting to TRY 1.399.794 to gendarmerie headquarters (Note 10-19). In the financial statements, TRY 1.651.757, including VAT was reported under the aids and grants. Additionally, a primary school with eight classrooms was constructed, completed in Siirt/Madenköy and delivered as donation to the Ministry of National Education. The school construction with the cost of TRY 988.154 including VAT was recorded under the aids and grants in the financial statements. (Note-19)
- 5) The Company distributed dividend by delivery of bonus shares of TRY 3.840.000 over the net period profit for the year 2007 as per the resolution passed at Ordinary General Assembly meeting dated April 9, 2008.
- 6) The Company increased its capital from TRY 48.000.000 to TRY 120.000.000. TRY 3.840.000 of this increase was transferred from profit share for the year 2007 and TRY 68.160.000 from internal resources.
- 7) The Company caused Standart Gayrimenkul Değerleme Uygulamaları A.Ş. to value its real estates in Edirne in December 2008 and disclosed the value increase in the financial statements. The real estates in Siirt were not valued, since the investment has been just completed. (Note:17)

##### **B- Classifications and Characterization of the Previous Period's Financial Statements**

Comparative information was re-classified when required for conformity with the financial statements of the current period. Contents and amounts of the classifications made are given in Note 2.

##### **C- Important Accounting Policies**

Important accounting policies relating to the Company's financial instruments are disclosed in the Financial Instruments in Note 2.



DENETİM ve YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

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**TO THE BOARD OF DIRECTORS OF  
PARK ELEKTRİK MADENCİLİK SAN. VE TİC. A.Ş.**

**INDEPENDENT AUDIT REPORT ABOUT  
FINANCIAL STATEMENTS FOR JANUARY 1 - DECEMBER 31, 2008  
ACCOUNTING PERIOD**

We have audited the balance sheet (attached) of Park Elektrik Madencilik San. ve Tic A.Ş. as of December 31, 2008, the income statement, the statement of changes in shareholders' equity, and the cash flow statement for the year that ended on the same date and the summary of financial policies and footnotes.

**Responsibilities of the Enterprise Management in Relation to the Financial Statements**

The management of the enterprise is responsible for the preparation and fair presentation of financial statements according to the financial reporting standards issued by Capital Market Board. This responsibility includes the preparation of financial statements without any inaccuracies due to any error and/or fraud and irregularity; the design, implementation and maintenance of internal control plan with the purpose of disclosing the reality fairly; making accounting estimates in line with the conditions available and the selection of the most appropriate accounting policies.

**Responsibilities of the Independent Audit Firm**

Our responsibility is to declare an opinion about the financial statements based on our independent audit. Our independent audit has been carried out in accordance with the independent audit standards issued by the Capital Market Board. These standards require compliance with the ethical principles and the planning and execution of the independent audit in a manner so as to ensure a reasonable guarantee with regard to whether the financial statements disclose the truth fairly and accurately.

Our independent audit involves the employment of independent audit techniques to collect independent audit evidences with respect to the amounts and footnotes in the financial statements. The independent audit techniques have been selected in line with our professional convictions in a manner so as to comprise risk assessments regarding whether the financial statements involve any significant inaccuracies as well as whether those inaccuracies originate from any error and/or fraud and irregularity. In this risk assessment, the internal control system of the Company has been taken into consideration. However, our aim is not to give an opinion about the effectiveness of the internal control system, but rather to reveal the relationship between the financial statements prepared by the enterprise management and the internal control system in order to plan the independent audit techniques in accordance with the conditions available. Furthermore, our independent audit involves assessing the compatibility of the overall presentation of accounting estimates and financial statements with the accounting principles adopted by the enterprise management.

We believe that the independent audit evidences that have we obtained during our independent audit constitute an appropriate and adequate basis to form our opinion.

**Opinion**

In our opinion, the financial statements attached accurately and fairly reflect, in all material respects, the financial position of Park Elektrik Madencilik San. Ve Tic. A.Ş. as of December 31, 2008 and its financial performance and cash flows in relation the year ending on the same date within the framework of financial reporting standards issued by the Capital Market Board.

