İŞ FACTORING FİNANSMAN HİZMETLERİ ANONİM ŞİRKETİ

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

(Translated into English from the Original Turkish Report)

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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITORS REPORT, FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

İş Factoring Finansman Hizmetleri A.Ş.
The Board of Directors

1. We have audited the accompanying balance sheet of İş Factoring Finansman Hizmetleri A.Ş. ("the Company") as at 31 December 2008, and the related statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Explanation Regarding The Responsibility of the Company's Board of Directors':

2. The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the communiqué 'The Application of Uniform Chart of Accounts and its Guide Book for Financial Leasing, Factoring and Financing Companies' and "The Format of Financial Statements for Public Presentation" published in the Official Gazette dated 17 May 2007 and numbered 26525, Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, communiqués, and circulars announced by the Banking Regulation and Supervision Board with respect to accounting and financial reporting, and pronouncements made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Explanation Regarding The Responsibility of the Auditors:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette No: 26333 on 1 November 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion stated below.

Independent Auditor's Report:

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of İş Factoring Finansman Hizmetleri A.Ş as at 31 December 2008 and the results of its operations and its cash flows for the year then ended in accordance with the regulations, communiqués, and circulars announced by the Banking Regulation and Supervision Board in respect of accounting and financial reporting, and pronouncements made by the Banking Regulation and Supervision Agency.

İstanbul, 4 March 2009

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Hasan Kılıç
Partner

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İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

BALANCE SHEET AT 31 DECEMBER 2008

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

	I. BALANCE SHEET- ASSETS	Footnote	NEW TURKISH LIRA Audited Current Period 31 December 2008 TRY	FC	TOTAL	Audited Prior Period 31 December 2007 TRY	FC	TOTAL
I.	**LIQUID ASSETS**		**-**	**-**	**-**	**-**	**-**	**-**
II.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)**	**4**	**90.012**	**-**	**90.012**	**24.991**	**-**	**24.991**
2.1	Financial Assets Held for Trading		90.012	-	90.012	24.991	-	24.991
2.2	Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
2.3	Derivative Financial Assets Held for Trading		-	-	-	-	-	-
III.	**BANKS**	**5**	**4.444.617**	**537.637**	**4.982.254**	**52.808.001**	**218.882**	**53.026.883**
IV.	**RECEIVABLES FROM REVERSE REPURCHASE AGREEMENTS**		-	-	-	-	-	-
V.	**FINANCIAL ASSETS AVAILABLE FOR SALE (Net)**	**6**	**3.081.509**	**-**	**3.081.509**	**8.773.457**	**-**	**8.773.457**
VI.	**FACTORING RECEIVABLES**	**7**	**66.263.984**	**834.016**	**67.098.000**	**52.809.228**	**3.280.556**	**56.089.784**
6.1	A) Discount Factoring Receivables		29.034.240	-	29.034.240	47.078.371	-	47.078.371
6.1.1	a) Domestic		29.880.328	-	29.880.328	48.545.131	-	48.545.131
6.1.2	b) Foreign		-	-	-	-	-	-
6.1.3	c) Unearned Income (-)		(846.088)	-	(846.088)	(1.466.760)	-	(1.466.760)
6.2	B) Other Factoring Receivables		37.229.744	834.016	38.063.760	5.730.857	3.280.556	9.011.413
6.2.1	a) Domestic		37.229.744	-	37.229.744	5.730.857	-	5.730.857
6.2.2	b) Foreign		-	834.016	834.016	-	3.280.556	3.280.556
VII.	**FINANCING LOANS**		-	-	-	-	-	-
7.1	A) Retail Loans		-	-	-	-	-	-
7.2	B) Credit Loans		-	-	-	-	-	-
7.3	C) Installment Commercial Loans		-	-	-	-	-	-
VIII.	**LEASE RECEIVABLES**		-	-	-	-	-	-
8.1	A) Lease Receivables		-	-	-	-	-	-
8.1.1	a) Financial Lease Receivables		-	-	-	-	-	-
8.1.2	b) Operational Lease Receivables		-	-	-	-	-	-
8.1.3	c) Other		-	-	-	-	-	-
8.1.4	d) Unearned Income (-)		-	-	-	-	-	-
8.2	B) Ongoing Leasing Contracts		-	-	-	-	-	-
8.3	C) Advances Given		-	-	-	-	-	-
IX.	**NON-PERFORMING RECEIVABLES**	**7**	-	-	-	-	-	-
9.1	A) Non-Performing Factoring Receivables		3.048.605	8.427	3.057.032	2.128.165	-	2.128.165
9.2	B) Non-Performing Financial Loans		-	-	-	-	-	-
9.3	C) Non-Performing Lease Receivables		-	-	-	-	-	-
9.4	D) Specific Provisions (-)		(3.048.605)	(8.427)	(3.057.032)	(2.128.165)	-	(2.128.165)
X.	**DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES**		-	-	-	-	-	-
10.1	A) Fair Value Hedging		-	-	-	-	-	-
10.2	B) Cash Flow Hedging		-	-	-	-	-	-
10.3	C) Net Foreign Investment Hedging		-	-	-	-	-	-
XI.	**INVESTMENTS HELD TO MATURITY (Net)**		-	-	-	-	-	-
XII.	**SUBSIDIARIES (Net)**		-	-	-	-	-	-
XIII.	**ASSOCIATES (Net)**		-	-	-	-	-	-
XIV.	**JOINT VENTURES (Net)**		-	-	-	-	-	-
XV.	**TANGIBLE ASSETS (Net)**	**9**	**44.185**	-	**44.185**	**55.853**	-	**55.853**
XVI.	**INTANGIBLE ASSETS (Net)**	**10**	**96.443**	-	**96.443**	**45.510**	-	**45.510**
16.1	A) Goodwill		-	-	-	-	-	-
16.2	B) Other		96.443	-	96.443	45.510	-	45.510
XVII.	**DEFERRED TAX ASSETS**	**12**	**239.342**	-	**239.342**	**19.822**	-	**19.822**
XVIII.	**ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)**	**13**	**2.887**	**-**	**2.887**	**-**	**-**	**-**
18.1	A) Held For Sale		2.887	-	2.887	-	-	-
18.2	B) Discontinued Operations		-	-	-	-	-	-
XIX.	**OTHER ASSETS**	**14**	**94.496**	-	**94.496**	**184.445**	-	**184.445**
	TOTAL ASSETS		**74.357.475**	**1.371.653**	**75.729.128**	**114.721.307**	**3.499.438**	**118.220.745**

