

**MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
AND IT'S SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2009**

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.

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**INDEPENDENT AUDITORS' REPORT
ABOUT CONSOLIDATED FINANCIAL STATEMENTS**

To the Board of Directors of
MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.,
İzmir

We have audited the accompanying consolidated balance sheets, comprehensive statements of income, changes in shareholders' equity and cash flows of Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (Group) and its subsidiaries (Group) as of 31 December 2009. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue an opinion on these consolidated interim financial statements based on our audit.

Responsibility of management regarding financial statements

Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with financial reporting standards by Capital Markets Board. This responsibility implies choosing appropriate accounting principle, making acceptable accounting estimation according to the term and conceiving, application of and carrying on with internal control to prepare financial statements free of mistakes derived from inconsistency with the established rules of procedure.

Responsibility of Auditor

Our responsibility is to express an opinion on these consolidated financial statements based on our independent audits. Our independent audit is performed compatible with the independent audit standards published by the Capital Markets Board. These standards require the independent audit to be submissive to ethical principals and performance with planning to verify fair assurance whether the financial statements are reflecting the truth or not. Our independent audit essentially based on applying analytical audit procedures, in order to collect the related proof and understand the entries and notes in the financial statements. The preference of independent audit standards is based on occupational contentment to evaluate whether financial statements contain risk of significant error derived from mistakes including deception and inconsistency or not. In this risk evaluation, the internal control was taken into account. However, our purpose is not to provide an opinion about internal control efficiency, is to display the inter correlation between the financial statements prepared by company management and internal control system with appropriate independent audit standards. Our independent audit embraces the valuation of coherence as a complete; financial statements presentation and significant accounting estimations along with adopted accounting policy by company management. We believe that the evidences obtained during the independent audit procedure constitute an adequate base to form our opinion.

Provided the Basis of Opinion

The Capital Market Board requested an independent auditing with decree dated 21 December 2005 on the financial statements of Menderes Bulgaria Ltd. for the following periods ended at 31.12.2004, 31.03.2005, 30.06.2005, 30.09.2005 and 31.12.2005. Besides, the results of auditing that has effects on financial statements are requested to be sent to the Capital Market Board of Turkey (CMB) and Istanbul Stock Exchange Market by us. Consolidated audited reports based on financial statements of subsidiaries are sent to Capital Market Board of Turkey (CMB) and Istanbul Stock Exchange Market. However, the related subsidiary has been practicing liquidation as of report date then no independent audit report has been prepared. Hence the consolidation has been executed from un-audited financial statements as of 31 December 2009 and 2008. The accumulated profit transfer as of 31 December 2005 was different from audited financial statements of Menderes Bulgaria Ltd. to the un-audited prior period's financial statements. Difference is presented in the consolidated change in shareholders' equity statements.

Opinion

In our opinion, except for the effect of paragraphs explained above, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Menderes Tekstil Sanayi ve Ticaret A.Ş. as of 31 December 2009, and the results of its operations and cash flows for the year ended, in accordance with Communiqué XI, No: 29 on Capital Market Accounting Standards promulgated by according to the Capital Market Board of Turkey (CMB).

Without qualifying our opinion, we draw your attention to the following matters:

- a. Group has due from related parties amounting to TRY 36,650,536 stated in the note 37 as of 31 December 2009. Group has purchased 1,200,000 shares of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. with value of TRY 101,184,000 on 04 July 2008. As of purchasing date, present other non-trade current receivables are deducted by TRY 77,801,579 and trade receivables from shareholders and related parties were deducted by TRY 5,101,413. The remaining amount has been paid in the periods of 2008 and 2009.
- b. The Group announced the liquidation process for the subsidiary Menderes Bulgaria Ltd. started with the decision of its the Board of Members dated 06 December 2005 numbered 2005/17 with the Statement of Material Disclosure to the Istanbul Stock Exchange Market and Capital Market Board of Turkey (CMB) on 17 December 2005 and to be completed till 30 January 2006. However, the liquidation process is not completed as of date of report, and it is planned to be completed in 2010.
- c. Group subsidiary, Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. was established in 2006. However, Company is not active then it is not included in the consolidation.

- d. The Group has declared with the material disclosure announcement dated 10 May 2007 that not to join the capital increase of subsidiaries, Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Menderes Tekstil Pazarlama A.Ş. those are to increase their capital. The share in the capital of Akça Enerji was 20% prior to capital increase and after it become 9%. The share in the capital of Menderes Pazarlama was 45% prior to capital increase and after it become 18%. As of 31 December 2007, the shares of related subsidiaries have occurred to be investment securities level. Therefore, the method of consolidation changed from equity pick-up method and related companies are presented at their cost values in the financial statements as of 30.06.2007, 30.09.2007, 31.12.2007, 31.03.2008 and 30.06.2008. Due to this change in the accounting policy, there have been losses of TRY 1,917,070 recorded in other losses. Group has increased the capital ratio in Akça Enerji Üretim Otoprodüktör Grubu A.Ş. from 9% to 20% and in Menderes Tekstil Pazarlama A.Ş. from 18% to 45% with share transfers on 25 August 2008. As of 31 December 2008, level of investment reached to subsidiary level. This reason, these companies are consolidated with equity pick-up method.

ATA Uluslararası Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
Member Firm of Kreston International

Dr. Ali YÜRÜDÜ
Managing Partner

İstanbul, 18 March 2010

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

BALANCE SHEETS (TRY)
(XI-29 CONSOLIDATED)

		<i>Independently</i> Audited	Audited
	Footnote References	31.12.2009	31.12.2008
ASSETS			
Current Assets		145,642,908	150,006,330
Cash and Cash Equivalents	6	20,077,014	12,714,836
Financial Investments	7	0	0
Trade Receivables	10	27,061,569	23,842,455
Financial Lease Receivables	12	0	0
Other Receivables	11	39,183,581	31,773,203
Inventories	13	51,892,021	74,143,855
Biological Assets	14	1,323,638	0
Other Current Assets	26	6,105,085	7,531,981
(Subtotal)		145,642,908	150,006,330
Assets Held for Sale	34	0	0
Non-current Assets		217,334,319	207,042,460
Trade Receivables	10	0	0
Financial Lease Receivables	12	0	0
Other Receivables	11	0	0
Financial Investments	7	0	0
Investments Valued With Equity Method	16	113,831,097	100,940,087
Biological Assets	14	0	0
Investment Properties	17	0	0
Tangible Assets	18	100,376,488	103,282,699
Intangible Assets	19	235,601	222,035
Goodwill	20	0	0
Deferred Tax Assets	35	2,721,355	2,597,639
Other Assets	26	169,778	0
TOTAL ASSETS		362,977,227	357,048,790
LIABILITIES			
Current Liabilities		120,621,172	132,611,864
Financial Borrowings	8	63,189,512	71,808,552
Other Financial Liabilities	9	0	0
Trade Payables	10	44,817,863	51,719,267
Other Payables	11	8,904,215	8,725,482
Finance Payables	12	0	0
Goverments Grants and Incentives	21	0	0
Corporation Tax Liabilities	35	3,482,243	14,566
Provisions for Liabilities	22	195,193	343,997
Other Current Liabilities	26	32,146	0
(Subtotal)		120,621,172	132,611,864
Liabilities Related to Non-current Assets Held for Sale	34	0	0
Non-current Liabilities		9,801,143	11,847,925
Financial Borrowings	8	4,250,469	7,186,090
Financial Lease Payables	9	0	0
Trade Payables	10	529,112	1,433,347
Other Payables	11	0	0
Finance Payables	12	0	0
Goverments Grants and Incentives	21	0	0
Provisions for Liabilities	22	0	0
Benefits Provided for Employees (or Severance Pay Provision)	24	3,060,937	2,967,734
Deferred Tax Liabilities	35	1,960,625	260,754
Other Non-current Liabilities	26	0	0
SHAREHOLDERS' EQUITY		232,554,912	212,589,001
Shareholders' Equity	27	230,367,499	212,777,377
Paid in Capital Share	27.1	184,000,000	184,000,000
Mutual Adjustment of Share Capital among Subsidiaries (-)		0	0
Share Premium		0	0
Revaluation Reserve		0	0
Inflation Adjustments to Shareholders' Equity	27.2	485,133	485,133
Foreign Currency Conversion Differences		(406,456)	(389,247)
Profit Reserves	27.3	4,297,919	4,297,919
Retained Earnings/Losses	27.4	23,918,089	35,651,430
Net Income/Loss for the Period		18,072,814	(11,267,858)
Minority Interest		2,187,413	(188,376)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		362,977,227	357,048,790

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

INCOME STATEMENTS (TRY)
(XI-29 CONSOLIDATED)

Independently

		Audited	Audited
	Footnote	01.01.2009-	01.01.2008-
	References	31.12.2009	31.12.2008
OPERATING ACTIVITIES			
Sales	28.1	274,810,450	254,385,021
Cost of Sales (-)	28.2	(233,667,720)	(235,788,737)
Gross Operating Profit (Loss)		41,142,730	18,596,284
Interest, wages, premium, commission and other income		0	0
Interest, wages, premium, commission and other expense (-)		0	0
Gross Profit (Loss) from Finance Sector Activities		0	0
GROSS OPERATING PROFIT/LOSS		41,142,730	18,596,284
Marketing, Sales and Distribution Expenses (-)	30.1	(5,749,843)	(7,880,478)
General Administrative Expenses (-)	30.2	(4,697,070)	(3,934,706)
Research and Development Expenses (-)		0	0
Other Operating Income	31	1,259,307	2,107,640
Other Operating Expenses (-)	31	(12,874,924)	(9,469,582)
OPERATING PROFIT/LOSS		19,080,200	(580,842)
Shares of Investments Valued with Equity Method	16	9,183,010	(959,357)
(Non-operating) Financial Income	32	19,198,004	44,896,524
(Non-operating) Financial Expenses (-)	33	(24,330,002)	(57,900,152)
INCOME/LOSS BEFORE TAXES		23,131,212	(14,543,827)
Taxes from Operating Profit/Loss		(5,058,398)	3,275,969
- Income/Expense Tax for the period	35	(3,482,243)	(14,566)
- Deferred Tax Income/Expense		(1,576,155)	3,290,535
NET OPERATING PROFIT/LOSS		18,072,814	(11,267,858)
DISCONTINUED OPERATIONS		0	0
Net Income / (Loss) after Tax of Discontinued Operations		0	0
NET INCOME/(LOSS) FOR THE PERIOD		18,072,814	(11,267,858)
Other comprehensive income / (loss)			
Change in unrealized gain on available-for-sale investments		0	0
Change in revaluation of fixed assets		0	0
Change in hedge fund		0	0
Change in currency conversion difference		(17,209)	(380,000)
Actuarial loss / income from retirement pay provision		0	0
Other comprehensive income share from subsidiaries subject to equity pick up method		0	0
Tax income / expenses relating other comprehensive income		0	0
OTHER COMPREHENSIVE INCOME / (LOSS) (AFTER TAX)		(17,209)	(380,000)
OTHER COMPREHENSIVE INCOME / (LOSS)		18,055,605	(11,647,858)
Distribution of Income/(Loss)		0	0
Minority Interest	27	55,698	0
Parent Company's Share		18,017,116	(11,267,858)
Dispersal of Total Comprehensive Income / (Loss)		0	0
Minority interest	27	55,698	0
Parent Company's share		17,999,907	(11,647,858)
Earnings Per Share	36	0.0982	(0.0612)
Earnings Per Share from Operating Activities		0.0982	(0.0612)

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

CHANGES IN THE SHAREHOLDERS' EQUITY STATEMENTS (TRY)
(XI-29 CONSOLIDATED)

	Footnote References	Share Capital	Profit Reserves	Foreign Currency Conversion Difference	Inflation Adjustment Differences in Shareholders' Equity	Retained Net Earnings/Losses	Period Income / Loss	Parent Company's Equity	Minority Interest	Total Shareholders' Equity
Balance at 01 January 2008		184,000,000	4,297,919	(9,247)	485,133	30,276,537	(2,764,664)	216,285,678	(150,486)	216,135,192
Transfer to retained earning		0	0	0	0	(2,764,664)	2,764,664	0	0	0
Adjustment entry in retained earnings related to due from group companies		0	0	0	0	8,139,557	0	8,139,557	0	8,139,557
Foreign currency conversion difference		0	0	(380,000)	0	0	0	(380,000)	(37,890)	(417,890)
Minority interest net period profit/loss		0	0	0	0	0	0	0	0	0
Net income/loss for the period		0	0	0	0	0	(11,267,858)	(11,267,858)	0	(11,267,858)
Balances at 31 December 2008	27	184,000,000	4,297,919	(389,247)	485,133	35,651,430	(11,267,858)	212,777,377	(188,376)	212,589,001
Tranfer to retained earning		0	0	0	0	(11,267,858)	11,267,858	0	0	0
Smyrna consolidation effect		0	0	0	0	(465,483)	0	(465,483)	0	(465,483)
Foreign currency conversion difference		0	0	(17,209)	0	0	0	(17,209)	(1,716)	(18,925)
Minority interest net period profit/loss		0	0	0	0	0	0	0	2,377,505	2,377,505
Net income/loss for the period		0	0	0	0	0	18,072,814	18,072,814	0	18,072,814
Balances at 31 December 2009	27	184,000,000	4,297,919	(406,456)	485,133	23,918,089	18,072,814	230,367,499	2,187,413	232,554,912

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

MENDERES TEKSTİL SANAYİ VE TİCARET ANONİM ŞİRKETİ

CASH FLOW STATEMENTS (TRY)
(XI-29 CONSOLIDATED)

		<i>Independently</i> Audited	Audited
	Footnote	1 January-	1 January-
	References	31 December 2009	31 December 2008
Net period income/loss		18,072,814	(11,267,858)
Adjustments to reconcile net income before taxation			
to net cash from operating activities:			
Amortization and depreciation expense	18-19	14,254,513	14,085,035
Changes in provision for employee	24	93,203	(1,194,676)
Change in deferred tax assets / liabilities	35	1,576,155	(3,290,535)
Provision for taxation	35	3,482,243	14,566
Accrual of interest income	8	(15,093)	35,610
Income accruals	6	16,405	7,721
Provision for doubtful receivables	10	(91,598)	9,907
Unearned interest on receivables	10	1,062,509	160,500
Unearned interest on payables	10	687,871	(144,996)
Changes in provision for taxes	35	(14,566)	(489,754)
Net cash from operating activities			
before changes in operating assets and liabilities:		39,124,456	(2,074,480)
Changes in trade receivables	10	(4,190,025)	12,558,477
Changes in other receivables	11	(7,410,378)	76,690,524
Changes in inventories	13	22,251,834	15,153,517
Changes in biological assets	14	(1,323,638)	0
Changes in other current assets	26	1,410,491	(3,000,973)
Changes in other non-current assets	26	(169,778)	284,565
Changes in trade payables	10	(8,493,510)	2,739,217
Changes in other payables	11	178,733	6,705,473
Changes in provisions of liability	22	(148,804)	216,482
Changes in other current liabilities	26	32,146	0
Net cash provided by operating activities		41,261,527	109,272,802
Investing activities			
Purchases tangible and intangible fixed assets, net	18-19	(1,834,072)	(6,693,972)
Changes in minority interest		2,375,789	(37,890)
Adjustment entry in retained earnings related to due from group companies		0	8,139,557
		541,717	1,407,695
Financing activities			
Changes in financial investments	7	0	623,944
Changes in the investment subject to equity pick-up method	16	(12,891,010)	(100,940,087)
Change in long and short term financial borrowings	8	(11,539,568)	(8,362,506)
Conversion differences from unaudited financial statements of Menderes Bulgaria		(17,209)	(380,000)
Smyrna consolidation effect fixed assets		(9,527,796)	0
Smyrna consolidation effect equity		(465,483)	0
Cash provided by financial activities		(34,441,066)	(109,058,649)
Changes in cash and cash equivalents		7,362,178	1,621,848
Cash and cash equivalents at the beginning of the period		12,714,836	11,092,988
Cash and cash equivalents at the end of the period	6	20,077,014	12,714,836

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

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009 AND 2008

(Amounts are in Turkish Lira (TRY) unless indicated otherwise.)