Istanbul, March 12, 2009

**KAVRAM**  
**BAĞIMSIZ DENETİM VE YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.**  
**KURTBAY ÖNCÜ**  
**Partner - Head Auditor**

## AUDITORS REPORT

### TO GENERAL ASSEMBLY OF PARK ELEKTRİK MADENCİLİK SANAYİ VE TİCARET A.Ş.

<b>TITLE</b>	: Park Elektrik Madencilik Sanayi ve Ticaret Anonim Şirketi
<b>HEAD OFFICE</b>	: Istanbul
<b>REGISTERED CAPITAL</b>	: TRY 60.000.000.00.-
<b>PAID-IN CAPITAL</b>	: TRY 120,000.000.00.-
<b>SUBJECT OF ACTIVITY</b>	: The subject of activity of the Company covers searching and extracting, processing every kind of mine, mineral and mine derivations, refining, fining down and processing every kind of element both produced or obtained, constructing, operating cogeneration power plants to meet the need of electricity, energy and steam, selling the excess energy, producing every kind of fiber from glass, mine and mine derivations and producing every kind of product from fiber, constructing, operating or selling power plants regarding electricity production and distribution.
<b>Name of Auditor and Auditors</b>	: Hakkı GÜLTEKİN
<b>Terms of duty, Partnership status</b>	: 1 Year/Not a partner to the Company.
<b>Number of Participated Board of Directors and Supervisory Board Meeting</b>	: Company's Supervisory Board has attended to 5 Board of Directors meetings
<b>Scope of the examinations made in the partnership's calculations, books and documents, date of examination and outcome</b>	: It is determined that the legal records based on valid documents and the Balance Sheet and Profit-Loss charts have been duly issued in accordance with the records and accounting procedures and principles have been complied, as a result of the examination we performed on 28.03.2008, 04.07.2008, 07.10.2008 and 31.12.2008 in order to obtain information concerning partnership activities and to ensure that legal book records be duly kept.
<b>Extent of investigation on the Accounts and Books as well as Documents of the Partnership and their outcome as per Subpara 3, Paragraph 1, Article 353 of Turkish Commercial Code</b>	: Monies, tax and duty stamps and stocks in the cash box of the company were counted and recorded on 28.03.2008, 04.07.2008, 07.10.2008 and 31.12.2008, and no incompleteness and lack of order has been encountered in reconciliation of such values with legal books as a result of the counts and examinations we performed on 30.03.2007, 02.07.2007, 01.10.2007 and 31.12.2007.
<b>Outcome of the Investigation Done as per Subpara. 1 Paragraph 4 of Article 353 of Turkish Commercial Code</b>	: It is determined, through monthly examination on the registers and cash register of the Company that the assets such as checks, bonds, title deeds, investment incentive licenses were duly kept and there is no deposition and escrow at the cash register of the Company.
<b>Complaints, Malpractices Informed and Actions Taken Against Them</b>	: No complaint or information as to corrupted practices has been communicated to our Board of Auditors and no malpractice has been encountered in examinations performed by our Board.

I have examined the account transactions of PARK ELEKTRİK Madencilik San. Tic. A.Ş. for the term of 31.12.2008 in accordance with the Turkish Commercial Code, Articles of Association and other legislation and related generally accepted accounting principles and standards. In my opinion, balance sheet as of 31.12.2008, contents of which we found appropriate, reflects the financial situation of the partnership and the income statement for the term of 01.01.2008 - 31.12.2008 reflects the results of the activities of the related term, all in correct and accurate manner. I hereby submit to your voting the approval of the Balance Sheet and income table, and the discharge of the Board of Directors.

Auditor



Hakkı GÜLTEKİN

## OUR DECLARATION PURSUANT TO THE COMMUNIQUÉ SERIAL XI, NO. 29 OF CAPITAL MARKET BOARD

### DETAILS OF THE BOARD OF DIRECTORS RESOLUTION REGARDING ACCEPTANCE OF FINANCIAL STATEMENTS AND ANNUL REPORTS

DATE: 12.03.2009

NUMBER: 13


### OUR DECLARATION PURSUANT TO ARTICLE 9 OF THE SECTION THREE OF THE COMMUNIQUÉ SERIAL XI, NO. 29 BY CAPITAL MARKET BOARD

We hereby declare that;

A) We have examined our Company's financial statements and footnotes for the period 31.12.2008,

B) Under light of the information possessed by our Company within the sphere of duty and liability, the report does not contain any false explanation on important issues or any incompleteness that may be misleading as of the date when such explanation was made,

C) Under the light of the information possessed by our Company within the sphere of duty and liability, financial statements and information related to other financial issues accurately reflect the truth with regard to our Company's financial condition and activity results beginning from the period referred to in the report.