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

BALANCE SHEET AT 31 DECEMBER 2008

(Amounts are expressed in New Turkish Lira (“TRY”) unless otherwise indicated.)

			NEW TURKISH LIRA					
			Audited Current Period 31 December 2008			Audited Prior Period 31 December 2007		
	I. BALANCE SHEET- LIABILITIES	Footnote	TRY	FC	TOTAL	TRY	FC	TOTAL
I.	**DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING**		-	-	-	-	-	-
II.	**FUNDS BORROWED**	**15**	**45.226.232**	**1.134.079**	**46.360.311**	**93.233.537**	**3.702.705**	**96.936.242**
III.	**FACTORING PAYABLES**		-	-	-	-	-	-
IV.	**LEASE PAYABLES**		-	-	-	-	-	-
4.1	A) Financial Lease Payables		-	-	-	-	-	-
4.2	B) Operational Lease Payables		-	-	-	-	-	-
4.3	C) Other		-	-	-	-	-	-
4.4	D) Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
V.	**MARKETABLE SECURITIES ISSUED (Net)**		-	-	-	-	-	-
V.1	A) Bills		-	-	-	-	-	-
V.2	B) Asset-backed Securities		-	-	-	-	-	-
V.3	C) Bonds		-	-	-	-	-	-
VI.	**SUNDRY CREDITORS**	**16**	**19.548**	**397.001**	**416.549**	**36.786**	**62**	**36.848**
VII.	**OTHER LIABILITIES**		-	-	-	-	-	-
VIII.	**DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES**		-	-	-	-	-	-
8.1	A) Fair Value Hedging		-	-	-	-	-	-
8.2	B) Cash Flow Hedging		-	-	-	-	-	-
8.3	C) Net Foreign Investment Hedging		-	-	-	-	-	-
IX.	**TAXES PAYABLE AND OTHER LIABILITIES**	**19**	**101.633**	**-**	**101.633**	**84.031**	**-**	**84.031**
X.	**PROVISIONS**		**1.414.695**	**-**	**1.414.695**	**8.047.185**	**-**	**8.047.185**
10.1	A) Provisions for Restructuring		-	-	-	-	-	-
10.2	B) Reserves For Employee Benefits	**21**	116.026	-	116.026	143.252	-	143.252
10.3	C) Other Provisions	**20**	1.298.669	-	1.298.669	7.903.933	-	7.903.933
XI.	**DEFERRED TAX LIABILITY**		-	-	-	-	-	-
XII.	**PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS**		-	-	-	-	-	-
12.1	A) Held For Sale		-	-	-	-	-	-
12.2	B) Discontinued Operations		-	-	-	-	-	-
XIII.	**SUBORDINATED LOANS**		-	-	-	-	-	-
XIV.	**SHAREHOLDERS’ EQUITY**		**27.435.940**	**-**	**27.435.940**	**13.116.439**	**-**	**13.116.439**
14.1	A) Paid-in Capital	**23**	16.000.000	-	16.000.000	16.000.000	-	16.000.000
14.2	B) Capital Reserves	**23**	3.008.973	-	3.008.973	8.705.693	-	8.705.693
14.2.1	a) Share Premium		-	-	-	-	-	-
14.2.2	b) Share Cancellation Profits		-	-	-	-	-	-
14.2.3	c) Marketable Securities Revaluation Reserve		(1.055.228)	-	(1.055.228)	4.641.492	-	4.641.492
14.2.4	d) Tangible and Intangible Assets Revaluation Reserve		-	-	-	-	-	-
14.2.5	e) Bonus Shares Obtained From Associates, Subsidiaries and Jointly Controlled Entities		-	-	-	-	-	-
14.2.6	f) Hedging Funds (Effective Portion)		-	-	-	-	-	-
14.2.7	g) Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
14.2.8	h) Other Capital Reserves		4.064.201	-	4.064.201	4.064.201	-	4.064.201
14.3	C) Profit Reserves	**24**	621.799	-	621.799	621.799	-	621.799
14.3.1	a) Legal Reserves		281.007	-	281.007	281.007	-	281.007
14.3.2	b) Statutory Reserves		-	-	-	-	-	-
14.3.3	c) Extraordinary Reserves		340.792	-	340.792	340.792	-	340.792
14.3.4	d) Other Profit Reserves		-	-	-	-	-	-
14.4	D) Profit or Loss		7.805.168	-	7.805.168	(12.211.053)	-	(12.211.053)
14.4.1	a) Prior Years’ Profit/Loss	**25**	(12.211.053)	-	(12.211.053)	(13.385.437)	-	(13.385.437)
14.4.2	b) Current Year Profit/Loss		20.016.221	-	20.016.221	1.174.384	-	1.174.384
	TOTAL LIABILITIES AND EQUITY		**74.198.048**	**1.531.080**	**75.729.128**	**114.517.978**	**3.702.767**	**118.220.745**