NOTE 1 – ORGANIZATION AND ACTIVITIES

Menderes Tekstil Sanayi ve Ticaret Anonim Şirketi (“Company”) and its subsidiaries are referred as “Group” in the accompanying consolidated financial statements.

The entities mentioned below are applied “Full Consolidation Method”:

- Menderes Tekstil Sanayi ve Ticaret A.Ş.
- Smyrna Seracılık Ticaret. A.Ş.
- Menderes Bulgaria Ltd.

The entities mentioned below are applied “Equity Pick Up Method”:

- Akça Enerji Üretim Otoprodüktör Grubu A.Ş.
- Menderes Tekstil Pazarlama A.Ş.
- Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Menderes Tekstil Sanayi ve Ticaret A.Ş.

Company produces cotton press, yarn, fabric, valances, dust ruffles, ruffled and tailored shams, comforter shells, printed towels and linens in integrated cotton and synthetic textile establishment.

The registered adresse of the Company is as following:

Köprübaşı Mevki No: 146 Sarayköy, Denizli.

In the period of 01 January – 31 December 2009, average 3,577 (01 January – 31 December 2008: 4,054) personnels are employed by the Company.

Company shares are traded in the Istanbul Stock Exchange since 2000.

Production Capacity (Textile)

According to the capacity report from Denizli Industrial Chamber dated 27 November 2007, numbered 235 and valid until 03 December 2010, Company’s production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts a day.

Products	Unit	Total
Sheet	Item	30,480
Elasticized sheet	Item	6,552,000
Linens	Item	8,616,000
Pillow case	Item	53,100,000
Bed spread	Item	23,400,000
Bath towels	Item	23,400,000
Table cloth	Item	23,400,000
Bath rob	Item	1,872,000
Napkin	Item	37,440,000
Pants	Item	1,965,600
Shirts	Item	2,808,000
Shorts	Item	3,463,200
Pyjamas	Item	3,463,200

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts are in Turkish Lira (TRY) unless indicated otherwise.)

Capacity (Energy)

According to the capacity report from Denizli Industrial Chamber dated 25 March 2009, numbered 50 and valid until 27 March 2012, Company's production capacity has been calculated with daily 8 hours, yearly 300 days. Company works for 3 shifts a day:

Electricity energy	161,827,000	Kwh/year
Steam	617,569,920	Joule/year
Hot water	238,360,320	Joule/year

Smyrna Seracılık Ticaret. A.Ş.

Smyrna Seracılık Ticaret A.Ş. was established in 2007 in İzmir. It is engaged in production of agricultural. No. 7296 on 21 June 2009 the company's name in the Trade Registry Gazette has been changed from Smyrna Organik Tarım Sanayi ve Ticaret A.Ş. to Smyrna Seracılık Ticaret A.Ş..

According to the capacity report from Denizli Industrial Chamber dated 28 January 2010, numbered 20 Company's production capacity has been calculated with daily 8 hours. Company works for 1 shifts a day.

Product	Unit	Total
Tomato	Ton	2,400

No. 6911 on 08 October 2007 in the Trade Registry Gazette the company's headquarter was changed to Denizli. The registered adrese of the Company is as following:

Köyiçi Mevkii, Tosunlar Kasabası Sarayköy, Denizli

In the period of 01 January – 31 December 2009, average 39 personnels are employed in the Company.

Menderes Bulgaria Ltd.

Menderes Bulgaria Ltd. constitutes the 90% of the consolidated financial statements of Group. Company's unaudited financial statements in accordance with Bulgarian regulations are consolidated within the frame of full consolidation method of Communiqué XI, No: 29 of Capital Market Board.

Menderes Bulgaria Ltd. is established in 2002 in Bulgaria. Main activity of Menderes Bulgaria Ltd. (Parent Company) is custom manufacturing as receiving raw materials and unfinished, intermediate goods from Menderes Tekstil Sanayi ve Ticaret A.Ş. to process and send them back.

The Company announced the liquidation process for the subsidiary Menderes Bulgaria Ltd. started with the decision of its the Board of Members dated 06 December 2005 and numbered 2005/17 with the Statement of Material Disclosure to the Istanbul Stock Exchange Market and Capital Market Board of Turkey (CMB) on 05 December 2005 and to be completed before 30 January 2006. As of report date, the liquidation process is not completed yet.

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009 AND 2008

(Amounts are in Turkish Lira (TRY) unless indicated otherwise.)

Akça Enerji Üretim Otoprodüktör Grubu A.Ş.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. is established on 13 July 1998. Head quarter of the company is in Denizli. Main activity is to produce electricity.

Group has ensured its demand of energy from its subsidiary, Akça Enerji Üretim Otoprodüktör Grubu A.Ş. till 31 October 2008. As of 31 October 2008, it has become energy producer for itself with auto producer license obtained from Energy Market Regulatory Board.

Menderes Tekstil Pazarlama A.Ş.

Menderes Tekstil Pazarlama A.Ş. was established in 1998. Head quarter of the Company is in İzmir. Company does marketing of home textile productions.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. Company operates vehicle inspection stations which are privatized within the context of law b-numbered 4046, in Aydın, Manisa, Denizli and İzmir for 20 years. As of 31 December 2009, company has integrated 20 established and 4 mobile vehicle inspection stations.

Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş.

Group subsidiary, Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. was established in 2006. However, since Company is not active yet, it is not included in the consolidation. According to 31 August 2009 dated Board of Director's decision Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. is decided to be clarified.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.a. Basis of Presentation

Compliance Statement

Group prepares their statutory financial statements in accordance with the principles of Capital Market Board (CMB), Turkish Commercial Code ("TCC") and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and presents in Turkish Liras. Consolidated financial statements are prepared on statutory records, which are maintained with historical cost, with the necessary adjustments and reclassifications made for the fair presentation in accordance with Communiqué XI, No: 29 "Accounting Standards in Capital Markets" published by the Capital Markets Board.

Principles of Preparing Financial Statements

Communiqué XI, No: 29 "Accounting Standards in Capital Markets" published by the Capital Markets Board is published in Official Gazette date 09 April 2008 and numbered 26842. This communiqué is effective for the first interim period financial statements after 01 January 2008 regarding companies in stock market, financial intermediary agencies, portfolio management companies and businesses connected to these partnerships, subsidiaries and business partnerships.

MENDERES TEKSTİL SANAYİ VE TİCARET A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2009 AND 2008

(Amounts are in Turkish Lira (TRY) unless indicated otherwise.)

Capital Market Board defines principles, procedures and basis to prepare financial reports to be prepared by the companies and to be presented to the authorities in accordance with Communiqué XI, No: 29 “Accounting Standards in Capital Markets”. This communiqué is effective starting for first interim financial statements after 01 January 2008 and Communiqué XI, No: 25 “Accounting Standards in Capital Markets” has been abolished. Based on Communiqué XI, No: 29, companies are obliged to prepare their financial statements according to International Financial Reporting Standards (IAS/IFRS) accepted by European Union. However, it will be applied IAS/IFRS published by International Financial Reporting Standard Committee and accepted by European Union until the difference between IAS/IFRS and Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) is published. In this manner, TAS/TFRS published by Turkish Financial Reporting Committee (TFRC) will be basis and not contradictory to adopted standards.

Till difference between IAS/IFRS published by International Financial Reporting Committee (IFRSC) and accepted by European Union and Turkish Accounting Standards/Turkish Financial Reporting Standards (TAS/TFRS) by Turkish Financial Reporting Committee (TFRC) is published, financial statements will be prepared in accordance to IAS/IFRS within the frame of Communiqué XI No: 29 by Capital Market Board. Accompanying financial statements and notes are prepared compatible with formats obliged by announcement dated 14 April 2008 by Capital Market Board.

Approval of Financial Statements

Consolidated financial statements are approved by the Board of Directors and granted authority to publish on 18 March 2010. Boards of Directors have authority to change financial statements.

Financial Statements Correction in High Inflation Period

The CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards. Therefore the Company was abolished inflation accounting application for the year 2005.

Comparative Information and Previous Periods Adjustments

When it necessitates, there have been reclassifications to be compared with current period consolidated financial statements presentation.

For the purpose of conducting a comparison of financial position and performance trend, Group’s consolidated financial statements are prepared comparative with previous periods. Group has prepared consolidated balance sheets comparing 31 December 2009 and 31 December 2008, income statements, changes in shareholders’ equity and cash flow statements are compared with the period of 01 January -31 December 2008 and period of 01 January -31 December 2009.

Group has reclassified necessary adjustments to the accompanying consolidated financial statements of 31 December 2008 to be compatible with accompanying consolidated financial statements of 31 December 2009. These changes are explained below:

In the accompanying consolidated income statement dated 31 December 2008, foreign exchange gains amounting to TRY 12,818,806 pursued under “Sales” are reclassified to “(Non-operating) Financial Incomes”.

In the accompanying consolidated income statement dated 31 December 2008; due date difference income amounting to TRY 146,601 pursued under “Sales” is reclassified to “(Non-operating) Financial Incomes”.

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Basis of consolidation

The accompanying consolidated financial statements include Group's financial statements. The financial statements of the companies included in the consolidation have been prepared as of the date of the accompanying consolidated financial statements and are based on the statutory records, with adjustments and reclassifications for the purpose of presentation in Communiqué XI, No: 29 on Capital Market Accounting Standards and applying uniform accounting policies and applications.

Menderes Tekstil Sanayi ve Ticaret A.Ş. (Parent Company)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Publicly traded shares	51.9	51.9
Akça Holding A.Ş.	45.7	45.7
Other	2.4	2.4
	100.0	100.0

As of 31 December 2009 and 2008, capital structures of the subsidiaries and equity participations are as following:

Menderes Bulgaria Ltd. (Subsidiary)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	90.0	90.0
Other	10.0	10.0
	100.0	100.0

Smyrna Seracılık Ticaret. A.Ş. (Subsidiary)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	79.2	0.0
Cemal İpekoğlu	20.4	1.0
Ali Atlamaz	0.0	1.0
Rıza Akça	0.1	24.0
Dilek Göksan	0.1	24.0
Akça Holding A.Ş.	0.2	50.0
	100.0	100.0

According to Board of Director's decision numbered 2009/14 and dated 08.04.2009, Group decided to affiliate 9,500,000 TRY (79.2% share) of Smyrna Seracılık Ticaret A.Ş.'s capital at par as a set-off against its receivables from Smyrna Seracılık Ticaret A.Ş. by common consent. There is not any expertise valuation is made about Company's share buy out.

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Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. (Investment)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	45.0	45.0
Rıza Akça	15.0	15.0
Dilek Göksan	15.0	15.0
Akça Holding A.Ş.	10.0	10.0
Other	15.0	15.0
	100.0	100.0

Group subsidiary, Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. was established in 2006. However, Company is not active then it is not included in the consolidation. According to 31 August 2009 dated Board of Director's decision Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. is decided to be clarified.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. (Investment)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	20.0	20.0
Akça Holding A.Ş.	40.9	40.9
Osman Akça Tarım Ürünleri A.Ş.	22.7	22.7
Akça Yağ Sanayi ve Ticaret A.Ş.	3.4	3.4
Selin Tekstil Sanayi Ticaret. A.Ş.	13.0	13.0
	100.0	100.0

Menderes Tekstil Pazarlama A.Ş. (Investment)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	45.0	45.0
Akça Holding A.Ş.	45.0	45.0
Nermin Akça	0.3	0.3
Rıza Akça	4.4	4.4
Ahmet Bilge Göksan	1.0	1.0
Dilek Göksan	4.3	4.3
	100.0	100.0

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Aktur Araç Muayene İstasyon İşletmeleri A.Ş. (Investment)

	31 December 2009	31 December 2008
	<u>Ratio %</u>	<u>Ratio %</u>
Menderes Tekstil Sanayi ve Ticaret A.Ş.	48.0	48.0
Akça Holding A.Ş.	0.1	0.1
Rıza Akça	0.9	50.4
Dilek Göksan	0.4	0.4
Cemal İpekoğlu	0.3	0.3
Ali Atlamaz	0.3	0.3
Mehmet İlam	0.5	0.5
Nihat Zeybekçi (*)	49.5	0.0
	100.0	100.0

(*)According to Board of Director's decision dated 18.08.2009 and numbered 2009/11, shareholder of Company, Rıza Akça assigned 45.5% of the share to Nihat Zeybekçi.

Equity participations are accounted for using the equity pick-up method. Equity participations are companies in which Group has a voting right between 20% and 50% of the ordinary share capital or significant influence is exercised on the operations of the company.

Group has increased the capital ratio in Akça Enerji Üretim Otoprodüktör Grubu A.Ş. from 9% to 20% and in Menderes Tekstil Pazarlama A.Ş. from 18% to 45% with share transfers on 25 August 2008. As of 31 December 2008, level of investment reached to subsidiary level. This reason, these companies are consolidated with equity pick-up method.

Group has announced with disclosure dated 04 July 2008 that negotiating to increase capital ratio of 8% in Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. to 48% by acquiring shares with nominal value of TRY 1 which is valued with USD 68,00 equivalent to TRY 84,32 by Raymond James Yatırım Menkul Kıymetler A.Ş. dated 29 June 2008; it has been decided with consensus to be bought 297,000 shares from Akça Holding A.Ş., 344,000 from Rıza Akça'dan, 359,000 from Dilek Göksan, 100,000 from Cemal İpekoğlu and 100,000 from Ali Atlamaz; the payments will be done by deductions from existing current accounts and remaining amounts must be paid at latest on 31 December 2009. Payment for 1,200,000 shares of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. is TRY 101,184,000 will be deducted from the payables of group companies and shareholders which is TRY 82,902,992 on 04 July 2008. After deduction, the remaining payables have been paid of during 2008 and 2009 periods.

Subsidiaries are included or excluded from the consolidation since the date Group has control over or loses control.

Minority shares of shareholders are pursued in net assets of the subsidiaries and in the result of the operations and consolidated balance sheet and income statements.

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Reporting Currency

As of 31 December 2009 Group's functional and reporting currency unit is represented in TRY compared to previous periods.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.b. Changes in Accounting Policies

A group only could change its accounting policy under following circumstances;

- If a standard or interpretation makes it necessary or
- If the change make effect of operations or incidents on financial position and performance or cash flows more appropriate and reliable.

Financial statements have to be comparable to see trends in financial position of companies, performance and cash flows for user of financial statements. This is why, if the change is not granting one of above conditions, each interim and fiscal periods has to be applied same accounting policy.

There have not been significant changes to affect accompanying financial statements.

Group has increased the capital ratio in Akça Enerji Üretim Otoprodüktör Grubu A.Ş. from 9% to 20% and in Menderes Tekstil Pazarlama A.Ş. from 18% to 45% with share transfers on 25 August 2008. As of 31 December 2008, the ratio level in capital increased to subsidiaries level. This is why these companies are consolidated with equity pick-up method.

2.c. Changes in Accounting Estimates and Errors

The accompanying financial statements necessitate that some predictions about income and expenses regarding possible assets and liabilities in the financial statements prepared by group management to be compatible with statements required by Capital Market Board. Realized amounts can differ from the predictions. These predictions are observed regularly and reported periodically in income statements.

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2.d. Adoption of New and Revised International Financing Reporting Standards

Group has applied the and revised standards and interpretations of International Accounting Standards Committee (IASC) published by International Financial Reporting Interpretations Committee (IFRIC) of IASC for the year-end financial statements dated 31 December 2009, for the related to its business activities, in the current fiscal period. If these standards and interpretations have effect on the Group's performance and financial condition, they are indicated in the related paragraphs.

Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IAS 27 “Consolidated and Separate Financial Statements”- Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments to IFRS 1 allows an entity to determine the “cost” of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or at the fair value of the investment at the date of transition to IFRS, determined in accordance with IAS 39 or at the previous GAAP carrying amount of the investment at the date of transition to IFRS.