**Süleyman UYAN**  
Executive Member



**Tacigül ERDEM**  
Assistant General Manager

# PARK ELEKTRİK MADENCİLİK SANAYİ VE TİCARET A.Ş. CORPORATE GOVERNANCE COMPLIANCE REPORT

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## 1- CORPORATE GOVERNANCE DECLARATION

This Corporate Governance Declaration has been prepared for disclosing to public the commitments by Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. concerning its compliance with Corporate Governance Principles, its level of compliance with such principles and its reasoning where not complied with. Park Elektrik Madencilik Sanayi ve Ticaret A.Ş. completed at the end of 2004 the study, which it started with "İyi Şirket" Danışmanlık A.Ş. with a view to forming, in the body of the Company, the concept of Corporate Governance and its mechanisms, which spread in the world fast and are deemed to be sine qua non for a good management. This study entails Corporate Governance Principles published by the Capital Market Board as of July 2003 as well as international principles and sector implementations. After having being discussed, the study has been ratified at the Company's Board of Directors Meeting dated April 26th, 2005. Park Elektrik Sanayi ve Ticaret Madencilik A.Ş. commits to have faith in principles of transparency, equality, responsibility and accountability for increasing the Company's value, and to act in compliance with such principles in the management of the Company. Contrary to many companies traded in the stock market, Park Elektrik is one of the rare companies that have handed over the management of the Company entirely to professionals. Board of Directors entirely consists of professionals and this situation fully complies with the corporate governance principles. In line with this study, the Company's executive management and all of its employees have promptly adopted the "Corporate Governance" system formed in the Company and its mechanisms. The Company has amended its articles of association in parallel with the Corporate Governance Principles at the Ordinary General Assembly on June 14, 2005. In summary, the amended articles of association include arrangements concerning rights granted to minority shareholders, freedom of share transfer, independence of the Board of Directors, order of the Board of Directors meetings, formation of secretaria, formation of committees and their independency, election criteria concerning members of the Board of Directors and arrangements concerning the general assembly. Permanency of the Corporate Governance Principles will be ensured by such amendments made to the articles of association. The Company has made arrangements in the Board of Directors with a view to increasing its efficiency.

Number of Board of Directors members has been increased from 5 to 9, two independent members have been assigned, and the structure of the Board of Directors has complied with the corporate governance principles. Election of independent members as committee members, and consequently, presence of independent members in committees has been ensured. A secretariat has been formed under the Board of Directors in order to keep and archive the minutes of Board of Directors meetings and enable the Members of the Board of Directors to easily access to the Company information. As per Article 3 of the Communiqué Serial: X, No: 19 issued by the Capital Market Board, certain arrangements have been realized in line with the Corporation Governance Principles, by increasing the effectiveness of the Audit Committee, which was established before. As a secondary committee under the Board of Directors, a Corporate Governance and Appointment Committee has been formed, its working principles have been determined and its members have been appointed. All beneficiaries have been granted the right to access information in an equal, complete, coordinated and rapid manner by building a website for the Company under the principles of transparency and disclosure to public. It is aimed by such disclosure that a management creating responsibility and value is ensured. The Corporate Governance Principles are aimed at strengthening and increasing the confidence of our existing and potential investors, our employees, regulatory authorities and international and national public opinion.

## CHAPTER I- SHAREHOLDERS

### 2- INVESTOR RELATIONS UNIT

The Company established an Investor Relations Unit on April 26, 2005 in order to ensure that the rights of the shareholders are used and to provide communication between the Company management and the shareholders. Director of the Investor Relations Unit is Mr. Selim Erdoğan and he reports to the Chairman of the Corporate Governance and Appointment Committee. Mr. Erdoğan has experience in the field of investment banking during her career. Mr. Erdoğan has served as auditor, head of the research department, member of the board of directors in the Capital Market Board, Yurt Menkul Değerler A.Ş., Universal Menkul Değerler A.Ş., Alan Yatırım A.Ş.. Contact with the Investor Relations Unit can be established through the Company's website or e-mail address investor.relations@cinergroup.com.tr or at +90 216 531 24 00.