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS AT 31 DECEMBER 2008

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

			NEW TURKISH LIRA					
	STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS		**Audited Current Period 31 December 2008**			**Audited Prior Period 31 December 2007**		
		Footnote	**TRY**	**FC**	**TOTAL**	**TRY**	**FC**	**TOTAL**
						-	-	-
I.	**GUARANTEED FACTORING OPERATIONS**		**19.177.581**	**-**	**19.177.581**	**3.984.578**	**-**	**3.984.578**
II.	**UNGUARANTEED FACTORING OPERATIONS**		**48.962.701**	**5.016.960**	**53.979.661**	**51.805.728**	**18.055.035**	**69.860.763**
III.	**GUARANTEES TAKEN**	**7**	**1.515.000**	**-**	**1.515.000**	**3.030.000**	**-**	**3.030.000**
IV.	**GUARANTEES GIVEN**	**27**	**1.134.817**	**-**	**1.134.817**	**31.576.681**	**-**	**31.576.681**
V.	**COMMITMENTS**	**27**	**300.000**	**-**	**300.000**	**3.649.221**	**-**	**3.649.221**
5.1	Irrevocable Commitments		300.000	-	300.000	3.649.221	-	3.649.221
5.2	Revocable Commitments		-	-	-	-	-	-
5.2.1	Lease Commitments		-	-	-	-	-	-
5.2.1.1	Financial Lease Commitments		-	-	-	-	-	-
5.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
5.2.2	Other Revocable Commitments		-	-	-	-	-	-
VI.	**DERIVATIVE FINANCIAL INSTRUMENTS**		-	-	-	-	-	-
6.1	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
6.1.1	Fair Value Hedges		-	-	-	-	-	-
6.1.2	Cash Flow Hedges		-	-	-	-	-	-
6.1.3	Foreign Investment Hedges		-	-	-	-	-	-
6.2	Derivative Financial Instruments Held For Trading		-	-	-	-	-	-
6.2.1	Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
6.2.2	Currency and Interest Rate Swaps		-	-	-	-	-	-
6.2.3	Currency, Interest Rate and Security Options		-	-	-	-	-	-
6.2.4	Currency, Interest Rate Futures		-	-	-	-	-	-
6.2.5	Other		-	-	-	-	-	-
VII.	**ITEMS HELD IN CUSTODY**		**45.843.952**	**6.851.601**	**52.695.553**	**101.263.522**	**10.759.324**	**112.022.846**
	TOTAL		**116.934.051**	**11.868.561**	**128.802.612**	**195.309.730**	**28.814.359**	**224.124.089**