Amendments to IFRS 2 “Share-based Payment – Vesting Conditions and Cancellations”

The Purpose of this amendment is to give greater clarity in respect of vesting conditions and cancellations. The amendment defines a ‘vesting condition’ and a ‘non-vesting condition’.

Amendments to IFRS 7 “Financial Instruments: Disclosures”

IFRS 7 has been amended to enhance disclosures about fair value measurement and liquidity risk. IFRS 7 now requires instruments measured at fair value to be disclosed by the source of the inputs in determining fair value, using three level hierarchy. Disclosures also require a full reconciliation of Level 3 instruments and transfers between Level 1 and Level 2. The minimum liquidity risk disclosures of IFRS 7 have also been amended. The group has disclosed the amendments in “Financial Risk Management Objectives and Policies “disclosure.

IFRS 8 “Operating Segments”

IFRS 8 replaces IAS 14 Segment Reporting and adopts a full management approach to identifying, measuring and disclosing the results of its operating segments. The information reported is that which the chief operating decision maker uses internally for evaluating the performance of operating segments and allocating resources to those segments. When the information provided to management is recognized or measured on a different basis to IFRS information presented in the primary financial statements, entities need to provide explanations and reconciliations of the differences.

Amendments to IAS 1 “Presentation of Financial Statements”

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The statement of changes in equity includes only transactions with owners, defined as ‘holders of instruments classified as equity’. All non-owner changes are presented in equity as a single line, with details included in a separate statement. The introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with ‘other comprehensive income’. Entities may choose to present all items in one statement, or to present two linked statements, a separate income statement and a statement of comprehensive income.

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Amendments to IAS 23 “Borrowing Costs”

The revised Standard eliminates the option of expensing all borrowing costs when incurred and requires borrowing costs to be capitalized if they are directly attributable to the acquisition, construction or production of qualifying asset. The Group has reflected the effects of the revision in its combined financial statements.

Amendments to IAS 32 “Financial Instruments: Presentation” and IAS 1 “Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.”

This amendment will permit a range of entities to recognize their capital as equity rather than as financial liabilities, as currently required by IAS 32. IAS 1 has been amended to require the additional disclosures if an entity has a puttable instrument that is presented as equity.

Amendments to IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments: Recognition and Measurement – Embedded Derivatives.”

According to amendments in IFRIC 9, an entity must assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. The assessment must be on the basis of the circumstances that existed on the later of:

- (a) The date when the entity first became a party to the contract,
- (b) The date of a change in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under the contract.

IFRIC 13 “Customer Loyalty Programmes”

The interpretation requires loyalty award credits granted to customers in connection with a sales transaction to be accounted for as a separate component of the sales transaction. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished.

IFRIC 15 “Agreements for the Construction of Real Estate”

IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and, accordingly, when revenue from the construction should be recognized.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”

IFRIC 16 concludes that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging instrument(s) may be held by entity or entities within the group.

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IFRIC 18 “Transfers of Assets from Customers”

This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets.

Improvements to IFRS (issued in 2008)

In May 2008, International Accounting Standards Board (IASB) has issued amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. Transitional provisions and application periods vary for each amendment which is 1 January 2009 for the earliest.

Improvements to IFRS (issued in 2009)

In April 2009, International Accounting Standards Board (IASB) has issued amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. Transitional provisions and application periods vary for each amendment which is 1 July 2009 for the earliest

New and Amended Standards and Interpretations Applicable to 31 December 2010 Financial Statements;

Amendments to IFRS 1 ‘First time to Adoption of International Financial Reporting Standards - Additional Exemptions for First-Time Adopters’

The amendments will provide relief to entities that are first time adopters with oil and gas assets or leases by reducing the cost of transition to IFRS. The amendments may be applied earlier than the effective date and this fact must be disclosed.

Amendments to IFRS 2 ‘Group cash settled share based Payment Transactions’

For group reporting and consolidated financial statements, the amendments clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2. Management will need to consider any such past transactions. The amendment may have a significant effect on the cost recognised in separate financial statements of an entity that has material share-based payment awards that have not previously been accounted for in accordance with IFRS 2. This may have a potential tax accounting impact on all parties involved. This amendment is applied retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of changes in accounting policy. Earlier application is permitted and must be disclosed.

Amendments to IFRS 3 “Business Combinations” and IAS 27 “Amendments to Separate Financial Statements”

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and recognizing subsequent changes in fair value contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

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Amendments to IAS 39 “Financial Instruments :Recognition and Measurement”-“Eligible Hedged Items”

The amendments addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations.

IFRIC 17 “Distributions of Non-cash Assets to Owners”

The Interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. The amendment is to be applied prospectively.

New and Amended Standards and Interpretations Issued that are Effective Subsequent to 31 December 2010 (these amendments have not been adopted by European Union yet):

IFRIC 9 “Reassessment of embedded derivatives” (Effective for periods beginning on or after 1 January 2013)

IFRS 9 introduces new requirements for classifying and measuring financial assets.

Amendment to IAS 24 ‘Related Party Disclosure’s (Effective for periods beginning on or after 1 January 2011)

The main changes to IAS 24 are a partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government and amendments to the definition of a related party.

Amendment to IAS 32 “Classification of Rights Issues” (Effective for periods beginning on or after 1 February 2010)

The amendment to IAS 32 addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer.

Amendment to IFRIC 14 ‘ Prepayments of a Minimum Funding Requirement’ (Effective for periods beginning on or after 1 January 2011, with earlier application permitted)

Without the amendments, in some circumstances entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem.

IFRIC 19 “Extinguishing Financial Liabilities with the Equity Instruments” (Effective for periods beginning on or after 1 July 2010, with earlier application permitted)

IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability.

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2.e. Summary of Significant Accounting Policy

Revenue

Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after the sales returns and sales discounts are deducted.

Sales of Goods

Revenue from sale of goods is recognized when all the following conditions are satisfied:

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

Rendering of services:

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The stage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Inventories

Inventories are valued at the lower of cost or net realizable value. Inventory costs include purchasing costs. The cost of inventories is determined on the first in first out (FIFO) basis for each purchase. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

Biological Assets

Group's biological assets consist of planted tomatoes. Due to no presence of active market for tomatoes, they were reflected in the accompanying combined financial statements with their costs minus if there is impairment in the cost then it is deducted.

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Property, Plant and Equipment

Tangible assets are reflected with adjusted cost value according to the inflationary accounting effective as of 31 December 2004 for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January by deducting the accumulated depreciation.

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided on restated amounts of property, plant and equipment using the straight-line basis with prorates method based on the estimated useful lives of the assets. Expenses for the repair of property, plant and equipment are normally charged as an expense.

Economic useful lives of assets approximately are as follows:

	<u>Year</u>
Land improvements	10-30
Buildings	50
Machinery, plant and equipments	10
Motor vehicles	5
Fixtures and fittings	10

Leasing

Group acquired assets under finance lease agreements and capitalized at the inception of the lease starting from acquired date. Payables to leasee are pursued under financial leasing liability in balance sheet. Calculation of minimum leasing payment is to find out current market value as the valid proportion is calculated practically in financial leasing process then it is, otherwise proportion of interest rate of loan is used as discount factor. Expenses of asset acquisition through financial leasing are included in costs. The liability from financial leasing is decomposed into interest rate and the main loan. Expenses of interest rate are calculated with the fixed interest rate and are issued in related periods.

Intangible Assets

Intangible assets are reflected with adjusted cost value according to the inflationary accounting effective as of 31 December 2004 for the entries purchased before 01 January 2005 and acquired cost of entries purchased after 01 January by deducting the accumulated amortization.

Intangible assets comprise acquired usage rights, information systems, research and development expenses and other identified rights. They are recorded at acquisition cost and amortized on a straight-line based on pro-rata over their estimated useful lives for a period not exceeding between 10% and 20% for a year.

Impairment of assets

In the case of detecting that carrying values of fixed assets fall below the level that can realize / can be gained from this asset in the future due to different events and situations, material and non-material fixed assets are tested in terms of value losses. In the case of being over the value of book value of material and non-material fixed assets realizable value or the value that can be gained from this asset in the future, provision are made for fixed asset value diminution.

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Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All of the other borrowing costs are recorded in the income statement in the period in which they are incurred.

Financial Investments

Except diminution in accordance with Communiqué XI, No: 29 published by CMB, income or loss related to ready to be liquidated financial assets are reflected in the financial statements through changes in shareholders' equity statements until these financial assets are out of financial statements. When these assets are cashed out financial statements, retained income or loss previously reflected in the shareholders' equity is booked in current period net income. However, the difference between the amount when the ready to be liquidated assets are booked for the first time and timed amount is subject to effective interest method and the accrued amount stands for interest and it is reflected in the financial statements as profit or loss. As a result of this communiqué, the ready to be liquidated assets are valued with its fair value. If the difference between fair value and the value calculated by effective interest method is positive, then it is booked in capital reserve. If the difference is negative, then it is deducted from existing capital reserve. If still it is negative, it is booked under other operating activities expenses in the income statements.

Fair value of shares quoted in stock exchange is taken from closing price of Istanbul Stock Exchange as of the balance sheet date.

Financial Instruments

Financial instruments are classified as assets for investments, financial instruments for purchase and sale, financial instruments which can be hold to the due date and financial instruments which are ready to be sold. The financial instruments which are bought to make gain of short term fluctuations are classified as commerce financial instruments and included to the current assets. Financial instruments which the group management can have the ability or the will to control to the due date and have specific or fixed payment date and the financial instruments which had a fixed due date are classified as financial instruments that are hold to the due date.

The financial instruments which are hold to sell for cash requirements or for changes of rate interests are called as ready to sell financial instruments. Ready to sell financial instruments are included in fixed assets if the management don't have the will to hold it or don't need it for capital increase in less than 12 months after balance sheet date.

All financial instruments are shown with the acquirement costs included the expenses of purchase of investment. Financial assets after reflecting financial statements are classified as ready to sell financial instruments are appreciated with the reasonable value if it is possible to calculate.

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Current value is the value which brings willing and informed buyers and sellers together and they can replace assets or make a commitment. The market value of a financial instrument is equal to the amount of the sale or to the debt of purchase if there is an active market.

Estimated current value of financial instruments is set by using the information about the markets and necessary valuation method. However, to set current value it is needed the commented market data. Because of this, presented estimates in this report can't be the obtained values in the current market if the group charges the assets off.

Bank deposits and receivables are important financial instruments which can affect the group's financial state negatively if the other side doesn't fill the conditions.

The cost value of some financial instruments is equal to the registered value and because of their short term character and it is assumed as equal to the current value.

All the methods and estimations used in order to set the appropriate current value of the financial instruments are summarized in the following.

Cash and Cash Equivalents:

Cash and cash equivalent values contain cash on hand, bank deposits and high liquidity investments. Cash and cash equivalents are showed with obtaining costs and the total of accrued interests.

Trade Receivables and Trade Payable:

The balance sheet values of trade receivables and payables after doubtful receivables are truthful estimated values except the trade receivables and payments which are reduced to present value.

Due from / to Related Parties:

The balance sheet values of receivables and payables from related parties are truthful estimated values except the receivables and payables from related parties which hold in a specific credit period.

Financial Borrowings:

The interest rates of the credits are fixed at the using date but then it can follow fluctuation of interest rate in the market. The group uses risky financial instruments at the time of ordinary activities as letter of credit. The cost of these financial instruments is equal to commitment amount.

Other Balance Sheet Entries

Other balance sheet entries are reflected with their book values.

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Related Parties

For the purpose of the consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, Associates and Joint Ventures are considered and referred to as “related parties”. These companies’ partners and chiefly managers and that company’s board of management’s members and also families are fallen within related to establishment. These operations are performed generally in accordance with market conditions.

Smyrna Seracılık Ticaret A.Ş.

Smyrna Seracılık Ticaret A.Ş. was established in 2007, İzmir. No. 7296 on 21 April 2009 the Company’s name (Smyrna Organik Tarım Sanayi ve Ticaret A.Ş.) has been changed to Smyrna Seracılık Ticaret A.Ş. No 6911 on 8 October 2007 the Company’s head quarter in the Trade Registry Gazette has been changed to Denizli. The Company’s main activity is the production of agricultural. Company is included in the consolidation in 2009.

Akça Enerji Üretim Otoprodüktör Grubu

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. was established in 1998. Head quarter of the company is in Denizli and its main activity is to supply the electricity.

Menderes Tekstil Pazarlama A.Ş.

Menderes Tekstil Pazarlama A.Ş. was established in 1998. Head quarter of the Company is in İzmir. Company does marketing of home textile productions.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. Company operates vehicle inspection stations which are privatized within the context of law b-numbered 4046, in Aydın, Manisa, Denizli and İzmir for 20 years. As of 31 December 2009, company has integrated 20 established and 4 mobile vehicle inspection stations.

Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş.

Group subsidiary, Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. was established in 2006. However, Company is not active operationally. According to 31 August 2009 dated Board of Director’s decision Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. is decided to be clarified.

Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş.

Osman Akça Tarım Ürünleri İthalat ve İhracat San. ve Tic. A.Ş. was established on 25 July 1985. Head quarter of the company is in İzmir. Main activity is established to process the fruit and agricultural products.

Akçamen Tekstil Sanayi Ve Ticaret A.Ş.

Akçamen Tekstil Sanayi ve Ticaret A.Ş. was established on 26 July 1994. Head quarter of the company is in İzmir. No. 7186 on 11 November 2008 in the Trade Registry Gazette the company was changed to the center of Denizli. Main activity is to produce cotton.

Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.

Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti. was established on 13 March 1997. Head quarter of the company is in İzmir. Main activity is insurance intermediary services.

Selin Tekstil Sanayi Ve Ticaret A.Ş.

Selin Tekstil Sanayi ve Ticaret A.Ş. was established in 1992. Head quarter of the company is in Denizli. Main activity is outsourcing of textile manufacturing.

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Taxes calculated from Corporate Profit

Because Turkish Tax Legislation does not allow preparing consolidated tax return to parent company and its subsidiary, as reflected on the attached consolidated financial statements, provisions for taxes are calculated separately.

Taxes on income for the period comprise current tax and the change in the deferred taxes.

Current Tax

Current year tax liability is calculated from liable to tax part of the period profit. Because liable to tax profit excludes taxable items in other years or tax deductibles and the items that is not possible to make taxable or reduction of tax, it is different than profit on the income statement. The Group's current tax liability is calculated by using the tax rate that became law as of balance sheet date or the tax rate that significantly became law.

Deferred Tax

Deferred tax liability or asset is determined by calculating temporary differences between the balances of assets and liabilities on financial statements and the balances considered in legal tax base account according to balance sheet method by considering legal tax rates of tax effects. While the deferred tax liability is calculated for all the taxable temporary differences, tax assets that consist of deductible temporary differences are calculated if there is a possibility of benefiting from the temporary profit in the future. The assets and liabilities are not accounted if temporary difference related with the operation that does not effect commercial or fiscal profit/loss stems from taking to financial statements goodwill or other assets or liabilities (except business combinations) firstly.

Deferred tax liabilities are calculated for all taxable temporary differences associated with shares in the business associations and investments in subsidiaries and affiliates except in the cases when the group's temporary differences are controlled and when the probability of the elimination of this difference is very low in near future. Deferred tax liabilities stemming from taxable temporary differences that is associated with this kind of investments and shares are calculated on condition when the probability of utilizing the related differences by gaining sufficient liable to tax profits in near future is very high and when elimination of the differences about future is probable.

The recorded value of deferred tax asset is revised as of each balance sheet date. Financial profit is deducted with unlikely performing amount to ensure future partial or complete benefit of booked value of deferred tax assets.

Deferred tax assets and liabilities are calculated over the tax rates (tax regulations) that are expected to be valid in the period when assets will realize or liabilities will be fulfilled and that become law as of balance sheet date or significantly become law. At the time of the calculation of the deferred tax assets and liabilities, as of balance sheet date the tax results of the methods are considered that the group forecasted for recovery of the book value of the assets or fulfillment of the liabilities.