An analyst meeting was held on April 16, 2008 at the Company Headquarters by the Investor Relations Unit with participation of 32 analysts from 27 different intermediary institutions.

### 3- EXERCISING THE SHAREHOLDER'S RIGHT TO RECEIVE INFORMATION

Website, built in April 2005, has effectively been prepared to provide investors with the most information within shortest time in a coordinated, accurate, rapid, complete and understandable manner. The Website is under the responsibility of the Investor Relations Unit and is being updated constantly. The Company has established its disclosure policy and this policy has been approved by the shareholders at the ordinary general assembly. Questions raised by the shareholders are effectively and rapidly responded by means of the investor relations unit established in the Company. Request for appointment of a private auditor was accepted as a right in Article 12 of the Company's renewed articles of association. However, this right has not been exercised yet.

#### 4- INFORMATION CONCERNING GENERAL ASSEMBLY

Park Elektrik realized its Ordinary General Assembly for the year 2007 on April 9, 2008. General Assembly convened with an attendance rate of 69.3% and number of total votes cast at the meeting was as many as 3,325,458,400. Invitation to General Assembly meeting was made prior to 25 days before the meeting date in accordance with the Corporate Governance Principles of the Capital Market Board. General Assembly was announced in Istanbul Newspaper dated 14.03.2008 and numbered 11791 only published in Istanbul and Dünya Newspaper dated 14.03.2008 and numbered 10573-8469 published in all over Turkey and in Turkish Trade Registry Gazette dated 14.03.2008 and numbered 7020. The same call was made to the relevant shareholders by PTT through registered mail on March 14, 2008 in order to ensure attendance to the General Assembly by the registered shareholders.

Annual report and financial statements have been made available for the shareholders at the Company's headquarters and in the website of the Company. The Company's articles of association have been presented to the requesting investors.

Shareholders were entitled to ask questions at the General Assembly. The call for the General Assembly was made to the shareholders 25 days prior to the meeting to increase the attendance to the General Assembly by the shareholders and to enable them to make be ready enough for the meeting.

Minutes of the General Assembly are made available for the review of the shareholders at the Company's headquarters and in the Company's website. At the General Assembly, information was given on aids and donations amounting to TRY 26,704.20 made to various public institutions by the Company in 2006. Other items of the agenda were discussed at the general assembly and related resolutions were passed.

#### 5- VOTING RIGHTS AND MINORITY RIGHTS

Number of the Members of the Board of Directors has been increased to 9 upon the amendment to the articles of association at the Ordinary General Assembly Meeting. In this regard, A and B Groups nominate the Members of the Board of Directors as the following:

GROUP A stocks elect 6 members out of 9.

GROUP B stocks elect 3 member out of 9.

Minority shares are not represented in management. However, the Company has appointed two independent members to ensure that minority shareholders are equally represented in the Board of Directors. As required by the structure of the Company and sector, the Board of Directors should pass fast and effective resolutions. Under cumulative voting method, the stage of passing resolutions will slow-down if future members have problems in conforming to the Company and sector, and such situation may lead to loss of profit by preventing the Company from making a timely decision. Therefore, no cumulative voting method is made available in the Company upon consideration of such possibilities.

#### 6 - PROFIT DISTRIBUTION POLICY AND PROFIT DISTRIBUTION DATE

In line with the corporate governance principles and the Communiqué of the Capital Market Board dated 12.01.2008, our Company has decided to determine its profit distribution policy to be presented for Shareholders' approval at its ordinary General Assembly as follows:

- Profit distribution will be realized at an amount not to be lower than the minimum dividend ratios and amounts decided by the Capital Market Board and in line with the procedures set forth by the Turkish Commercial Code, Capital Market Board Communiqués and our Articles of Association within the predetermined time period as foreseen by law.
- Profit distribution to shareholders, also taking the growth and financing needs of the Company in the sector into consideration, will be realized by distributing to the shareholders bonus shares to be issued by transfer of dividend to the capital stock or distributing cash dividends, stock dividends.
- Profit distribution policy will be continued unless there is an extraordinary unfavorable occurrence in the economy.