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

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

			NEW TURKISH LIRA	
	II. INCOME STATEMENT	**Footnote**	**Audited Current Period 1 January-31 December 2008**	**Audited Prior Period 1 January-31 December 2007**
I.	**OPERATING INCOME**			
1.1	**FACTORING INCOME**	**30**	**16.502.037**	**9.178.124**
1.1.1	A) Factoring Interest Income		15.215.275	8.610.169
1.1.1.1	a) Discount		10.496.764	6.418.677
1.1.1.2	b) Other		4.718.511	2.191.492
1.1.2	B) Factoring Commission Income		1.286.762	567.955
1.1.2.1	a) Discount		745.788	-
1.1.2.2	b) Other		540.974	567.955
1.2	**INCOME FROM FINANCIAL LOANS**		-	-
1.2.1	A) Interest Income From Financial Loans		-	-
1.2.2	B) Commission Income From Financial Loans		-	-
1.3	**LEASE INCOME**		-	-
1.3.1	A) Finance Lease Income		-	-
1.3.2	B) Operational Lease Income		-	-
1.3.3	C) Commission Income From Lease Operations		-	-
II.	**OPERATING EXPENSE (-)**	**31**	**(2.357.829)**	**(1.715.470)**
2.1	A) Personal Expenses		(1.533.998)	(1.092.873)
2.2	B) Retirement Pay Provision Expense		(32.599)	(34.197)
2.3	C) Research and Development Expense		-	-
2.4	D) General Administration Expense		(791.232)	(588.400)
2.5	E) Other		-	-
III.	**OTHER OPERATING INCOME**	**32**	**20.368.240**	**532.730**
3.1	A) Interest income from Deposits		2.323.214	435.360
3.2	B) Interest income from Reverse Repurchase Agreements		-	-
3.3	C) Interest income from Marketable Securities		9.018	8.284
3.3.1	a) Interest Income from Financial Assets Held for Trading		9.018	8.284
3.3.2	b) Interest Income from Financial Assets at Fair Value Through Profit and Loss		-	-
3.3.3	c) Interest Income from Financial Assets Available For Sale		-	-
3.3.4	d) Interest Income from Financial Assets Held to Maturity		-	-
3.4	D) Dividend Income		277.171	15.421
3.5	E) Interest Received from Money Market Placements		-	-
3.5.1	a) Derivative Financial Transactions		-	-
3.5.2	b) Other		-	-
3.6	F) Foreign Exchange Gains		633.848	7.321
3.7	G) Other		17.124.989	66.344
IV.	**FINANCIAL EXPENSE (-)**	**33**	**(10.564.441)**	**(4.584.315)**
4.1	A) Interest Expense on Borrowings		(10.405.382)	(4.294.604)
4.2	B) Interest Expense on Factoring Payables		-	-
4.3	C) Finance Lease Expenses		-	-
4.4	D) Interest Expense on Securities Issued		-	-
4.5	E) Other Interest Expenses		-	-
4.6	F) Other Fees and Commissions		(159.059)	(289.711)
V.	**SPECIFIC PROVISION FOR NON-PERFORMING RECEIVABLES (-)**	**34**	**(2.363.078)**	**(1.323.062)**
VI.	**OTHER OPERATING EXPENSE (-)**	**35**	**(735.066)**	**(508.510)**
6.1	A) Expense from Decrease in Value of Marketable Securities (-)		-	-
6.1.1	a) Financial Assets at Fair Value Through Profit and Loss		-	-
6.1.2	b) Financial Assets Available For Sale		-	-
6.1.3	c) Financial Assets Held to Maturity		-	-
6.2	B) Expense from Decrease in Value of Tangible and Intangible Assets		-	-
6.2.1	a) Expense from Decrease in Value of Tangible Assets		-	-
6.2.2	b) Expense from Decrease in Value of Assets Held for Sale and Discontinued Operations		-	-
6.2.3	c) Expense from Decrease in Value of Goodwill		-	-
6.2.4	d) Expense from Decrease in Value of Intangible Assets		-	-
6.2.5	e) Expense from Decrease in Value of Subsidiaries, Associates and Joint Ventures		-	-
6.3	C) Losses from Derivative Financial Transactions		-	-
6.4	D) Foreign Exchange Losses		(625.194)	(36.402)
6.5	E) Other		(109.872)	(472.108)
VII.	**NET OPERATING INCOME**		**20.849.863**	**1.579.497**
VIII.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		-	-
IX.	**NET MONETARY POSITION GAIN/LOSS**		-	-
X.	**PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX**		-	-
XI.	**TAX PROVISION FOR CONTINUING OPERATIONS (±)**	**36**	**(833.642)**	**(405.113)**
11.1	A) Current Tax Provision		(1.053.162)	(406.461)
11.2	B) Loss Effect of Deferred Tax (+)		-	-
11.3	C) Gain Effect of Deferred Tax (-)		219.520	1.348
XII.	**NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS**		**20.016.221**	**1.174.384**
XIII.	**INCOME ON DISCONTINUED OPERATIONS**		-	-
13.1	A) Income on Assets Held for Sale		-	-
13.2	B) Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
13.3	C) Other Income on Discontinued Operations		-	-
XIV.	**EXPENSE ON DISCONTINUED OPERATIONS (-)**		-	-
14.1	A) Expense on Assets Held for Sale		-	-
14.2	B) Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities		-	-
14.3	C) Other Expense on Discontinued Operations		-	-
XV.	**PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX**		-	-
XVI.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-
16.1	A) Current Tax Provision		-	-
16.2	B) Loss Effect of Deferred Tax (+)		-	-
16.3	C) Gain Effect of Deferred Tax (-)		-	-
XVII.	**NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS**		-	-
XVIII.	**NET PERIOD PROFIT/LOSS**		**20.016.221**	**1.174.384**
	Earnings Per Share		-	-

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

SHAREHOLDER’S EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

(Amounts are expressed in New Turkish Lira (“TRY”) unless otherwise indicated.)