The existence of legal right to deduct deferred tax assets and liabilities from current tax assets and liabilities or income tax collected by very same tax authorities related to these assets and liabilities or deduction will be realized when there payment will by netting of Group's assets and liabilities.

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Current and deferred tax of period

Associated with the items that are booked in shareholders' equity accounts as debit or credit directly, (in this case, related deferred tax of the items are directly entered in shareholders' equity account) or current tax except that stem from first recording of business combinations and deferred tax of the period are entered in income or expense accounts in income statements. Tax effect are considered in business combinations, goodwill calculations or determination of the exceeding part of the cost of purchase of buyer's obtained share from purchased subsidiary's fair value of definable asset, liability and conditional payables.

Provision Employee Benefits / Severance Pay

Severance Pay

According to the present laws and collective bargaining agreement severance pay is given in case of retirement and dismissal. The payments in accordance with updated IAS 19 Employee Benefits Standard ("IAS 19") are described as defined retirement benefit plans.

The severance pay liability booked in balance sheet means today's value of liability remained after correction at the rate of actuarial income and losses excluded from income statement.

Social Insurance Premium

Group pays social security contribution to social security organization compulsorily. So long as the company pays these premiums, it has no liability. These premiums are reflected as personnel expenses in the period in which they are paid.

Provisions, Conditional Liabilities and Conditional Assets

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Conditional Liabilities and Conditional Assets

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non occurrence of certain future events, unless the expected performance is not very likely. Accordingly, contingent losses are recognized in the financial statements of Group if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

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The Effects of Exchange Rates

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange and losses are reflected to the financial statements.

The foreign currency rates used at the end of the period are as following:

	31 December 2009	31 December 2008
USD	1.5057	1.5123
EUR	2.1603	2.1408
GBP	2.3892	2.1924
SEK	0.20822	0.19452
CHF	1.4492	1.4300

Earning Per Share

The amount of gain/ loss per share is calculated by dividing the period gain/ loss of the company with weighted average share unit in the period.

Subsequent Events

Although subsequent events arise after the explanation of the financial information to the public or any announcement related to profitability, it encloses all the events with balance sheet date and authorization date for the diffusion of the balance sheet. Group adjusts the amounts in the financial statements if there exists any events necessitates adjustment.

Accounting Policies, Changes in the Expectations and Mistakes

Important changes and important mistakes in the accounting policies are applied retrospectively and previous financial statements are reordered. The changes of accounting estimations are applied forward, if it encloses just one period, in the current period as the changes are done, if it encloses future periods, in the current period as the changes are done also in the future periods.

Segment Reporting of Operation Results

Group mainly operates in textile and agriculture sectors, agricultural production is conducting by Smyrna . Balance sheet items and operating results are given in Note 5.

As of report date, Menderes Bulgaria Ltd. has terminated the operation and started liquidation. Hence financial segment reports are not prepared .

Cash Flow Statement

Cash flow statement is prepared in accordance with communiqué by Capital Market Board.

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Term Difference Financial Income / Expense

Term difference financial expense represents imputed finance expense on credit purchases. Such expense calculated by using the effective interest method are recognized as financial expenses over the period of credit purchases, and included under financial expenses. Term differences, financial income represents imputed finance income on credit sales. Such income calculated by using the effective interest method are recognized as financial income over the period of credit sale and included interest income account under financial income.

Income Accruals

Revenue is recognized on the accrual basis at the time deliveries are made, at the invoiced values. Net sales reflect gross sales, net of sales discounts and returns.

Foreign Currency Assets and Liabilities

Foreign currency transactions are entered in the accounts with current rates in transaction date. Foreign currency assets and liabilities in the balance sheet are converted to the TRY as the rates in the balance sheet date. Foreign exchange profit and loss are reflected to the income statements.

Dividends

Dividends receivable are recognized as income in the period when they are declared and dividends payables are recognized as an appropriation of profit in the period in which they are declared.

Investments Subject to Equity Pick-up Method

Equities valued with equity pick-up method are carried at their initial acquisition cost. This amount is accounted by equity pick-up method by restating subject to company accounting policies calculating the share of company from the net assets.

2.f. Important Accounting Evaluation, Expectations and Assumptions

There is no important accounting evaluation, expectation and assumption that can effect the attached financial statements.

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NOTE 3 – BUSINESS MERGERS

The Group has declared with the material disclosure announcement dated 10 May 2007 that not to join the capital increase of subsidiaries, Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and Menderes Tekstil Pazarlama A.Ş. those are to increase their capital. The share in the capital of Akça Enerji was 20% prior to capital increase and after it become 9%. The share in the capital of Menderes Pazarlama was 45% prior to capital increase and after it become 18%. Due to this reason, related to equity participants' financial interest declined long-term securities level. Group has increased the capital ratio in Akça Enerji Üretim Otoprodüktör Grubu A.Ş. from 9% to 20% and in Menderes Tekstil Pazarlama A.Ş. from 18% to 45% with share transfers on 25 August 2008. As of 31 December 2008, level of investment reached to subsidiary level. This reason, these companies are consolidated with equity pick-up method.

On 09 April 2009, Group increased its capital in Smyrna Seracılık Ticaret A.Ş. from TRY 50,000 to TRY 12,000,000 in ordinary general meeting. Due to this capital increase, Smyrna Seracılık Ticaret A.Ş. has become a subsidiary of the Group. Hence “Full Consolidation Method” is applied to Smyrna Seracılık Ticaret A.Ş.

NOTE 4 – BUSINESS PARTNERSHIP

None (31 December 2008 – None).

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NOTE 5 – SEGMENT REPORTING

31 December 2009	Textile Sector	Agricultural Sector	Elimination	Total
ASSETS				
Cash and Cash Equivalents	20,075,349	1,665	-	20,077,014
Trade Receivables	26,683,457	378,112	-	27,061,569
Other Receivables	40,275,588	3,128	(1,095,135)	39,183,581
Inventories	51,770,727	121,294	-	51,892,021
Biological Assets	-	1,323,638	-	1,323,638
Other Current Assets	5,102,789	1,002,296	-	6,105,085
Current Assets	143,907,910	2,830,133	(1,095,135)	145,642,908
Investments Valued With Equity Method	123,331,097	-	(9,500,000)	113,831,097
Tangible Assets	90,508,453	9,868,035	-	100,376,488
Intangible Assets	233,398	2,203	-	235,601
Deferred Tax Asset	2,485,435	235,920	-	2,721,355
Other Assets	-	169,778	-	169,778
Non-Current Assets	216,558,383	10,275,936	(9,500,000)	217,334,319
TOTAL ASSETS	360,466,293	13,106,069	(10,595,135)	362,977,227
LIABILITIES				
Financial Borrowings	63,189,512	-	-	63,189,512
Trade Payables	44,524,653	293,210	-	44,817,863
Other Payables	8,519,410	1,479,940	(1,095,135)	8,904,215
Corporation Tax Liabilities	3,468,413	13,830	-	3,482,243
Provisions for Liabilities	195,193	-	-	195,193
Other Current Liabilities	-	32,146	-	32,146
Current Liabilities	119,897,181	1,819,126	(1,095,135)	120,621,172
Financial Borrowings	4,250,469	-	-	4,250,469
Trade Payables	529,112	-	-	529,112
Benefits Provided for Employees (or Severance Pay Provision)	3,057,049	3,888	-	3,060,937
Deferred Tax Liabilities	1,822,239	138,386	-	1,960,625
Non-current Liabilities	9,658,869	142,274	-	9,801,143
Paid in Capital Share	184,000,000	12,000,000	(12,000,000)	184,000,000
Inflation Adjustments to Shareholders' Equity	485,133	-	-	485,133
Foreign Currency Conversion Differences	(406,456)	-	-	(406,456)
Profit Reserves	4,297,919	-	-	4,297,919
Retained Earnings/Losses	24,383,572	(587,978)	122,495	23,918,089
Net Period's Profit / (Loss)	18,340,167	(267,353)	-	18,072,814
Minority Interest	(190,092)	-	2,377,505	2,187,413
SHAREHOLDERS' EQUITY	230,910,243	11,144,669	(9,500,000)	232,554,912
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	360,466,293	13,106,069	(10,595,135)	362,977,227

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31 December 2009	Textile Sector	Agricultural Sector	Elimination	Total
Sales	273,011,481	1,800,580	(1,611)	274,810,450
Cost of Sales (-)	(232,764,847)	(904,484)	1,611	(233,667,720)
Marketing, Sales and Distribution Expenses (-)	(5,694,161)	(55,682)	-	(5,749,843)
General Administrative Expenses (-)	(4,547,900)	(152,170)	3,000	(4,697,070)
Other Operating Income	1,241,444	20,863	(3,000)	1,259,307
Other Operating Expenses (-)	(12,852,721)	(22,203)	-	(12,874,924)
Shares of Investments Valued with Equity Method	9,183,010	-	-	9,183,010
(Non-operating) Financial Income	20,152,657	4,465	(959,118)	19,198,004
(Non-operating) Financial Expenses (-)	(24,246,694)	(1,042,426)	959,118	(24,330,002)
- Income/Expense Tax for the period	(3,468,413)	(13,830)	-	(3,482,243)
- Deferred Tax Income/Expense	(1,673,689)	97,534	-	(1,576,155)
Net Income/(Loss) For The Period	18,340,167	(267,353)	-	18,072,814

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NOTE 6 – CASH AND CASH EQUIVALENTS

As of 31 December 2009 and 2008, details of cash and cash equivalents are as following:

	31 December 2009	31 December 2008
Cash	24,261	6,497
Banks	19,995,691	12,591,656
Demand deposits	6,456,857	2,272,163
Time deposits	13,538,834	10,319,493
Interest accruals for banks	57,062	116,683
	20,077,014	12,714,836

As of 31 December 2009 and 2008, Group's time deposits over three months, if desired it classified to cash and cash equivalents with balance sheet value.

As of 31 December 2009 and 2008, maturity schedule of time deposits in the cash and cash equivalents are as following:

	31 December 2009	31 December 2008
1 month	10,753,291	6,691,009
1-3 months	903,420	2,717,541
3-12 months	1,882,123	910,943
	13,538,834	10,319,493

As of 31 December 2009, effective interest rates of time deposits in TRY, USD and EUR are as following: 9.68%, 3.53% and 3.44% (31 December 2008: for USD 4.71%, for EUR 5.85%). As of 31 December 2009, maturity date of time deposits is 85 days (31 December 2008 : 41 days). Amount of these time deposits are TRY 5,220,173 (31 December 2008: TRY 112,110), TRY 7,778,586 equivalent to USD (31 December 2008: TRY 9,643,455) and TRY 540,075 equivalent to EUR (31 December 2008: TRY 563,928).

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NOTE 7 – FINANCIAL INVESTMENTS

Current Financial Investments

None (31 December 2008 – None).

Non-current Financial Securities

As of 31 December 2009 and 2008, details of non-current financial investments are as follows:

Investment	31 December 2009	Share (%)	31 December 2008	Share (%)
Menderes Lojistik Depo Hizmetleri Taş. A.Ş.	675,000	45	675,000	45
Unpaid capital	(675,000)		(675,000)	
	-		-	

Menderes Lojistik Depo Hizmetleri Taşımacılık A.Ş. was established in 2006 and is not consolidated in the accompanying financial statements since its operation has not started yet at the date of balance sheet. According to 31 August 2009 dated Board of Director's decision, Menderes Lojistik Depolama Hizmetleri Taşımacılık A.Ş. is decided to be clarified.

NOTE 8 – FINANCIAL BORROWINGS

	31 December 2009	31 December 2008
Short-term bank borrowings	50,247,033	55,383,069
Other financial borrowings (factoring borrowings)	9,245,463	12,004,262
Short-term lease payables, net	1,087,781	869,370
Current maturity of long-term borrowings	2,336,905	2,775,573
Accrued interest of bank borrowings	272,330	776,278
Total short-term financial borrowings	63,189,512	71,808,552
Long-term bank borrowings	3,486,734	5,771,075
Long-term financial leasing borrowings, net	763,735	1,415,015
Total long-term financial borrowings	4,250,469	7,186,090
Total financial liabilities	67,439,981	78,994,642

As of 31 December 2009, TRY, USD, EUR and GBP bank loans, effective interest rates are as following; 10.47%, 4.38%, 5.37% and 2.75% (31 December 2008: 30%, 7.74%, 10.23% and 9.69%).

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Maturity analysis of the bank loans and other financial borrowings as of 31 December 2009 and 2008 are as following:

	31 December 2009	31 December 2008
0-3 months	29,347,916	30,944,929
3-12 months	32,481,485	39,217,975
1-5 years	3,486,734	5,771,075
	65,316,135	75,933,979

As of 31 December 2009 and 2008, maturity schedule of long-term bank borrowings are as following:

	31 December 2009	31 December 2008
1-2 years	1,872,958	2,315,813
2-3 years	1,613,776	1,856,052
3-4 years	-	1,599,210
	3,486,734	5,771,075

As of 31 December 2009 details of total bank borrowings and other financial borrowings are as following:

Currency	FX Amount	Currency Rate	TRY Equivalent
TRY	4,378,258	1.0000	4,378,258
USD	27,203,487	1.5057	40,960,290
EUR	8,806,162	2.1603	19,023,952
GBP	399,144	2.3892	953,635
Total			65,316,135

As of 31 December 2008 details of total bank borrowings and other financial borrowings are as follows:

Currency	FX Amount	Currency Rate	TRY Equivalent
TRY	14,691,768	1.0000	14,691,768
USD	29,967,714	1.5123	45,320,174
EUR	6,444,646	2.1408	13,796,698
GBP	969,412	2.1924	2,125,339
Total			75,933,979

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As of 31 December 2009 and 2008, details of financial leasing borrowings of group are as follows:

Short-term financial leasing borrowings:

	31 December 2009	31 December 2008
Short term lease payables	1,194,412	1,026,925
Cost of deferred short term lease payables (-)	(106,631)	(157,555)
	1,087,781	869,370

Long term lease payables:

	31 December 2009	31 December 2008
Long term lease payables	799,045	1,518,223
Cost of deferred lease payables (-)	(35,310)	(103,208)
	763,735	1,415,015

Maturity schedule of lease payables as of 31 December 2009 are as following:

	Liabilities from financial leasing transactions	Cost of deferred lease payables	Total liabilities
Payables within a year	1,194,412	(106,631)	1,087,781
Payables within 1 – 2 years	653,907	(31,036)	622,871
Payables within 2 – 3 years	144,955	(4,091)	140,864
Payables within 3 – 4 years	183	(183)	-
	1,993,457	(141,941)	1,851,516

Maturity schedule of lease payables as of 31 December 2008 are as following:

	Liabilities from financial leasing transactions	Cost of deferred lease payables	Total liabilities
Payables within a year	1,026,925	(157,555)	869,370
Payables within 1 – 2 years	1,026,924	(85,035)	941,889
Payables within 2 – 3 years	491,299	(18,173)	473,126
	2,545,148	(260,763)	2,284,385

Total amount of mortgage on lands and buildings for fixed assets of the company given to financial institutions is USD 71,350,000, EUR 5,140,426 and TRY 85,755,000.

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NOTE 9 – OTHER FINANCIAL LIABILITIES

Other Short –Term Financial Liabilities

None (31 December 2008 – None).

Other Long-Term Financial Liabilities

None (31 December 2008 – None).

NOTE 10 – TRADE RECEIVABLES AND TRADE PAYABLES

Short-Term Trade Receivables

As of 31 December 2009 and 2008, details of trade receivables are as following:

	31 December 2009	31 December 2008
Trade receivables	22,615,061	20,880,457
Unearned interest on trade receivables	(194,137)	(193,571)
Cheques and notes receivable	406,092	238,817
Unearned interest on notes receivables	(6,397)	(14,711)
Receivables from related parties (Note 37-i-a)	4,395,917	3,434,080
	27,216,536	24,345,072
Provision for doubtful trade receivables (-)	(154,967)	(502,617)
Short-term trade receivables	27,061,569	23,842,455

As of 31 December 2009 and 2008, there is no guarantee given as a provision for note receivables and trade receivables.