- Within this frame, it was resolved at the general assembly held in 2008 that;
    - First tier legal reserve of TRY 920,851.88 would be set aside from the net period profit of TRY 19,786,372, generated by the Company from the activities of 2007;
    - Bonus shares of TRY 3,840,000 would be distributed as dividend
    - TRY 14,881,520.12 would be set aside as extraordinary reserves and
    - TRY 144.000 would be set aside as 2nd tier legal reserve
- from distributable period profit of TRY 18,892,224.32, generated from grants and aids made within the year as per the Capital Market Law and arrangements, it was resolved and accordingly applied that the bonus shares – to be distributed to the shareholders - be transferred to their accounts.

## 7- TRANSFER OF SHARES

There is no restriction in the articles of association concerning the transfer of shares.

## CHAPTER II- PUBLIC DISCLOSURE AND TRANSPARENCY

### 8- COMPANY DISCLOSURE POLICY

In order to enable each and every shareholder and beneficiaries to follow the developments about the Company in an equal and impartial manner, a disclosure policy based on transparency and honesty is constituted. While disclosing information to public, the Company complies with the Capital Markets Law, and arrangements of the Capital Market Board (SPK) and Istanbul Stock Exchange (IMKB). Besides, the Company pays attention for realization of the Capital Market Board Corporate Governance Principles in the Company. The Board of Directors shall prepare the disclosure policy and announce it to public. The Board of Directors shall be liable to follow, review and improve the Disclosure Policy. The Corporate Governance Committee will provide the Board of Directors, Audit Committee and Financial Affairs Unit with the information as to the subjects concerning "Disclosure Policy". Mr. Selim Erdoğan, Director of the Investor Relations Unit, is responsible for observing and following up the disclosure policy. Persons Responsible for the Disclosure Policy and their Duties:

<b>Nalan Erkarakaş</b>	Chairwoman of the Board of Directors
<b>Ali Coşkun Duyak</b>	Vice Chairman of the Board of Directors and General Manager
<b>Süleyman Uyan</b>	Executive Member
<b>Süreyya TURGUT</b>	Member
<b>Naci ÖVÜNÇ</b>	Member
<b>Orhan Yüksel</b>	Member
<b>İnanç Şenel</b>	Member
<b>Ferzan Çitici</b>	Member
<b>Mustafa Uçurum</b>	Member
<b>Selim Erdoğan</b>	Investor Relations Director

### 9- SIGNIFICANT EVENT OF DISCLOSURE

The Company has made a total of 29 significant events of disclosure in the year 2008 and submitted such disclosures to the Capital Market Board and Istanbul Stock Exchange. Since the Company is not quoted in the foreign stock exchanges, no significant event of disclosure has been made abroad. Assistant General Manager Tacigül Erdem and Investor Relations Unit Director Selim Erdoğan, appointed on October 4, 2007, are responsible for significant events of disclosure and all of such disclosures have been made within their statutory periods of time. There is no sanction of the Capital Markets Board for any significant event of disclosure that was not timely made.

### 10- THE COMPANY'S INTERNET WEBSITE AND ITS CONTENT

The Company's detailed, effective and periodically updated website was built in April 2005. This website can be reached at [www.parkelektrik.com.tr](http://www.parkelektrik.com.tr). All information set forth in Article 1.11.5, Chapter II. of the Capital Market Board Corporate Governance Principles has been given in the website in details.

### 11- DISCLOSURE OF REAL PERSON SHAREHOLDER(S) HOLDING FINAL DOMINANT SHARE

There is no real person shareholder holding shares of the Company. However, Mr. Turgay Ciner has a 99.99% stake in Park Holding A.Ş. and a 0.02% stake in Park Enerji Ekip. Mad.San. A.Ş. These stakes, belonging to Mr. Turgay Ciner, have individually been indicated in the annual reports but not cumulatively present in order to explain the dominance status.