	NEW TURKISH LIRA Total Shareholders’ Equity	Paid-in Capital	Share Premium	Share Cancellation Profits	Securities Value Increase Fund	Revaluation Surplus on Tangible and Intangible Assets	Bonus Shares Obtained From Associates, Subsidiaries and Jointly Controlled Entities	Hedging Funds	Accumulated Revaluation Reserves on Assets Held for Sale and Discontinued Operations	Other Capital Reserves	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Profit Reserves	Prior Period Profit/ Loss	Current Period Profit/ Loss	Total Shareholders’ Equity
	Prior Period (01.01 – 31.12.2007)																
I.	**Balances at beginning of the period(31.12.2006)**	**16.000.000**	-	-	**58.968**	-	-	-	-	**4.064.201**	**281.007**	-	**340.792**	-	**1.011.168**	**(14.396.605)**	**7.359.531**
II.	**Correction made as per TAS 8**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted balances at the beginning of the period (I+II)**	**16.000.000**	-	-	**58.968**	-	-	-	-	**4.064.201**	**281.007**	-	**340.792**	-	**1.011.168**	**(14.396.605)**	**7.359.531**
	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	**(14.396.605)**	**14.396.605**	-
IV.	**Mergers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	**Hedging Reserves**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Revaluation surplus on marketable securities**	-	-	-	**4.582.524**	-	-	-	-	-	-	-	-	-	-	-	**4.582.524**
VII.	**Revaluation surplus on tangible assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Bonus shares of associates, subsidiaries and joint-ventures**																
IX.	**Translation differences**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Changes resulted from disposal of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Changes resulted from reclassification of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	**Capital increase**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Share issuance**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	**Capital reserves from inflation adjustments to paid-in capital**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	**Convertible bonds**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	**Subordinated loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	**Minority interest**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	**Current period net profit/loss**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.174.384**	**1.174.384**
XIV.	**Profit distribution**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period (31.12.2007)	**16.000.000**	-	-	**4.641.492**	-	-	-	-	**4.064.201**	**281.007**	-	**340.792**	-	**(13.385.437)**	**1.174.384**	**13.116.439**
	Current Period (01.01. – 31.12.2008)																
I.	**Balances at the beginning of the prior period (31.12.2007)**	**16.000.000**	-	-	**4.641.492**	-	-	-	-	**4.064.201**	**281.007**	-	**340.792**	-	**(13.385.437)**	**1.174.384**	**13.116.439**
II.	**Correction made as per TAS 8**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted balances at the beginning of the period (I+II)**	**16.000.000**	-	-	**4.641.492**	-	-	-	-	**4.064.201**	**281.007**	-	**340.792**	-	**(13.385.437)**	**1.174.384**	**13.116.439**
	Changes during the period	-	-	-	-	-	-	-	-	-	-	-	-	-	**1.174.384**	**(1.174.384)**	-
IV.	**Mergers**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	**Hedging Reserves**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1	Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2	Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Revaluation surplus on marketable securities**	-	-	-	**(5.696.720)**	-	-	-	-	-	-	-	-	-	-	-	**(5.696.720)**
VII.	**Revaluation surplus on tangible assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Bonus shares of associates, subsidiaries and joint-ventures**																
IX.	**Translation differences**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	**Changes resulted from disposal of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Changes resulted from reclassification of assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	**Capital increase**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	**Share issuance**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	**Capital reserves from inflation adjustments to paid-in capital**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	**Convertible bonds**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	**Subordinated loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	**Minority interest**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	**Current period net profit/loss**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**20.016.221**	**20.016.221**
XIV.	**Profit distribution**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.2	Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the period (31.12.2008)	**16.000.000**	-	-	**(1.055.228)**	-	-	-	-	**4.064.201**	**281.007**	-	**340.792**	-	**(12.211.053)**	**20.016.221**	**27.435.940**