Maturity schedule of notes receivables as of 31 December 2009 and 2008 are as following:

	31 December 2009	31 December 2008
1-30 days	227,243	10,000
31-60 days	78,948	-
61-90 days	47,901	125,967
91-120 days	18,000	102,850
121-150 days	34,000	-
	406,092	238,817

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As of 31 December 2009 and 2008, movement of provision for doubtful receivables is as following:

	31 December 2009	31 December 2008
Opening balance	502,617	1,200,092
Collections	(420,943)	(707,382)
Provision for the period	91,598	9,907
Collection within the period	(18,305)	-
Closing balance	154,967	502,617

Details of trade receivables from related parties are as following (Note 37-i-a):

	31 December 2009	31 December 2008
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	413,706	198,482
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	3,744,181	3,235,598
Menderes Tekstil Pazarlama A.Ş.	238,030	-
	4,395,917	3,434,080

Long-Term Trade Receivables

None (31 December 2008 – None).

Short-Term Trade Payables

As of 31 December 2009 and 2008, details of trade payables to related parties are as following:

	31 December 2009	31 December 2008
Trade payables	26,202,143	36,642,178
Unearned interest on trade payables	(442,459)	(710,222)
Due to related parties (Note 37-i-b)	13,715,221	11,392,446
Notes payables	5,380,088	4,529,387
Unearned interest on notes payables	(37,130)	(134,522)
	44,817,863	51,719,267

As of 31 December 2009, bank has given guarantees for trade payables of USD 5,133,684 (TRY 7,729,788) and EUR 649,961 (TRY 1,404,111).

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Maturity schedule of notes payable as of 31 December 2009 and 2008 are as following:

	31 December 2009	31 December 2008
1 – 30 days	1,566,503	1,492,978
31 – 60 days	1,324,742	1,352,274
61 – 90 days	61,101	1,658,275
91 – 120 days	1,116,645	25,860
121 – 150 days	996,308	-
151 – 180 days	174,010	-
181 – 210 days	140,779	-
	5,380,088	4,529,387

Details of trade payables to related parties are as following (Note 37-i-b):

	31 December 2009	31 December 2008
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,249,280	1,849,541
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	10,008,231	9,144,785
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	19,625	-
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	438,085	398,120
	13,715,221	11,392,446

Non-current trade payables

	31 December 2009	31 December 2008
Trade payables	529,112	1,433,347
	529,112	1,433,347

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NOTE 11 – OTHER RECEIVABLES AND PAYABLES

Other Current Receivables

As of 31 December 2009 and 2008 , details of other current receivables of Group are as following:

	31 December 2009	31 December 2008
Deposit and guarantees given	127,885	102,840
Due from shareholders (Note 37-i-d)	255,497	-
Due from related parties (Note 37-i-c)	36,650,536	29,540,104
Sundry debtors	2,149,663	2,130,259
	39,183,581	31,773,203

Amount in other sundry receivables are comprised of receivables from tax offices, customs administration and subcontractor related to Menderes Bulgaria Ltd.

Details of non-trade receivables from related parties are as following (Note 37-i-c):

	31 December 2009	31 December 2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	36,442,278	17,312,318
Akça Holding A.Ş.	-	3,844,994
Smyrna Seracılık Ticaret A.Ş.	-	7,489,012
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	-	843,853
Akçamen Tekstil Sanayi Ticaret A.Ş.	208,258	49,927
	36,650,536	29,540,104

As of 31 December 2009 and 2008, all amounts above are composed of non-trade receivables. For non-trade receivables from related parties with foreign currency balances; for the periods between 01.01.-31.12.2009 2% interest rate is used, for 01.01.-31.12.2008, it is 6.62%, and with TRY balances; for the period 01.01.-08.04.2009, it is 25%, for 09.04.-12.06.2009, it is 19%, for 13.06.-21.12.2009, it is 18%, for 22.12.-31.12.2009, it is 15% and for 01.01.-30.06.2008 it is 23%, for 01.07.-31.12.2008, it is 26%. Income from these transactions is presented in Note 37 iii-e.

As of 31 December 2009, the Group has non-trade receivables of USD 24,202,881 (TRY 36,442,278), (31.12.2008: USD 11,447,674) from Osman Akça Tarım Ürünleri A.Ş.

As of 31 December 2009, non-trade receivables from related companies comprise 25.17% of total current assets and 10.10% of total assets. (It composes 19.69% of the total current assets and 8.27% of total assets as of 31 December 2008) (Note 37-i-c).

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Details of non-trade receivables from shareholders are as following (Note 37-i-d):

	31 December 2009	31 December 2008
Rıza Akça	184,446	-
Ahmet Bilge Göksan	71,051	-
	255,497	-

Other Non-Current Payables

None (31 December 2008 – None).

Other Current Payables

As of 31 December 2009 and 2008, details of other current payables of Group are as following:

	31 December 2009	31 December 2008
Due to shareholders (Note 37-i-e)	61,636	5,808,315
Due to subsidiaries (Note 37-i-f)	1,122,763	-
Due to personnel	1,201,744	1,083,973
Advances received (*)	5,681,719	1,025,587
Taxes and funds payable	397,066	350,551
Social security deductions payable	439,287	457,056
	8,904,215	8,725,482

Details of non-trade payables to shareholders are as following (Note 37-i-e):

	31 December 2009	31 December 2008
Rıza Akça	36,701	2,997,812
Ali Atlamaz	24,935	723,075
Cemal İpekoğlu	-	1,567,057
Ahmet Bilge Göksan	-	428,537
Dilek Göksan	-	91,834
	61,636	5,808,315

Shareholders do not demand any interest in return to its receivables from the Group.

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Details of non-trade payables to subsidiaries are as following (Note 37-i-f):

	31 December 2009	31 December 2008
Akça Holding	1,122,763	-
	1,122,763	-

(*) Details of advances to related parties are as following (Note 37-i-g):

	31 December 2009	31 December 2008
Menderes Tekstil Pazarlama A.Ş.	5,552,652	217,659
	5,552,652	217,659

Other non-current payables

None (31 December 2008 – None).

NOTE 12 – RECEIVABLES AND PAYABLES FROM FINANCE SECTOR ACTIVITIES

Current receivables and payables from finance sector activities

None (31 December 2008 – None).

Non-current receivables and payables from finance sector activities

None (31 December 2008 – None).

NOTE 13 – INVENTORIES

	31 December 2009	31 December 2008
Raw materials	30,497,868	37,877,782
Work in progress	15,902,809	29,829,072
Finished goods and merchandises	5,491,344	6,437,001
	51,892,021	74,143,855

The Group's inventories were insured for TRY 144,010,190.

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NOTE 14 – BIOLOGICAL ASSETS

Current biological assets

	31 December 2009	31 December 2008
Tomatoes	1,323,638	-
	1,323,638	-

Group's biological assets consist of tomatoes.

Due to no presence of active market for growing tomatoes, they were reflected in the accompanying combined financial statements with their costs minus if there is impairment in the cost then it is deducted.

As of 31 December 2009, biological assets were insured for TRY 3,261,190.

Depreciation expense amounting to TRY 375,705 is included in cost of biological assets.

Non-current biological assets

None (31 December 2008 – None).

NOTE 15 – RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None (31 December 2008 – None).

NOTE 16 – INVESTMENTS SUBJECT TO EQUITY PICK-UP METHOD

As of 31 December 2009 and 2008, Akça Enerji Üretim Otoprodüktör Grubu A.Ş., Menderes Tekstil Pazarlama A.Ş. and Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. are held subject to equity pick-up method by the Group, with rate of 20%, 45% and 48% consecutively.

	31 December 2009	Share (%)	31 December 2008	Share (%)
Akça Enerji Üretim Dağıtım Otoprodüktör A.Ş.	1,995,116	20	1,757,005	20
Menderes Tekstil Pazarlama A.Ş.	4,382,996	45	2,757,671	45
Aktur Araç Muayene İstasyon İşletmeleri A.Ş.	107,452,985	48	96,425,411	48
	113,831,097		100,940,087	

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Summary information about investment accounted for using the equity method is as following:

Akça Enerji Üretim Otoprodüktör Grubu A.Ş.

Akça Enerji Üretim Otoprodüktör Grubu A.Ş. is established on 13 July 1998. Head quarter of the Company is in Denizli. Main activity of the Company is producing electricity, hot water and steam.

Total of assets, liabilities and shareholders' equity of Akça Enerji Üretim Otoprodüktör Grubu A.Ş. and summarized income statements for the period ending at the date of 31 December 2009 and 2008 are as following:

	31 December 2009	31 December 2008
Current Assets	10,183,312	9,003,852
Non-current Assets	3,685,106	4,251,582
Total Assets	13,868,418	13,255,434
Current liabilities	3,260,156	3,239,505
Non-current liabilities	632,682	1,230,904
Shareholders' equity	9,975,580	8,785,025
Total Equities	13,868,418	13,255,434
Sales, net	128,088	24,323,554
Cost of sales	(463,504)	(21,079,316)
Net profit / (loss)	1,190,555	(143,155)

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Menderes Tekstil Pazarlama A.Ş.

Menderes Tekstil Pazarlama Anonim Şirketi was established in 1998. The head office is in İzmir. It is engaged in sales of home textile products.

Total of assets, liabilities and shareholders' equity of Menderes Tekstil Pazarlama A.Ş. and summarized income statements for the period ending at the date of 31 December 2009 and 2008 are as following:

	31 December 2009	31 December 2008
Current Assets	9,657,318	5,292,887
Non-current Assets	1,248,094	1,281,589
Total Assets	10,905,412	6,574,476
Current liabilities	1,119,568	409,801
Non-current liabilities	45,854	36,517
Shareholders' equity	9,739,990	6,128,158
Total Equities	10,905,412	6,574,476
Sales, net	28,124,052	31,646,908
Cost of sales	(23,148,106)	(29,719,786)
Net profit / (loss)	3,499,327	1,359,475

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Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.

Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. was established in 2006. Head quarter of the Company is in İzmir. Company operates vehicle inspection stations which are privatized within the context of law b-numbered 4046, in Aydın, Manisa, Denizli and İzmir for 20 years. As of 31 December 2009, company has integrated 20 established and 4 mobile vehicle inspection stations.

Total of assets, liabilities and shareholders' equity of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. and summarized income statements for the period ending at the date of 31 December 2009 and 2008 are as following:

	31 December 2009	31 December 2008
Current Assets	14,270,807	5,186,215
Non-current Assets	422,876,911	448,569,362
Total Assets	437,147,718	453,755,577
Current liabilities	26,791,320	38,092,543
Non-current liabilities	186,496,013	214,776,762
Shareholders' Equity	223,860,385	200,886,272
Total Equities	437,147,718	453,755,577
Sales, net	111,297,241	29,592,388
Cost of sales, net	(93,268,377)	(28,694,140)
Net profit / (loss)	9,682,018	(9,142,223)

In the period of 01.01. – 31 December 2009, net profit from investments subject to equity pick-up method is TRY 9,183,010 (31 December 2008: TRY 959,357) .

	Share in capital (%)	Restated Shareholders' Equity	Restated Participation Amount	Net Profit/Loss
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	20.0	9,975,580	1,995,116	1,949,609
Menderes Tekstil Pazarlama A.Ş.	45.0	9,739,990	4,382,996	3,944,994
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	48.0	223,860,385	107,452,985	2,320,985
			113,831,097	8,215,588
Previous period effect				967,422
				9,183,010

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According to the signed agreement between TÜVTURK [North/ South] Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. (Contractor) and Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. (Subcontractor), subcontractors is allowed to establish a partial or full right to claim rights or receivables based on the agreement, directly or indirectly through cooperating with subsidiaries and/or equity participants by written prior authorization or to transfer to any third party or individual or credit institution.

Based on this, according to valuation report of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. prepared by Raymond James Yatırım Menkul Kıymetler A.Ş. dated 29 June 2008, Group has participated in Aktur Araç Muayene İstasyonları A.Ş. with 48% capital ratio. As a result of this acquisition, deferred tax has been calculated based on issue stated above and calculated deferred tax had an effect amounting to TRY 23,495,173 (31 December 2008: TRY 24,829,960) in the Group's balance sheet. The total effect of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. according to the equity pick-up method is TRY 2,320,985 (31 December 2008: TRY 4,998,589 in consolidation.

NOTE 17 – INVESTMENT PROPERTY

None (31 December 2008 – None).

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NOTE 18 – PROPERTY, PLANT AND EQUIPMENT

Cost	Land and land improvements	Buildings	Property, plant and equipment	Vehicles	Fixtures and fittings	Construction in progress	Total
01 January 2008 opening balance	1,549,247	48,639,215	186,784,133	1,001,295	5,114,354	-	243,088,244
Additions	20,096	-	5,011,036	6,964	402,324	1,273,694	6,714,114
Disposals	-	-	(104,659)	(30,531)	(4,325)	-	(139,515)
Transfers	519,047	632,963	121,684	-	-	(1,273,694)	-
31 December 2008 closing balance	2,088,390	49,272,178	191,812,194	977,728	5,512,353	-	249,662,843
Additions	833	38,000	404,565	450,620	133,652	758,515	1,786,185
Disposals	-	-	-	(207,834)	-	-	(207,834)
Transfers	607,700	-	150,815	-	-	(758,515)	-
Smyrna consolidation effect	7,762,827	16,480	1,793,089	-	6,206	-	9,578,602
31 December 2009 closing balance	10,459,750	49,326,658	194,160,663	1,220,514	5,652,211	-	260,819,796
Accumulated depreciation							
01 January 2008 opening balance	114,084	8,039,850	120,184,524	849,234	3,220,812	-	132,408,504
Additions	83,571	980,169	12,519,799	86,852	383,476	-	14,053,867
Disposals	-	-	(50,797)	(30,443)	(987)	-	(82,227)
31 December 2008 closing balance	197,655	9,020,019	132,653,526	905,643	3,603,301	-	146,380,144
Additions	458,348	986,280	12,358,265	47,334	369,542	-	14,219,769
Disposals	-	-	-	(207,640)	-	-	(207,640)
Smyrna consolidation effect	28,432	220	22,206	-	177	-	51,035
31 December 2009 closing balance	684,435	10,006,519	145,033,997	745,337	3,973,020	-	160,443,308
Net Book Value as of 31 December 2008	1,890,735	40,252,159	59,158,668	72,085	1,909,052	-	103,282,699
Net Book Value as of 31 December 2009	9,775,315	39,320,139	49,126,666	475,177	1,679,191	-	100,376,488

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As of 31 December 2009, the depreciation expense of tangible fixed assets for the fiscal period is TRY 14,219,769 (31 December 2008: 14,053,867).

As of 31 December 2009, fixed assets were insured for TRY 154,764,298, CHF 2,300,000 (TRY 3,333,160) and EURO 3,800,000 (TRY 8,209,140). As of 31 December 2008, fixed assets were insured for TRY 120,421,134, CHF 2,300,000 (TRY 3,289,000) and EURO 800,000 (TRY 1,712,640).

Total amount of mortgage on lands and buildings for fixed assets of the company given to financial institutions is 71,350,000 USD, 5,140,426 EUR and TRY 85,755,000.

Total amount of guarantee given by Group on behalf of related parties for bank loans is USD 91,500,000 (31 December 2008: USD 91,500,000). Total amount of guarantee given by related parties on behalf of Group for bank loans is USD 99,000,000 (31 December 2008: USD 99,000,000).

Details of fixed asset purchased from related parties are as following (Note 37-ii-c):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	-	4,205,668
Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş.	15,275	-
	15,275	4,205,668

Details of fixed asset sold to related parties are as following (Note 37-ii-d):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Ticaret A.Ş.	28,814	-
	28,814	-

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NOTE 19 – INTANGIBLE FIXED ASSETS

Cost	Other intangible fixed assets
01 January 2008 opening balance	288,217
Additions	37,155
Disposals	(9)
31 December 2008 closing balance	325,363
Additions	48,081
Smyrna consolidation effect	254
31 December 2009 closing balance	373,698
Accumulated Depreciation	
01 January 2008 opening balance	72,160
Additions	31,168
31 December 2008 closing balance	103,328
Additions	34,744
Smyrna consolidation effect	25
31 December 2009 closing balance	138,097
Net Book Value as of 31 December 2008	222,035
Net Book Value as of 31 December 2009	235,601

As of 31 December 2009, the amortization expense of intangible fixed assets for the fiscal period is TRY 34,744 (31 December 2008: TRY 31,168).