## 12- DISCLOSURE OF INSIDERS TO THE PUBLIC

The Company has disclosed insiders of the Company to the public through its website. The insiders are listed below:

<b>Nalan Erkarakaş</b>	Chairwoman of the Board of Directors
<b>Ali Coşkun Duyak</b>	Vice Chairman of the Board of Directors
<b>Süleyman Uyan</b>	Member of the Board of Directors and Executive Member
<b>İnanç Şenel</b>	Member
<b>Mustafa Uçurum</b>	Member
<b>Naci Övünç</b>	Member
<b>Ferzan Çitici</b>	Member
<b>Süreyya Turgut</b>	Member
<b>Hakkı Gültekin</b>	Auditor
<b>Orhan Yüksel</b>	Member
<b>Fercan Aykutlu</b>	Member
<b>Biltekin Özdemir</b>	Member
<b>Tacigül Erdem</b>	Assistant General Manager – Manager of Financial Affairs
<b>Selim Erdoğan</b>	Investor Relations Director
<b>Murat Çolak</b>	Head of the Accounting Department
<b>Tuğçe Karadağ</b>	Secretary of the Board of Directors
<b>Faik Yılmaz</b>	Kavram Independent External Auditor
<b>Kurtbay Öncü</b>	Kavram Independent External Auditor
<b>Bünyamin Kalyoncu</b>	Kavram Independent External Auditor
<b>Ayşe Kutbay</b>	Kavram Independent External Auditor
<b>Alev Aslıhan Karaçam</b>	Kavram Independent External Auditor
<b>Yasemin Yılmaz</b>	Kavram Independent External Auditor
<b>Yasin Aydın</b>	Kavram Independent External Auditor
<b>Mustafa Tatlıdil</b>	Kavram Independent External Auditor

## CHAPTER III- BENEFICIARIES

### 13- PROVIDING INFORMATION TO BENEFICIARIES

Formation of the Corporate Governance Principles and its mechanisms in the Company were completed in 2005 and a disclosure policy also covering the beneficiaries has been built in this line. Under the disclosure policy, meetings for the beneficiaries (analyst meetings, quarterly assessment meetings for employees and periodic meetings for employees) have been decided to be made. Announcement for such meetings and then meeting reports will be announced also in the Company's website. The Company held an analyst meeting on April 16, 2008 and published the presentation text in its web-site on the same day.

### 14- PARTICIPATION BY BENEFICIARIES IN MANAGEMENT

The beneficiaries do not participate in management in person. However, the Company's employees are invited to the Board of Directors to make explanations and forward opinions on the subjects related to their units.

### 15- HUMAN RESOURCES POLICY

The Company has built the Human Resources Policy in writing in line with the principles concerning employment, promotion, dismissal and performance measures of employees and announced it to the public in its web-site. In addition, the processes relating to each nit and each duty in the Company were formed in writing. Syndicate representatives were authorized to govern the relations with the employees. The employees have filed no complaint concerning discrimination.

### 16- INFORMATION CONCERNING RELATIONS WITH CUSTOMERS AND SUPPLIERS

Since the Company made its domestic sales to its group of companies, it has no other customer other than the group companies in 2006. Therefore, no study with regard to the customer pleasure was required to be carried out yet. The copper concentrate, a product of the Company, is exported and its price is determined by London Metal Exchange. As the copper is a commodity, which has no characteristics of transformation, no study for customer pleasure was required to be held. The Company fulfilled its export liabilities timely and perfectly; no complaint and argument of the buyer relating to the company has been in question.

## 17- SOCIAL RESPONSIBILITY

The Company continues to perform its activities within the framework of environmental policy and in accordance with the protection of nature and environment, and inspection reports prepared for mining and production fields are present. As for social responsibility, the Group, as a whole, contributes to projects realized under the title "Ciner Group". Such contributed projects are given below:

Aids and donations made to education institutions	TRY 1,016,549.85
Aids and donations made to security forces	TRY 1,658,542.56
Others	TRY 9,629.57
<b>Total</b>	<b>TRY 2,684,721.98</b>

## CHAPTER IV- BOARD OF DIRECTORS

### 18- STRUCTURE, FORMATION OF THE BOARD OF DIRECTORS AND INDEPENDENT MEMBERS

The Company's Board of Directors consists of 9 members. 8 out of these members are non-executive while the remaining 1 members is executive. Chairman of the Board of Directors is Nalan Erkarakaş and she is not an executive. Executive Chairman of the Company is Tacigül Erdem by proxy. Chairman of the Board of Directors and Executive Chairman are different persons. Majority of the Board of Directors Members are not executives. Titles and qualifications of the Board of Directors Members are given below:

<b>Nalan Erkarakaş</b>	Chairwoman of the Board of Directors, Non-Executive
<b>Ali Coşkun Duyak</b>	Vice Chairman of the Board and General Manager, Non-Executive
<b>Süleyman Uyan</b>	Executive Member, Non-Executive
<b>İnanç Şenel, Member</b>	Non-Executive
<b>Orhan Yüksel, Member</b>	Non-Executive
<b>Süreyya Turgut</b>	Member, Non-Executive
<b>Mustafa Uçurum</b>	Member, Non-Executive
<b>Ferzan Çitici</b>	Member, Non-Executive
<b>Naci Övünç</b>	Member, Non-Executive

Two independent members have been appointed to the Board of Directors. Independence criteria are fulfilled by independent members as set forth in the Capital Market Board Corporate Governance Principles. In relation to the Board of Directors' Members, who work outside the Company, the independent members are not restricted while the others are. Board Members of the Company, not being executive, work intensely, since they have assumed other duties in the Holding. Such restriction is applied for the reason that extra-group duties would limit the time they should spend for the duties in the Company and Holding and decrease their productivity. Other information on the Board of Directors is as follows:

- There exist no commercial and non-commercial businesses and transactions entered into by the board of directors' members, managers and shareholders directly or indirectly holding at least 5% of the Company's capital with the Company and other companies controlled by the Company.
- Duties and responsibilities of the members of the board of directors are set forth in the articles of association.
- There exists no contradiction with the rules established by the Company relating to the duties assumed by our members of the board of directors outside the Company.
- There is no benefit provided or paid to our Board members, who are not independent. Monthly attendance fee of TRY 2000 is paid to our independent members.
- The members of our board of directors have no capital market instruments in the Company.
- There exists no lawsuit filed against the members of the board of directors and managers relating to the activities of the Company.
- There exists no cash payment or benefit such as salary, bonus, other regular and casual payments and non-cash payment or benefit such as share-backed derivative instruments, call option as well as house or automobile, ownership of which is transferred or which is allocated, all given within the scope of opportunity enabling the shareholders to hold shares in the Company.

### 19- QUALIFICATIONS OF THE BOARD OF DIRECTORS MEMBERS

Minimum qualifications for the Company's Board of Directors members are within the scope of amendment to the articles of association and will be set forth in Article 11. In the new arrangement, qualifications of the Board of Directors members are in compliance with those set out in Articles 3.1.1, 3.1.2 and 3.1.5 of Chapter IV of the Capital Market Board Corporate Management Principles. The Company is ready to form training programs for members who lack certain qualifications and no such education has been needed until now. However, compliance programs were formed by the Corporate Governance Committee for the new Board of Directors Members.

### 20- COMPANY'S MISSION, VISION AND STRATEGIC GOALS

The Company's website and annual activity report explains the Company's mission, vision, goals and values.

#### Mission of the Company:

- Following the technology and recent developments and implement these to every stage of business
- Making effort to maintain ever better working conditions
- Increasing the efficiency by motivating the personnel
- Construction of secure working sites at low cost
- Avoiding loss by making use of resources effectively and efficiently

#### **Vision of the Company:**

- Leadership - Uprising the Company as leader among the national and international companies in the same sector.
- Quality - growth of the Company without any concession from quality.
- Growth - reflecting the effective and balanced growth to every activity of the Company and investing in appropriate areas.
- High performance - enable the investors to reap maximum profits by maintaining the highest efficiency at lowest cost.

The Board of Directors approves the strategic goals constituted by the executives.

The cited strategic goals are prepared and approved through the proposals and opinions of the related units, by the Board of Directors. The studies for the implementation are started immediately after the approval of the goals. The attainment level is measured by tracing the results in the financial statement periods and at the end of the year.

To overview the attainment level, activities and past performance of the Company the Board of Directors is made subject to evaluation once a year. It is planned to make the investigation in accordance with the performance, attainment level, effectiveness of the activities and compliance with the Corporate Governance principles of the Board of Directors during the annual evaluation.