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2008

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

		NEW TURKISH LIRA	
		Audited Current Period	**Audited Prior Period**
		31 December 2008	**31 December 2007**
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
1.1	**Operating profit before changes in operating assets and liabilities**	**14.549.083**	**1.954.201**
1.1.1	Interest/leasing income received	18.607.094	9.204.160
1.1.2	Leasing expenses	-	-
1.1.3	Dividend received	272.399	4.255
1.1.4	Fees and commissions received	-	-
1.1.5	Other income	8.834.827	74.628
1.1.6	Collections from previously written off receivables	330.395	54.635
1.1.7	Payments to personnel and service suppliers	(1.441.413)	(1.092.873)
1.1.8	Taxes paid	(661.350)	(621.179)
1.1.9	Other	(11.392.869)	(5.669.425)
1.2	**Changes in operating assets and liabilities**	**(62.242.212)**	**44.363.181**
1.2.1	Net (increase) decrease in factoring receivables	(11.909.019)	(31.549.550)
1.2.1	Net (increase) decrease in loans	-	-
1.2.1	Net (increase) decrease in leasing receivables	-	-
1.2.2	Net (increase) decrease in other assets	(280.220)	916.374
1.2.3	Net increase (decrease) in factoring payables	-	-
1.2.3	Net increase (decrease) in leasing receivables	-	-
1.2.4	Net increase (decrease) in funds borrowed	(50.601.889)	79.432.505
1.2.5	Net increase (decrease) in due payables	-	-
1.2.6	Net increase (decrease) in other liabilities	548.916	(4.436.148)
I.	**Net cash provided from operating activities**	**(47.693.129)**	**46.317.382**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**	**(7.382)**	**(14.511)**
2.1	Cash paid for purchase of entities under common control, associates and subsidiaries	-	-
2.2	Cash obtained from sale of entities under common control, associates and subsidiaries	-	-
2.3	Fixed assets purchases	(7.382)	(14.511)
2.4	Fixed assets sales	-	-
2.5	Cash paid for purchase of financial assets available for sale	-	-
2.6	Cash obtained from sale of financial assets available for sale	-	-
2.7	Cash paid for purchase of financial assets held to maturity	-	-
2.8	Cash obtained from sale of financial assets held to maturity	-	-
2.9	Other	-	-
II.	**Net cash provided from investing activities**	**(7.382)**	**(14.511)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		**-**
3.1	Cash obtained from funds borrowed and securities issued	-	-
3.2	Cash used for repayment of funds borrowed and securities issued	-	-
3.3	Capital increase	-	-
3.4	Dividends paid	-	-
3.5	Payments for finance leases	-	-
3.6	Other	-	-
III.	**Net cash provided from financing activities**	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	-	-
V.	Net increase in cash and cash equivalents	(47.700.511)	46.302.871
VI.	**Cash and cash equivalents at the beginning of the year**	**52.681.047**	**6.378.176**
VII.	**Cash and cash equivalents at the end of the year**	**4.980.536**	**52.681.047**

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

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

		NEW TURKISH LIRA	
	STATEMENT OF PROFIT AND LOSS ITEMS ACCOUNTED UNDER EQUITY	**Audited Current Period 31 December 2008**	**Audited Prior Period 31 December 2007**
I.	**ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FROM AVAILABLE FOR SALE FINANCIAL ASSETS**		
1.1	Net change in fair value of available for sale investments	(5.696.720)	4.582.524
1.2	Net change in fair value of available for sale investments (Transfer to Profit/Loss)	-	-
II.	**TANGIBLE ASSETS REVALUATION DIFFERENCES**	-	-
III.	**INTANGIBLE ASSETS REVALUATION DIFFERENCES**	-	-
IV.	**FOREIGN EXCHANGE DIFFERENCES ON FOREIGN CURRENCY TRANSACTIONS**	-	-
V.	**PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR CASH FLOW HEDGE PURPOSES**	-	-
5.1	Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
5.2	The portion reclassified and presented in the income statement	-	-
VI.	**PROFIT/LOSS FROM DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGE OF NET INVESTMENT IN FOREIGN OPERATIONS**	-	-
6.1	Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
6.2	The portion reclassified and presented in the income statement	-	-
VII.	**THE EFFECT OF CORRECTIONS OF ERRORS AND CHANGES IN ACCOUNTING POLICIES**	-	-
VIII.	**OTHER PROFIT LOSS ITEMS ACCOUNTED UNDER EQUITY DUE TO TAS**	-	-
IX.	**DEFERRED TAX OF VALUATION DIFFERENCES**	-	-
X.	**TOTAL NET PROFIT/LOSS ACCOUNTED UNDER EQUITY (I+II+…+IX)**	(5.696.720)	4.582.524
XI.	**PROFIT/LOSS**	-	-
XII.	**TOTAL PROFIT/LOSS ACCOUNTED FOR THE PERIOD (X±XI)**	(5.696.720)	4.582.524

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş.