NOTE 20 – GOODWILL

None (31 December 2008 – None).

NOTE 21 – GOVERNMENT GRANTS AND INCENTIVES

Group received subsidy from attended overseas fairs, according to legislation of Turkish Treasury, amounting to TRY 17,619 (31 December 2008: TRY 19,863) for the year 2009, also there is income of TRY 793,536 (31 December 2008: TRY 225,124) due to Law numbered 4857, Social Security Institutions.

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NOTE 22 – PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES

Short Term Provisions, Commitments and Contingent Liabilities

	31 December 2009	31 December 2008
Provision for the court cases	195,193	105,400
Other	-	238,597
	195,193	343,997

For the period 1 January – 31 December 2009, there has been provision of TRY 141,000 (01 January – 31 December 2008: TRY 18,588). The movement schedule of provision for the court cases is as following:

	01.01. - 31.12.2009	01.01. - 31.12.2008
Balance as of 1 January	105,400	127,515
Provision in period	141,000	18,588
Court cases balance which are closed in period	(51,207)	(40,703)
Balance at the end of the period	195,193	105,400

Long term provisions, commitments and contingent liabilities

None (31 December 2008 – None).

NOTE 23 – COMMITMENTS

Guarantees, security and mortgage (GSM) given by the Group	31.12.2009	31.12.2008
A. Total Amount of GSM given on behalf of legal entity	225,375,001	196,599,511
B. Total Amount of GSM given for partnerships which included in full consolidation	11,460	-
C. Total Amount of GSM given for the purpose of guaranteeing third party loans to carry the regular trade Activities	-	-
D. Total Amount of other GSM given	-	-
i. Total Amount of GSM given for the Parent Company	-	-
ii. Total Amount of GSM given for Other Group Companies not included in B and C clauses	-	-
iii. Total Amount of GSM given for third parties not included in C clause	-	-
	225,386,461	196,599,511

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Group has given joint and collective guarantee at most USD 5,565,585 for the financial leasing agreement of Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş. signed with İş Finansal Kiralama A.Ş..

Total amount of mortgage on lands and buildings for fixed assets of the company given to financial institutions is USD 71,350,000, EUR 5,140,426 and TRY 85,755,000.

As of 31 December 2009 and 2008, there is no given guarantee for notes receivables and trade receivables.

Total amount of guarantee given by Group on behalf of related parties for bank loans is USD 91,500,000 (31 December 2008: USD 91,500,000). Total amount of guarantee given by related parties on behalf of Group for bank loans is USD 99,000,000 (31 December 2008: USD 99,000,000).

As of 31 December 2009, bank has given guarantees for trade payables of USD 5,133,684 (TRY 7,729,788) and EUR 649,961 (TRY 1,404,111).

NOTE 24 – EMPLOYEE BENEFITS

	31 December 2009	31 December 2008
Provision for severance pay	3,060,937	2,967,734
Total long term payable provisions	3,060,937	2,967,734

For the period 01 January – 31 December 2009, average personnel number including subcontractors employed by the Group is 3,577.

The taken rate of retirement probability is 98%.

For the period ended 31 December 2009 and 2008, the movement schedule of severance pay provision is as following;

	31 December 2009	31 December 2008
Balance of 1 January	2,967,734	4,162,410
Severance pay provision for the period	2,587,318	(492,682)
Severance pay that are paid in the period	(2,494,115)	(701,994)
Balance at the end of the period	3,060,937	2,967,734

NOTE 25 – RETIREMENT PLANS

None (31 December 2008 – None).

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NOTE 26 – OTHER CURRENT / NON-CURRENT ASSETS AND LIABILITIES

Other current assets

As of 31 December 2009 and 2008, details of other current assets are as following:

	31 December 2009	31 December 2008
Order advances given	459,160	3,405,249
Prepaid expenses	503,708	490,993
VAT receivables	2,997,728	2,551,207
Prepaid taxes and funds	2,144,489	1,084,532
	6,105,085	7,531,981

Other non-current assets

	31 December 2009	31 December 2008
Prepaid expenses	169,778	-
	169,778	-

Other current liabilities

	31 December 2009	31 December 2008
Expense accruals	32,146	-
	32,146	-

Expense accruals consist of electricity expenses.

Other non-current liabilities

None (31 December 2008 - None).

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NOTE 27 – SHARE CAPITAL

27.1 Paid in Capital

As of 31 December 2009 and 2008, Group's paid in capital was divided into 184,000,000 shares as each valued at TRY 1 nominally.

As of 31 December 2009 and 2008, Group's paid in capital is as following:

Shareholders:	31 December 2009		31 December 2008	
	Share (%)	TRY	Share (%)	TRY
Publicly quoted	51.93	95,553,791	51.93	95,553,791
Akça Holding A.Ş.	45.68	84,057,127	45.68	84,057,127
Other	2.39	4,389,082	2.39	4,389,082
Total	100.00	184,000,000	100.00	184,000,000

According to company's main article of association, more than half of the Members of Board required to be elected from the candidates which are pointed out from A Group shareholders.

27.2 Inflation Adjustment Difference in Shareholder's Equity

	31 December 2009	31 December 2008
Inflation adjustment difference in shareholder's equity	485,133	485,133
	485,133	485,133

27.3 Profit Reserves

	31 December 2009	31 December 2008
Legal reserves	4,297,919	4,297,919
	4,297,919	4,297,919

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5 %, until the total reserve reaches a maximum of 20 % of the Group's share capital. The second legal reserve is appropriated at the rate of 10 % of all distributions in excess of 5 % of the Group's share capital. The first and second legal reserves are not available for distribution unless they exceed 50 % of the share capital, but may be used to absorb losses in the event that the general reserve is exhausted.

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Listed companies are subject to dividend requirements regulated by the CMB as follows:

It was announced in the CMB decision dated January 9, 2009, number 1/6 that without considering the fact that a profit distribution has been declared in the general assemblies of the subsidiaries, joint ventures and associates, which are consolidated into the parent company's financial statements, the net income from these companies that are consolidated into the financial statements of the parent company can be considered when calculating the distributable amount, as long as the statutory reserves of these entities are sufficient for a such profit distribution. After completing these requirements, the parent company may distribute profit by considering the net income included in the consolidated financial statements prepared in accordance with Communiqué No. XI-29 of CMB.

In accordance with the CMB decision dated January 27, 2010, it's decided to remove the obligation related with the minimum dividend distribution rate for publicly traded companies.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source for capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. However, in case inflation adjustment to shareholders' equity is used on cash profit distribution, it will be subject to corporation tax.

As of 31 December 2009, distributable profit is calculated as TRY 10,093,748 after deduction of first disposal legal reserves from the lower of the net period profit for year 2009 in the consolidated financial statements prepared within the context of regulation by CMB and the one by Turkish Commercial Code by comparing.

27.4 Retained Earnings

As of 31 December 2009, other profit reserve of TRY 21,466,225 of Parent Company is included in the retained earnings of TRY 23,918,089 (31 December 2008: Other profit reserve of TRY 24,039,234 out of TRY 35,651,430).

Minority Interest

Group's minority interest is TRY 55,698 as of balance sheet date (31 December 2008: TRY 0).

31 December 2009	Total Shareholders' Equity	Profit/Loss of the period	Parent Company Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)
Menderes Bulgaria	(1,900,920)	-	90%	%10	(190,092)	-
Smyrna	11,412,022	(267,353)	79%	%21	2,377,505	(55,698)

31 December 2008	Total Shareholders' Equity	Profit/Loss of the period	Parent Company Share	Minority Interest	Minority part of Shareholders' Equity	Minority part of Profit/(Loss)
Menderes Bulgaria (*)	(1,883,761)	-	90%	10%	(188,376)	-

(*)As it is seen from above tables, related subsidiary has lost its shareholders' equity.

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NOTE 28 – SALES AND COST OF SALES

28.1 Sales

	01.01.- 31.12.2009	01.01.- 31.12.2008
Domestic sales	34,892,909	38,026,874
Export sales	240,774,096	215,496,416
Other sales	88,626	1,534,695
Sales returns	(945,181)	(672,964)
Sales Income, (net)	274,810,450	254,385,021

For the period ended 01 January - 31 December 2009 and 2008, for each main product sales of goods and service amounts are as following:

	Unit	01.01.- 31.12.2009	01.01.- 31.12.2008
Raw Fabric	m ²	-	628
Finished Fabric	m ²	11,932,713	14,967,833
Inter Facing Undercoat	m ²	18,347,964	20,514,790
Cover, Pillow, Curtain	item	14,366,176	15,036,726
Electricity	kwh	9,304,172	-
Waste Cotton	kg	900,520	873,700
Patch Fabric	kg	2,923,645	3,729,255
Oakum	kg	532,820	673,688
Waste Dust	kg	160,560	156,600
Grape, fig, apricot	kg	16,840	159,768
Bunch tomatoes	kg	1,230,890	-

Sales to related parties are as following (Note 37-ii-a):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Menderes Tekstil Pazarlama A.Ş.	23,110,181	29,799,032
Selin Tekstil Sanayi ve Ticaret A.Ş.	-	24,000
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	8,848,592	10,986,163
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	646,623	782,933
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	10,250	2,436
	32,615,646	41,594,564

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28.2 Cost of Sales

	01.01.- 31.12.2009	01.01.- 31.12.2008
Direct material cost	156,728,020	139,596,589
Direct labor cost	35,796,663	38,912,795
General production overheads	9,016,178	31,251,266
Depreciation expenses	13,112,816	13,280,027
<u>Change in semi-finished goods</u>		
1. Beginning inventory (+)	29,829,072	36,401,309
2. Ending inventory (-)	(15,902,809)	(29,829,072)
Cost of finished goods produced	228,579,940	229,612,914
<u>Change in finished goods inventory</u>		
1. Beginning inventory (+)	6,215,191	8,441,325
2. Ending inventory (-)	(5,136,291)	(6,215,191)
Cost of finished goods sold	229,658,840	231,839,048
<u>Cost of merchandise</u>		
1. Beginning Merchandise Inventory (+)	221,810	31,123
2. Purchases During the Period (+)	3,874,009	4,028,086
3. Ending Merchandise Inventory (-)	(154,585)	(221,810)
Cost of merchandise sold	3,941,234	3,837,399
Cost of other service rendered	67,646	112,290
Cost of sales, net	233,667,720	235,788,737

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For the period ended 01 January - 31 December 2009 and 2008, for each main production of goods and service amounts are as following:

	Unit	01.01.- 31.12.2009	01.01.- 31.12.2008
Yarn	kg	13,549,431	13,906,620
Raw fabric	m ²	112,202,170	121,022,844
Finished fabric	m ²	157,776,863	158,321,315
Inter facing undercoat	m ²	17,523,718	20,909,783
Cover, sheet, pillow, curtain	item	14,268,681	14,774,206
Electricity	kwh	111,191,500	-
Waste cotton	kg	900,520	873,700
Patch fabric	kg	3,377,940	3,705,317
Oakum	kg	532,820	673,688
Waste dust	kg	160,560	156,600
Bunch tomatoes	kg	1,230,890	-

Purchases from related parties are as following (Note 37-ii-b):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	89,092	352,771
Selin Tekstil Sanayi ve Ticaret A.Ş.	17,060,712	18,445,000
Akça Enerji Üretim Otoprodüktör Grubu A.Ş. (*)	-	21,944,696
Akça Holding A.Ş.	54,556	97,360
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	343
	17,204,360	40,840,170

(*)Group has ensured its demand of energy from its subsidiary, Akça Enerji Üretim Otoprodüktör Grubu A.Ş. till 31 October 2008. As of 31 October 2008, it has become energy producer for itself with auto producer license obtained from Energy Market Regulatory Board. Thus, there is no purchase from Akça Enerji in 2009.

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NOTE 29 – RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

	01.01.-	01.01.-
	31.12.2009	31.12.2008
Marketing, sales and distribution expenses	5,749,843	7,880,478
General administrative expenses	4,697,070	3,934,706
	10,446,913	11,815,184

The details of the benefits provided to member of the board of directors pursued in the operating expenses are as following (Note 37-iii-a):

	01.01.-	01.01.-
	31.12.2009	31.12.2008
Member of the board of directors	512,048	515,689
	512,048	515,689

Rent and cost of service paid to related parties pursued under financial expenses are as following (Note 37-iii-b):

	01.01.-	01.01.-
	31.12.2009	31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	362,457	357,610
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	370,124	332,135
Akça Enerji Üretim ve Dağıtım Otoprodüktör A.Ş.	773,179	121,335
Akça Holding A.Ş.	-	375
	1,505,760	811,455

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NOTE 30 – OPERATING EXPENSES ACCORDING TO THEIR NATURE

30.1. Marketing, Sales and Distribution Expenses:

	01.01.-	01.01.-
	31.12.2009	31.12.2008
Personnel expenses	1,495,687	1,799,025
Export expenses	4,152,951	5,821,864
Transportation of domestic sale	76,563	208,951
Depreciation expenses	5,558	10,230
Other expenses	19,084	40,408
	5,749,843	7,880,478

30.2. General Administration Expenses:

	01.01.-	01.01.-
	31.12.2009	31.12.2008
Personnel expenses	205,386	78,400
Insurance expenses	879,750	810,300
Representation and accommodation expenses	33,704	44,396
Communication expenses	155,978	164,264
Rent expenses	314,363	298,659
Education and consultancy expenses	191,462	178,634
General administrative material consumption	517,897	335,165
Capital market expenses	46,376	48,139
Repair and maintenance expenses	76,684	91,793
Traveling expenses	183,702	266,186
Chamber fee expenses	29,139	32,800
Tax and duty expenses	713,306	195,423
Fuel expenses	1,523	29,030
Notary and insurance expenses	16,192	6,435
Audit and consulting expenses	77,595	133,467
Lawsuit provisions	141,000	18,589
Severance pay provision expenses	89,314	-
Doubtful receivable provisions	91,598	9,907
Depreciation expenses	812,500	794,778
Other expenses	119,601	398,341
	4,697,070	3,934,706

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NOTE 31 –INCOME/ EXPENSE FROM OTHER OPERATIONS

For the period ended 01 January - 31 December 2009 and 2008 income from other operations is as following:

	01.01.- 31.12.2009	01.01.- 31.12.2008
Reversal of unnecessary provision	62,766	1,436,401
Rent income	174,263	221,408
Other income	3,095	18,387
Other extraordinary incomes (*)	924,833	375,023
Profit on sale of fixed assets	94,350	56,421
	1,259,307	2,107,640

(*)TRY 793,536 of other extraordinary income consist of income from Social Security Institution law no. 4857 (31 December 2008: TRY 225,124).