#### **21- RISK MANAGEMENT AND INTERNAL AUDIT MECHANISM**

The Board of Directors has formed a risk management mechanism in relation to the existing and potential risks to the Company. Risk management system defines maximum risks - each unit of the Company may undertake - percent realization of risk occurrences, precautions and control mechanisms against them. Internal audit mechanisms are exercised for following risk management. Efficiency of the risk management is periodically reviewed and deficiencies and faults determined are corrected within the shortest period.

#### **22- DUTIES AND LIABILITIES OF THE BOARD OF DIRECTORS MEMBERS AND EXECUTIVES**

Duties and liabilities of the Board of Directors Members are set forth in the Company's articles of association and website.

#### **23- OPERATION PRINCIPLES OF THE BOARD OF DIRECTORS MEMBERS**

Agenda of the Board of Directors meetings are determined in line with the demands of the chairman and members. Demands by the managers are effective on the determination of the agenda. Board of Directors meetings convene at least 12 times a year as mentioned in Article 8 of the articles of association. The provision concerning absence stating, "a member of Board of Directors, who fails to attend to three consecutive meetings, shall be deemed to have resigned." is set forth in the articles of association. A secretary unit under the Board of Directors has been formed in order to keep and archive the minutes of Board of Directors meetings and provide the Members of the Board of Directors with coordinated information and Hanen Hayfavi has been appointed to be the Secretary of the Board of Directors. The agenda and the information and reports concerning the agenda are provided with the Members of the Board of Directors by means of secretary at least 1 week prior to meetings. Reasonable and detailed cross-vote justifications in relation to issues discussed at the meeting are registered in the minutes of meeting and conveyed to the Company auditors in writing. Cross-vote justifications concerning the issues, for which the independent members to be appointed explained different opinions, will be disclosed to public. Questions raised by the members and their answers are recorded in the minutes of meeting. Members' actual participation is ensured for the articles to be voted by the Board of Directors members who will actually attend to the Board of Directors meetings as set forth in Article 2.17.4, Chapter IV of the Capital Market Board Corporate Governance Principles. Including the Chairwoman, no member of the Board of Directors is given the right of weighted voting and/or negative veto.

#### **24- BUSINESS WITH THE COMPANY AND COMPETITION RESTRICTIONS**

The Company's Board of Directors members have not entered into any business relation with the Company or competed with it in the relevant period.

#### **25- ETHICAL RULES**

The Board of Directors has formed ethical rules for the Company and the employees and disclosed to public through its website.

#### **26- NUMBER, STRUCTURE AND INDEPENDENCY OF COMMITTEES IN THE BOARD OF DIRECTORS**

An audit committee has been formed in order for the Board of Directors to fulfill its duties and responsibilities in a duly manner. Chairman of the Audit Committee is Süreyya Turgut and the other member is Süleyman Uyan. Süreyya Turgut is an independent member of the board. Süleyman Uyan is the member of the board of directors Park Elektrik has increased the efficiency of the Audit Committee that has been formed in accordance with Article 3 of the Communiqué Series X, No:19 by the Capital Market Board and has realized the operations relating to arrangement of the same in accordance with Corporate Governance Principles. Besides, a Corporate Governance and Appointment Committee, as a secondary committee under the Board of Directors, has been formed. Chairman of the Corporate Governance and Appointment Committee is Nalan Erkarakaş and the other member is Ferzan Çitici. Nalan Erkarakaş is at the same time Chairman of the Board of Directors. Ferzan Çitici is an independent member of the board. As to be applied by the Board of Directors beginning from the year 2005, the Audit Committee will convene quarterly at least 4 times a year, while the Corporate Governance and Appointment Committee will convene at least 3 times a year. Procedures to be followed by the committees during their activities have been formed in writing and disclosed to public. Provisions ruling that the Board of Directors Members will not perform duty in more than one committee are set forth in the articles of association. Qualifications of the committee members are set forth in Article 10 of the articles of association and such members have the same qualifications as the Members of the Board of Directors.

#### **27- FINANCIAL BENEFITS GRANTED TO THE BOARD OF DIRECTORS**

Rights, benefits and salary provided to the Board of Directors members will be given in line with performance criteria applied to the Board of Directors. The Company has not lent money or provided credit to any Board of Directors member or any of its managers.



# PARK ELEKTRİK

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