PROFIT DISTRIBUTION TABLE FOR THE YEAR ENDED 31 DECEMBER 2008

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

İŞ FACTORING FİNANSMAN HİZMETLERİ A.Ş. PROFIT DISTRIBUTION TABLE (**) (***)		NEW TURKISH LIRA	
		Current Period (31/12/2008)	Prior Period (31/12/2007)
I.	**DISTRIBUTION OF CURRENT PERIOD PROFIT**		
1.1	CURRENT PERIOD PROFIT	20.849.863	1.529.817
1.2	TAXES AND DUES PAYABLE (-)	(833.642)	(406.492)
1.2.1	Corporate Tax (Income Tax)	(1.053.162)	(406.492)
1.2.2	Withholding Tax	-	-
1.2.3	Other taxes and dues (*)	219.520	-
A.	**NET PERIOD PROFIT (1.1 - 1.2)**	**20.016.221**	**1.123.325**
1.3	PRIOR YEARS' LOSSES (-)	(12.211.053)	(14.364.902)
1.4	FIRST LEGAL RESERVE (-)	(390.258)	-
1.5	OTHER STATUTORY RESERVES NEEDED TO BE KEPT IN THE COMPANY (-)	-	-
B	**DISTRIBUTABLE NET PERIOD PROFIT [(A-1.3+1.4+1.5)]**	**7.414.910**	**-**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To Owners of Ordinary Shares	-	-
1.6.2	To Owners of Preferred Stocks	-	-
1.6.3	To Owners of Preferred Stocks (Preemptive Rights)	-	-
1.6.4	To Profit Sharing Bonds	-	-
1.6.5	To Owners of the profit /loss Sharing Certificates	-	-
1.7	DIVIDEND TO PERSONNEL (-)	-	-
1.8	DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To Owners of Ordinary Shares	-	-
1.9.2	To Owners of Preferred Stocks	-	-
1.9.3	To Owners of Preferred Stocks (Preemptive Rights)	-	
1.9.4	To Profit Sharing Bonds	-	-
1.9.5	To Owners of the profit /loss Sharing Certificates	-	-
1.10	SECOND LEGAL RESERVE (-)	-	-
1.11	STATUS RESERVES (-)	-	-
1.12	EXTRAORDINARY RESERVES	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	**DISTRIBUTION FROM RESERVES**		
2.1	DISTRIBUTED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	SHARE TO SHAREHOLDERS (-)	-	-
2.3.1	To Owners of Ordinary Shares	-	-
2.3.2	To Owners of Preferred Stocks	-	-
2.3.3	To Owners of Preferred Stocks (Preemptive Rights)	-	-
2.3.4	To Profit Sharing Bonds	-	-
2.3.5	To Owners of the profit /loss Sharing Certificates	-	-
2.4	SHARE TO PERSONNEL (-)	-	-
2.5	SHARE TO BOARD OF DIRECTORS (-)	-	-
III.	**EARNINGS PER SHARE**		
3.1	TO OWNERS OF STOCKS (TRY)	-	-
3.2	TO OWNERS OF STOCKS (%)	-	-
3.3	TO OWNERS OF PREFERRED STOCKS (TRY)	-	-
3.4	TO OWNERS OF PREFERRED STOCKS (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	TO OWNERS OF STOCKS (TRY)	-	-
4.2	TO OWNERS OF STOCKS (%)	-	-
4.3	TO OWNERS OF PREFERRED STOCKS (TRY)	-	-
4.4	TO OWNERS OF PREFERRED STOCKS (%)	-	-

(*) As per the Banking Regulation and Supervision Agency, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase, the Company has deducted deferred tax income amounting to TRY 219.520 associated with the deferred tax asset from distributable net period profit.
(**)Since the Board of Directors has not prepared a dividend proposal for the year 2008, yet, it is presented only distributable net profit in the profit distribution table above.
(***)In preparation of the profit distribution table in 2007, the Company's net profit for the period calculated based on the principles of "Corporate Tax Law", has been taken into account.

(Amounts are expressed in New Turkish Lira (“TRY”) unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Factoring Finansman Hizmetleri A.Ş. (“the Company”), was incorporated on 6 July 1993 in Turkey and started its operations on October 1993. The core business of the Company is factoring operations, both domestic and abroad. The Company operates under Türkiye İş Bankası A.Ş. Group. The main shareholder of the Company is İş Finansal Kiralama A.Ş. with 78,23% participation. Türkiye Sınai Kalkınma Bankası A.Ş. is also shareholder of the Company with 21,75% participation. Participation rates and information regarding available for sale investments which are classified as financial asset by the Company in its balance sheet, are as follows:

Investment name	Company head office	Core business	Participation rate
İş Yatırım Menkul Değerler A.Ş.	4. Levent / İstanbul	Intermediary of Capital Market tools	2,43%
Yatırım Finansman Menkul Değerler A.Ş.	Etiler / İstanbul	Intermediary of Capital Market tools	0,06%
İş Girişim Sermayesi Yatırım Ort.A.Ş.	4. Levent / İstanbul	Entrepreneurship Capital Investments	0,89%
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İletişim Hiz. A.Ş.	Esentepe / İstanbul	Internet Service Provider	1,00%

As of 31 December 2008, the Company employs 19 persons. (31 December 2007: 17)

The head office of the Company is located at:

İş Kuleleri, Kule 2 Kat: 10 34330 Levent / Istanbul Turkey

Dividends Payable:

As of the reporting date, the General Assembly does not have a decision to pay dividends to shareholders. (31 December 2007: No dividend distribution).