Details of rent and service income from related parties in other income are as following (Note 37-iii-c):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Menderes Tekstil Pazarlama A.Ş.	55,800	54,000
Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Tic. A.Ş.	36,000	74,400
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	7,200	56,200
Selin Tekstil Sanayi ve Ticaret A.Ş.	12,000	9,600
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	24,000	18,000
Smyrna Organik Tarım Sanayi ve Ticaret A.Ş.	-	7,200
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	-	170
Akça Araç A.Ş.	-	170
Akçamen Tekstil Sanayi Ticaret A.Ş.	7,200	600
	142,200	220,340

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For the period ended 01 January - 31 December 2009 and 2008, expenses for other operations are as following:

	01.01.- 31.12.2009	01.01.- 31.12.2008
Export commission expenses	(12,360,186)	(9,184,583)
Import commission expenses	(440,960)	(232,457)
Other expenses	(228)	(852)
Other extraordinary expenses	(73,550)	(51,690)
	(12,874,924)	(9,469,582)

NOTE 32 – FINANCIAL INCOME

For the period ended 01 January - 31 December 2009 and 2008, financial incomes are as following:

	01.01.- 31.12.2009	01.01.- 31.12.2008
Interest and term differences income	1,209,960	5,839,748
Foreign exchange gain	17,300,173	39,201,772
Unearned interest on payables gain / (loss), net	687,871	(144,996)
	19,198,004	44,896,524

Foreign exchange difference, interest and term difference income from related parties in financial incomes are as following (Note 37-iii-e):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Akça Holding A.Ş.	556,399	8,673,518
Menderes Tekstil Pazarlama A.Ş.	-	146,601
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	3,388,513	11,802,462
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	74,642	113,859
Smyrna Organik Tarım Sanayi ve Ticaret A.Ş.	-	619,356
Akçamen Tekstil Sanayi Ticaret A.Ş.	20,752	1,635
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	113,275	-
Rıza Akça	-	888,814
Ahmet Bilge Göksan	-	28,867
	4,153,581	22,275,112

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NOTE 33 –FINANCIAL EXPENSES

For the period ended 01 January - 31 December 2009 and 2008, financial expenses are as following:

	01.01.- 31.12.2009	01.01.- 31.12.2008
Interest expenses	(7,553,384)	(9,103,682)
Foreign exchange losses	(13,040,920)	(46,976,452)
Commission expenses of borrowing	(390,979)	(690,934)
Commission expenses of letter of guarantees	(305,976)	(335,753)
Term differences expenses	(1,939,557)	(592,668)
Unearned interest on receivables gain / (loss), net	(1,062,509)	(160,500)
Other financial expenses	(36,677)	(40,163)
	(24,330,002)	(57,900,152)

Foreign currency difference, interest and term difference paid to related parties listed in financial expenses are as following: (Note 37-iii-d):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	1,899,606	3,293,731
Akça Holding A.Ş.	409,592	3,209,423
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	1,492,499	592,668
	3,801,697	7,095,822

NOTE 34 – FIXED ASSETS HELD FOR FURTHER SALE AND ABOLISHED OPERATIONS

None (31 December 2008 –None).

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NOTE 35 –TAX ASSETS AND LIABILITIES

Corporation tax

Group is liable to corporation tax valid in Turkey. The necessary provisions are made on the attached financial statements for expected tax liabilities related to the group's current period activity results.

Corporation tax rate that will be accrued over corporation tax base is calculated over the tax base that remains after adding expenses recorded as expense in determination of commercial earnings that are nondeductible from tax base and subtracting tax-exempt profit, tax- free income and other deductions (if there are losses from previous years and used investment allowances if preferred).

The applied effective interest rate in 2009 is 20% (2008: 20%)

Permanent tax is calculated and accrued quarterly in Turkey. As of temporary tax periods, the effective corporation tax rate is 20% (2008: 20%) in year 2009.

Losses may be carried forward for a maximum period of five years in order to be deducted from the taxable profit for a maximum period of five years.

There is no absolute and certain confirmation procedure related to tax evaluation in Turkey. Companies prepare their tax return between 1-25 Aprils coming after the related year's balancing period (for the companies having special account period, between 1-25 of fourth month following the closing of period). These tax returns and related accounting records may be inspected and changed by tax department in five years.

Withholding Tax

In addition to Corporation tax, it is required to calculate withholding tax from the dividends distributed by full pledge taxpayer enterprise and include in its income tax base and except dividends distributed by foreign companies to its subsidiary in Turkey. As of 23 July 2006 income tax stoppage rate was changed as 15%. Dividends that are added to capital without distribution are not subject to income tax stoppage. It is necessary to make tax withholding at 19,8% over investment allowance balance utilized based on investment incentive certificate taken before 24 April 2003. 40% of group activities directly related to production investment certificate investment expenses made after this date can be deducted. Tax withholding cannot be made on investment expenses without incentive certificate.

Deferred Tax:

The potential deferred tax assets/(liabilities) of the Group represents the tax effects of temporary differences, arising between the financial statements reported for Communiqué purposes and the statutory tax financial statements. Such differences arise due to the different treatment of certain items of income and expense included in the Communiqué financial statements compared to the local tax return, in accordance with applicable tax laws.

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As of balance sheet date, accumulated temporary differences and deferred tax assets and liabilities prepared by using current applicable tax rate is as follows:

	31 December 2009		31 December 2008	
	Total temporary differences	Deferred tax / (liability)	Total temporary differences	Deferred tax / (liability)
<u>Deferred tax assets:</u>				
Provision for doubtful receivables	-	-	739	148
Unearned interest on receivable	200,534	40,107	208,282	41,656
Accrued interest on borrowings	32,603	6,521	35,610	7,122
Severance pay provision	3,060,937	612,187	2,967,734	593,547
Reversal of capitalized financial expenses	1,867,998	373,600	7,287,997	1,457,599
Tangible fixed assets, net	8,428,295	1,685,659	1,517,567	303,513
Investments	-	-	967,421	193,484
Other	16,405	3,281	2,843	570
Deferred tax assets		2,721,355		2,597,639
<u>Deferred tax liabilities:</u>				
Investments	8,215,589	1,643,119	-	-
Tangible fixed assets, net	690,908	138,182	-	-
Unearned interest on payables	479,589	95,918	844,744	168,949
Foreign exchange	406,195	81,239	451,307	90,261
Accrued interest on borrowings	-	-	-	-
Other	10,836	2,167	7,721	1,544
Deferred tax liabilities		1,960,625		260,754
Deferred tax assets/(liabilities), net		760,730		2,336,885

For the period ended 31 December 2009 and 2008, movements of deferred tax assets and liabilities are as following:

	01.01.- 31.12.2009	01.01.- 31.12.2008
Current corporation tax	(3,482,243)	(14,566)
Deferred tax assets/(liabilities), net	(1,576,155)	3,290,535
	(5,058,398)	3,275,969

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<u>Deferred Tax (Asset) / Liability Movements:</u>	01.01.- 31.12.2009	01.01.- 31.12.2008
Opening balance	2,336,885	(953,650)
Deferred tax expense / (income)	(1,576,155)	3,290,535
Closing balance	760,730	2,336,885

	01.01.- 31.12.2009	01.01.- 31.12.2008
Unaudited profit before tax	14,144,947	(2,558,443)
Total additions to tax base	4,546,005	4,047,521
Total deductions from tax base	1,279,738	1,416,247
Unaudited financial profit	17,411,214	72,831
Valid tax rate	%20	%20
Calculated tax	3,482,243	14,566
Tax provision in the income statements	(3,482,243)	(14,566)

NOTE 36 – EARNINGS PER SHARE

	01.01.- 31.12.2009	01.01.- 31.12.2008
Net period profit / loss	18,072,814	(11,267,858)
Weighted-average number of shares outstanding (Per share with 1 TRY value)	184,000,000	184,000,000
Profit per share (TRY)	0.0982	(0.0612)

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NOTE 37 – DUE TO/FROM RELATED PARTIES

i) Transactions and balances with related parties:

a) Trade receivables from related parties (Note 10):

	31 December 2009	31 December 2008
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	413,706	198,482
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	3,744,181	3,235,598
Menderes Tekstil Pazarlama A.Ş.	238,030	-
	4,395,917	3,434,080

b) Trade payables to related parties (Note 10):

	31 December 2009	31 December 2008
Selin Tekstil Sanayi ve Ticaret A.Ş.	3,249,280	1,849,541
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	10,008,231	9,144,785
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	19,625	-
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	438,085	398,120
	13,715,221	11,392,446

c) Non-trade receivables from related parties (Note 11):

	31 December 2009	31 December 2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	36,442,278	17,312,318
Akça Holding A.Ş.	-	3,844,994
Smyrna Organik Tarım Sanayi ve Ticaret A.Ş.	-	7,489,012
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	-	843,853
Akçamen Tekstil Sanayi Ticaret A.Ş.	208,258	49,927
	36,650,536	29,540,104

As of 31 December 2009 and 2008, all amounts above are composed of non-trade receivables. For non-trade receivables from related parties with foreign currency balances; for the period 01.01.-31.12.2009 it is 2% interest rate is used, for 01.01.-31.12.2008, it is 6.62% and with TRY balances; for the period 01.01.-08.04.2009 it is 25%, for 09.04.-12.06.2009 it is 19%, for the period 13.06.-21.12.2009 it is 18% and for the period 22.12.-31.12.2009 it is 15%, for the period 01.01.-30.06.2008 it is 23%, for the period 01.07.-31.12.2008 it is 26%. Income from these transactions is presented in Note 37 iii-e.

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d) Due from shareholders (Note 11):

	31 December 2009	31 December 2008
Rıza Akça	184,446	-
Ahmet Bilge Göksan	71,051	-
	255,497	-

e) Due to shareholders (Note 11):

	31 December 2009	31 December 2008
Rıza Akça	36,701	2,997,812
Ali Atlamaz	24,935	723,075
Cemal İpekoğlu	-	1,567,057
Ahmet Bilge Göksan	-	428,537
Dilek Göksan	-	91,834
	61,636	5,808,315

Shareholders do not demand any interest in return to their receivables from the Group.

f) Due to subsidiaries (Note 11):

	31 December 2009	31 December 2008
Akça Holding	1,122,763	-
	1,122,763	-

g) Advances received from related parties (Note 11):

	31 December 2009	31 December 2008
Menderes Tekstil Pazarlama A.Ş.	5,552,652	217,659
	5,552,652	217,659

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ii) Major sales to related parties and major purchases from related parties:

a) Major sales to related parties (Note 28.1):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Menderes Tekstil Pazarlama A.Ş.	23,110,181	29,799,032
Selin Tekstil Sanayi ve Ticaret A.Ş.	-	24,000
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	8,848,592	10,986,163
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	646,623	782,933
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	10,250	2,436
	32,615,646	41,594,564

b) Major purchases from related parties (Note 28.2):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	89,092	352,771
Selin Tekstil Sanayi ve Ticaret A.Ş.	17,060,712	18,445,000
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	-	21,944,696
Akça Holding A.Ş.	54,556	97,360
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	-	343
	17,204,360	40,840,170

c) Fixed assets purchases from related parties (Note 18):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	15,275	-
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	-	4,205,668
	15,275	4,205,668

d) Fixed assets sales to related parties (Note 18):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	28,814	-
	28,814	-

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iii) Other income and expenses resulting from transactions between related parties:

a) Benefits provided to member of the board of directors (Note 29):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Member of the board of directors	512,048	515,689
	512,048	515,689

b) Rent and cost of service paid to related parties (Note 29):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Tic. A.Ş.	362,457	357,610
Ak-San Sigorta Aracılık Hizmetleri Ltd. Şti.	370,124	332,135
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	773,179	121,335
Akça Holding A.Ş.	-	375
	1,505,760	811,455

c) Rent and service income from related parties (Note 31):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Menderes Tekstil Pazarlama A.Ş.	55,800	54,000
Osman Akça Tarım Ürünleri İthalat İhracat Sanayi ve Tic. A.Ş.	36,000	74,400
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	7,200	56,200
Selin Tekstil Sanayi ve Ticaret A.Ş.	12,000	9,600
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	24,000	18,000
Smyrna Organik Tarım Sanayi ve Ticaret A.Ş.	-	7,200
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	-	170
Akça Araç A.Ş.	-	170
Akçamen Tekstil Sanayi Ticaret A.Ş.	7,200	600
	142,200	220,340

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d) Foreign currency differences, interest and term differences paid to the related parties
(Note 33):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	1,899,606	3,293,731
Akça Holding A.Ş.	409,592	3,209,423
Akça Enerji Üretim Otoprodüktör Grubu A.Ş.	1,492,499	592,668
	3,801,697	7,095,822

e) Foreign exchange difference, interest and term difference income from related parties
(Note 32):

	01.01.- 31.12.2009	01.01.- 31.12.2008
Akça Holding A.Ş.	556,399	8,673,518
Menderes Tekstil Pazarlama A.Ş.	-	146,601
Osman Akça Tarım Ürünleri İthalat İhracat San. ve Tic. A.Ş.	3,388,513	11,802,462
Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş.	74,642	113,859
Smyrna Organik Tarım Sanayi ve Ticaret A.Ş.	-	619,356
Akçamen Tekstil Sanayi Ticaret A.Ş.	20,752	1,635
Akçasaraylı Tekstil Sanayi ve Ticaret Ltd. Şti.	113,275	-
Rıza Akça	-	888,814
Ahmet Bilge Göksan	-	28,867
	4,153,581	22,275,112

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

Credit Risk

Registered value of financial assets is the maximum net credit risk

Maximum net credit risk as of 31 December 2009 is as following:

31 December 2009	Receivables				Bank Deposits
	Trade Receivables		Other Receivables		
	Related Party	Third party	Related Party	Third party	
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	4,395,917	22,665,652	36,906,033	2,277,548	20,052,753
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	4,209,887	22,665,652	36,906,033	127,885	20,052,753
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	186,030	-	-	2,149,663	-
The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets	-	154,967	-	-	-
Past due (gross carrying amount)	-	154,967	-	-	-
Impairment (-)	-	(154,967)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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Maximum net credit risk as of 31 December 2008 is as following:

31 December 2008	Receivables				Bank Deposits
	Trade Receivables		Other Receivables		
	Related Party	Third party	Related Party	Third party	
Maximum net credit risk as of balance sheet date (A+B+C+D+E)	3,434,080	20,408,375	29,540,104	2,233,099	12,708,339
The part of maximum risk under guarantee with collateral	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	3,434,080	20,398,375	29,540,104	102,840	12,708,339
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	10,000	-	2,130,259	-
The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets	-	502,617	-	-	-
Past due (gross carrying amount)	-	502,617	-	-	-
Impairment (-)	-	(502,617)	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
Not past due (gross carrying amount)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
The part of net value under guarantee with collateral etc.	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-

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As of 31 December 2009, ageing of overdue receivables is as following:

31 December 2009	Receivables	
	Trade Receivables	Other Receivables
Overdue 1 - 30 day	186,030	-
Overdue 1 – 3 months	-	-
Overdue 3 - 12 months	-	-
Overdue 1 - 5 year	-	2,149,663
	186,030	2,149,663

As of 31 December 2008, ageing of overdue receivables is as following:

31 December 2008	Receivables	
	Trade Receivables	Other Receivables
Overdue 1 - 30 day	10,000	-
Overdue 1 – 3 months	-	-
Overdue 3 - 12 months	-	-
Overdue 1 - 5 year	-	2,130,259
	10,000	2,130,259

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Foreign Currency Risk

As of 31 December 2009 and 2008, foreign currency position of the Group in terms of original currency is as following :

	31.12.2009					
	TRY Equivalent (Functional unit)	USD	Euro	GBP	SEK	CHF
1. Trade Receivables	21,131,532	132,281	5,672,344	495,072	35,998,299	-
2a. Monetary Financial Assets (including cash and banks)	14,684,238	7,211,408	1,611,652	7,424	1,568,688	-
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	36,442,278	24,202,881	-	-	-	-
4. Current Assets (1+2+3)	72,258,048	31,546,570	7,283,996	502,496	37,566,987	-
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Trade Receivables	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	72,258,048	31,546,570	7,283,996	502,496	37,566,987	-
10. Trade Payables	17,076,530	9,332,488	1,399,984	-	-	150
11. Financial Liabilities	58,811,251	27,312,892	7,745,496	399,144	-	-
12a. Other monetary financial liabilities	-	-	-	-	-	-
12b. Other non-monetary financial liabilities	-	-	-	-	-	-
13. Current Liabilities (10+11+12)	75,887,781	36,645,380	9,145,480	399,144	-	150
14. Trade Payables	529,111	-	244,925	-	-	-
15. Financial Liabilities	4,250,472	-	1,967,538	-	-	-
16a. Other monetary financial liabilities	-	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	4,779,583	-	2,212,463	-	-	-
18. Total Liabilities (13+17)	80,667,364	36,645,380	11,357,943	399,144	-	150
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-	-
20. Net foreign currency asset / liabilities (9-18+19)	(8,409,316)	(5,098,810)	(4,073,947)	103,352	37,566,987	(150)
21. Net foreign currency asset / liability position of monetary items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(44,851,593)	(29,301,691)	(4,073,947)	103,352	37,566,987	(150)
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-
23. Exports*	245,763,864	158,858,169	-	-	-	-
24. Imports*	100,467,129	64,940,484	-	-	-	-

* As of 31 December 2009, exports and imports' balances were appreciated with average rate of exchange.

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31 December 2008						
	TRY Equivalent (Functional unit)	USD	Euro	GBP	SEK	CHF
1. Trade Receivables	19,896,713	419,960	4,733,608	1,733,390	27,388,524	-
2a. Monetary Financial Assets (including cash and banks)	10,906,069	6,510,290	483,289	11,730	-	151
2b. Non-monetary financial assets	3,310,333	2,399,564	8,772	-	-	32,527
3. Other	21,157,311	13,990,155	-	-	-	-
4. Current Assets (1+2+3)	55,270,426	23,319,969	5,225,669	1,745,120	27,388,524	32,678
5. Trade Receivables	-	-	-	-	-	-
6a. Monetary Trade Receivables	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	-	-	-	-	-	-
9. Total Assets (4+8)	55,270,427	23,319,969	5,225,669	1,745,120	27,388,524	32,678
10. Trade Payables	27,699,502	13,968,956	3,068,369	2,502	-	-
11. Financial Liabilities	57,082,991	30,291,507	4,258,531	983,617	-	-
12a. Other monetary financial liabilities	-	-	-	-	-	-
12b. Other non-monetary financial liabilities	108,427	2,808	-	-	75,243	-
13. Current Liabilities (10+11+12)	84,890,920	44,263,271	7,326,900	986,119	75,243	-
14. Trade Payables	1,433,347	-	669,538	-	-	-
15. Financial Liabilities	7,186,088	-	3,356,730	-	-	-
16a. Other monetary financial liabilities	-	-	-	-	-	-
16b. Other non-monetary financial liabilities	-	-	-	-	-	-
17. Non-Current Liabilities (14+15+16)	8,619,435	-	4,026,268	-	-	-
18. Total Liabilities	93,510,355	44,263,271	11,353,168	986,119	75,243	-
19. Net asset / liability position of off- balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-	-
20. Net foreign currency asset / liabilities (9-18+19)	(38,239,928)	(20,943,302)	(6,127,499)	759,001	27,313,281	32,678
21. Net foreign currency asset / liability position of monetary items (UFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(62,599,145)	(37,330,213)	(6,136,271)	759,001	27,388,524	-
22. Fair value of derivative instruments used in foreign currency hedge	-	-	-	-	-	-
23. Exports	228,298,650	-	-	-	-	-
24. Imports	89,499,234	-	-	-	-	-

In previous periods, the advance qualified accounts that have been treated in foreign currency risk and that have not undergone any evaluation, are not enclosed in the table as of 31 December 2009.

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Foreign Currency Risk Sensitivity

As of 31 December 2009 and 2008, in the case of increasing / losing value of TRY at 10% in view of foreign currencies below, shareholders' equity and income statement will be affected as below. While making analysis, firstly interest rates and all other variables are assumed as fixed.

As of 01.01. - 31.12.2009 Period				
	Profit / Loss		Profit / Loss	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
	In the case of increasing / losing value of TRY at 10% against USD			
1-USD net asset / liability	(767,728)	767,728	-	-
2-Part of hedged from USD risk (-)	-	-	-	-
3-USD net effect (1+2)	(767,728)	767,728	-	-
	In the case of increasing / losing value of TRY at 10% against Euro			
4- Euro net asset / liability	(880,095)	880,095	(190,644)	190,644
5- Part of hedged from Euro risk (-)	-	-	-	-
6-Euro net effect (4+5)	(880,095)	880,095	(190,644)	190,644
	In the case of increasing / losing value of TRY at 10% against GBP			
7- GBP net asset / liability	24,693	(24,693)	-	-
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	24,693	(24,693)	-	-
	In the case of increasing / losing value of TRY at 10% against SEK			
10- SEK net asset / liability	782,220	(782,220)	-	-
11- Part of hedged from SEK risk (-)	-	-	-	-
12- SEK net effect (10+11)	782,220	(782,220)	-	-
	In the case of increasing / losing value of TRY at 10% against CHF			
13-CHF net asset / liability	(22)	22	-	-
14-Part of hedged from CHF risk (-)	-	-	-	-
15-CHF net effect (13+14)	(22)	22	-	-
TOTAL (3+6+9+12+15)	(840,932)	840,932	(190,644)	190,644

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As of 01.01. - 31.12.2008 Period				
	Profit / Loss		Shareholders' Equity	
	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY	Appreciation of foreign currency against TRY	Depreciation of foreign currency against TRY
	In the case of increasing / losing value of TRY at 10% against USD			
1-USD net asset / liability	(3,529,717)	3,529,717	-	-
2-Part of hedged from USD risk (-)	-	-	-	-
3-USD net effect (1+2)	(3,529,717)	3,529,717	-	-
	In the case of increasing / losing value of TRY at 10% against Euro			
4- Euro net asset / liability	(1,313,653)	1,313,653	(188,923)	188,923
5- Part of hedged from Euro risk (-)	-	-	-	-
6-Euro net effect (4+5)	(1,313,653)	1,313,653	(188,923)	188,923
	In the case of increasing / losing value of TRY at 10% against GBP			
7- GBP net asset / liability	166,403	(166,403)	-	-
8- Part of hedged from GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	166,403	(166,403)	-	-
	In the case of increasing / losing value of TRY at 10% against SEK			
10- SEK net asset / liability	532,762	(532,762)	-	-
11- Part of hedged from SEK risk (-)	-	-	-	-
12- SEK net effect (10+11)	532,762	(532,762)	-	-
	In the case of increasing / losing value of TRY at 10% against CHF			
13-CHF net asset / liability	22	(22)	-	-
14-Part of hedged from CHF risk (-)	-	-	-	-
15-CHF net effect (13+14)	22	(22)	-	-
TOTAL (3+6+9+12+15)	(4,144,183)	4,144,183	(188,923)	188,923

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Liquidity Risk

Liquidity risk is the Group's possibility of not fulfilling net funding liabilities. Occurrence of events like deteriorations in markets or decrease in credit score that causes decreases in fund resources, are reasons of liquidity risk. The Group management manages liquidity risk by distributing the funds and by keeping sufficient cash and cash equivalents resources to cover the current and possible liabilities.

31 December 2009

Financial Liabilities Non Derivatives	Book Value	Contractual Total cash outflow (=I+II+III)	3 months/ less (I)	3 – 12 months (II)	1- 5 Years (III)
Financial borrowings	65,576,831	66,616,845	29,997,678	33,132,433	3,486,734
Financial leasing	1,863,150	1,993,457	298,603	895,809	799,045
Trade payables	45,346,975	45,900,868	38,640,577	6,731,179	529,112
Other liabilities	8,904,215	8,904,215	2,075,704	6,828,511	-
Provision of liabilities	195,193	195,193	-	195,193	-
Other current liabilities	32,146	32,146	-	32,146	-
	121,918,510	123,642,724	71,012,562	47,815,271	4,814,891

31 December 2008

Financial Liabilities Non Derivatives	Book Value	Contractual Total cash outflow (=I+II+III)	3 months/ less (I)	3 – 12 months (II)	1- 5 Years (III)
Financial borrowings	76,692,396	79,952,970	33,131,487	41,050,408	5,771,075
Financial leasing	2,302,246	2,545,147	256,730	770,194	1,518,223
Trade payables	53,152,614	54,200,000	34,727,857	18,038,796	1,433,347
Other liabilities	8,725,482	8,725,482	2,962,655	5,762,827	-
Provision of liabilities	343,997	343,997	-	343,997	-
Other current liabilities	-	-	-	-	-
	141,216,735	145,767,596	71,078,729	65,966,222	8,722,645

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Interest Rate Risk

The group's financial liabilities exposure the Group to interest rate risk. The group's financial liabilities mainly consist of fixed rate borrowings. As of 31 December 2009, according to the current balance sheet position, in the case of 1% decrease / increase and keeping fixed all the variables the Group's net profit will increase / decrease TRY 53,597.

Capital risk management

In capital management, while the group tries to provide continuity, on the other hand aims at increasing profitability by using the balance of payable and equity most efficiently.

Group monitors its capital with Liability/Total Capital ratio. This ratio is net liability divided by total capital. Net liability is calculated as cash and cash equivalents are deducted from total liability (bank borrowings, financial leasing and trade payables are included as in balance sheet).

As of 31 December 2009 and 2008 the net debt / equity ratio is as following:

	31 December 2009	31 December 2008
Total debt	130,422,315	144,459,789
Less: Cash and cash equivalents	(20,077,014)	(12,714,836)
Net debt	110,345,301	131,744,953
Total equity	232,554,912	212,589,001
Total capital	342,900,213	344,333,954
Net Debt / Total Capital ratio	32%	38%

Important accounting policies

The Group's accounting policies about financial instruments are disclosed in note 2 "Significant Accounting Policies".

Categories of financial instruments

Financial assets	31 December 2009	31 December 2008
Cash and cash equivalents	20,077,014	12,714,836
Trade receivables	27,061,569	23,842,455
Financial liabilities		
Borrowings	65,588,465	76,710,257
Lease payables	1,851,516	2,284,385
Other payables	8,904,215	8,725,482
Trade payables	45,346,975	53,152,614

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NOTE 39 – FINANCIAL INSTRUMENTS (STATEMENTS OF FAIR VALUES AND STATEMENTS WITHIN ACCOUNTING ENSURING FINANCIAL RISK)

Group states that the financial instruments are reflected with their fair value of registered value.

NOTE 40 – POST BALANCE SHEET EVENTS

According to T.C. İzmir Sulh Hukuk Mahkemesi decision no. 2010/20, shareholder of Group Nermin Akça's shares was accepted as 2 stakes and given to Rıza Akça ve Dilek Göksan, after her demise.

NOTE 41 – OTHER ISSUES AFFECTING THE CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY OR REQUIRED TO BE DISCLOSED FOR CLEAR, UNDERSTANDABLE AND INTERPRETABLE PRESENTATION

a. Group has announced with special case announcement dated 07 July 2008 that Group would be converting structure into Holding structure by dividing and founding new companies with core operation of textile and transfer the presently operating textile companies to the newly found ones, and notified that preparations are in progress to make textile, real estate investment partnership, energy and automotive sectors as main operations. There have been global crises started from the beginning of year 2007, hence it is considered as uncertain business condition to fulfill the restructuring process to reach intended result. For this reason, board of management has decided to cease the restructuring till the global economy is in balance.

b. Group has reached a decision dated 06 December 2005 and numbered 2005/17 to liquidate the subsidiary, Menderes Bulgaria Ltd. and liquidation process to be completed on 30 January 2006 and to notify Istanbul Stock Exchange and Capital Market Board on 17 December 2005, with special case announcement. Along with the liquidation process is still not completed as of report date, Group management has indicated that it would be completed in year 2010.

c. Group has decided to increase the capital of Group subsidiary, Aktur Araç Muayene İstasyonları İşletmeciliği A.Ş., from TRY 3,000,000 to TRY 28,000,000 with special case announcement dated 25 February 2009. Group joined the capital increase with its pre-emptive right by keeping the current ratio (48%) which is TRY 12,000,000 out of TRY 25,000,000.

d. With decree of Capital Market Board date 14 June 2008 about term difference income of TRY 2,258,425.05 pursued in financial statements for trade accounts for Akça Holding which is not present in the legal booking;

- As of 30 September 2005, Group has been given one month period to include calculated term difference of TRY 2,258,425.05 into its financial statements. Group has been warned to prepare financial statements in accordance with its legal booking without prejudice to accounting standards. As of report date, related amount has been included in the financial statements.

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e. In weekly bulletin of Capital Market Board numbered 2008/32, the result of review within the context of 15/6 article, Capital Market Board reached following verdicts regarding related parties;

- The company's management has been held responsible for taking benefit from the non-commercial receivables from related parties Akça Holding A.Ş., Osman Akça Tarım Ürünleri İthalat ve İhracat A.Ş. ve Akça Yağ Sanayi ve Ticaret A.Ş. in the fiscal period of 31.03.2003-31.12.2007 and TRY 1,534,152.58 transferred to Akça Holding, TRY 1,591,730.42 to Osman Akça Tarım Ürünleri in between 31.03.2003 - 31.12.2007 and TRY 75,199.09 transferred to Akça Yağ are claimed by CMB to return with its interest as of 31 December 2007 and 31 December 2006 consecutively. If these amounts are not paid back then responsible management will be reported,

- In between year 2003 and 2007, TRY 3,756,864.21 has been transferred to Akça Holding and it was subject to long term or no term at all and no interest in particular way in their trade transactions. Hence as of 31 December 2007, it has been asked to return related amount with its legal trade interest back to the Company. If this process is not fulfilled within the given period the responsible management will be reported,

- In between year 2003 and 2007, TRY 559,082.68 has been transferred to Selin Tekstil Sanayi ve Ticaret A.Ş. as a result of trade and it was subject term difference in their trade transactions. Hence as of 31 December 2004, it has been asked to return related amount with its legal trade interest back to the Company. If this process is not fulfilled within the given period the responsible management will be reported.

Non-commercial	Principal	Interest	Total
Akça Holding A.Ş.	1,534,153	80,543	1,614,696
Osman Akça Tarım Ürünleri İthalat ve İhracat A.Ş.	1,591,730	83,566	1,675,296
Akça Yağ Sanayi ve Ticaret A.Ş.	75,199	10,716	85,915
Commercial			
Akça Holding A.Ş.	3,756,864	197,235	3,954,099
Selin Tekstil Sanayi ve Ticaret A.Ş.	559,083	250,469	809,552
Total	7,517,029	622,529	8,139,558

Group has included the above amounts as following on 22 July 2008, TRY 7,330,006 of these amounts are debitted to the current accounts in the related companies, TRY 809,552 is deducted from current accounts and total TRY 8,139,558 is booked as "other profit reserves" without including in the fiscal period income.

f. With decree of Capital Market Board dated 14 June 2008, Group did not participate in the capital increase of Akça Enerji and Menderes Pazarlama, by not participating whether it caused decrease in assets of Group and if there is, it has to be defined; not yet reported to in this stage, and it has been given 2 month period to prepare valuation by the Group in accordance with decision dated 17 July 2003 and numbered 37/875 related to the capital increase in Akça Enerji and Menderes Pazarlama realized in 2007. Group has participated in the capital increase of Akça Enerji ve Menpa Pazarlama with its old ratio in the capital as of report date.

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g. According to article numbered 02.1.SPK.1.60-904-8898 and dated 14 July 2009 by CMB, it has demanded a statement from Group about encountering loss by overpaying TRY 11,688,000 as a result of transferring 1,200,000 shares of Aktur to Group on 04.07.2008 based on valuation report, dated 29.06.2008 and prepared by Aktur Araç Muayene İstasyonları A.Ş. (Raymond James) which has material mistakes detected by analysis. Group made statement that the demanded information and documentation had been provided to Raymond James during the preparation of valuation report and the related mistakes were not stemmed from Group but the transactions arised from mistakes will be remedied by the Group. In consequence of the inspection results related the case and reviewing Group's statement in meeting dated 08.07.2009 and numbered 21 by CMB's Decision-Making body, about transfer of Aktur shares causing loss to Group, within the context of Capital Market Law's 46th article, it has decided that the amount of loss should be determined not less than TRY 8,292,000 in Group's general meeting, demand the determined amount has to bear late charge as of 04.07.2008 from Group. Group has given 2 months period for the process.

Based on the above paragraph, Group has debited current account of Rıza Akça with TRY 6,739,943 and Cemal İpekoğlu TRY 1,552,057 out of TRY 8,292,000 on 20.07.2009. Group Management believes there is no ground to calculate interest, so interest was not calculated.