Approval of Financial Statements:

Financial statements are approved and authorized by the Board of Directors for publication on 4 March 2009. The General Assembly has authority to change the financial statements.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The Company has accounted its 2008 operations in accordance with the Turkish Accounting Standards based on the Communiqué on “The Application of Uniform Charts of Accounts and its Guide Book in Connection to the Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies” and “The Format of the Financial Statements for Public Presentation” published in the Official Gazette No: 26525 on 17 May 2007.

In terms of 2008 operations’ accounting, the Company has applied the requirements of the Communiqué on the “The Establishment and Main Activities of Finance Leasing, Factoring and Financing Companies” published in the Official Gazette No: 26315 on 10 October 2006 and the Communiqué on the “Principles and Procedures of Receivable Allowances to be Provided by Finance Leasing, Factoring and Financing Companies” published in the Official Gazette No: 26588 on 20 July 2007.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

The Company prepared its 2007 financial statements in accordance with the accounting standards issued by International Accounting Standards Board ("IASB") and International Accounting Standards Committee ("IASC"). The accompanying 2007 financial statements are reclassified in accordance with the Communiqué on the "Nature and Format of the Financial Statements for Public Presentation" issued by Banking Regulation and Supervision Agency ("BRSA").

The financial statements have been prepared on the historical cost basis except for the revaluation of financial instruments.

Preparation of the Financial Statements in Hyperinflationary Periods

Restatement adjustments have been made to compensate for the effect of changes in the general purchasing power of the Turkish Lira, in accordance with Turkish Accounting Standards on "Preparation of Financial Statements in Hyperinflationary Periods" ("TAS 29") for the financial statements prepared before 31 December 2004. BRSA issued a circular on 28 April 2005 stating that the indicators requiring the application of inflation accounting ceased to exist; consequently inflation accounting was not applied in the financial statements after 1 January 2005.

Changes in Accounting Policies

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly.

Change in Accounting Estimates and Errors

The effect of a change in an accounting estimate is recognised prospectively in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. There has not been any significant change in the accounting estimates of the Company in the current period.

Material prior period errors are corrected retrospectively in the first set of financial statements after their discovery by restating the comparative amounts for the prior periods.

Adoption of New and Revised International Financial Reporting Standards:

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2008.

Although the following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008, they are not relevant to the Company's operations or their application is not preferred by the Company:

- IFRIC 11, "IFRS 2 – Company and treasury share transactions",
- IFRIC 12, "Service concession arrangements",
- IFRIC 14, "IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction",

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised International Financial Reporting Standards: (cont'd)

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

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

• IFRS 8, "Operating segments"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 13, "Customer Loyalty Programs"	Effective for annual periods beginning on or after 1 July 2008
• IFRIC 15 "Agreements for the construction of real estate"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 16 "Hedges of a net investment in a foreign operation"	Effective for annual periods beginning on or after 1 October 2008
• IFRIC 17, "Distributions of non-cash assets to owners"	Effective for annual periods beginning on or after 1 July 2009
• IFRIC 18, "Transfers of Assets from Customers"	Effective for annual periods beginning on or after 1 July 2009
• IFRS 2 "Share-based Payment" Amendment relating to vesting conditions and cancellations	Effective for annual periods beginning on or after 1 January 2009
• IFRS 1 "First-time Adoption of International Financial Reporting Standards" Amendment relating to cost of an investment on first-time adoption	Effective for annual periods beginning on or after 1 January 2009
• IFRS 3 "Business Combinations" • IAS 27 "Consolidated and Separate Financial Statements • IAS 28 "Investments in Associates" • IAS 31 "Interests in Joint Ventures" Comprehensive revision on applying the acquisition method	Effective for annual periods beginning on or after 1 July 2009
• IAS 23 "(Amendment) Borrowing costs" Comprehensive revision to prohibit immediate expensing	Effective for annual periods beginning on or after 1 January 2009

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised International Financial Reporting Standards: (cont'd)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company: (cont'd)

• IAS 27 "Consolidated and Separate Financial Statements" Amendment relating to cost of an investment on first-time adoption	Effective for annual periods beginning on or after 1 January 2009
• IAS 1 "Presentation of Financial Statements" • IAS 32 "Financial Instruments: Presentation" Amendments relating to disclosure of puttable instruments and obligations arising on liquidation	Effective for annual periods beginning on or after 1 January 2009
• IAS 1 "Presentation of Financial Statements" Comprehensive revision including requiring a statement of comprehensive income	Effective for annual periods beginning on or after 1 January 2009
• IAS 39 "Financial Instruments: Recognition and Measurement" Amendments for eligible hedged items	Effective for annual periods beginning on or after 1 January 2009

The Company's management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

Amendment on IFRS 1, "First-time Adoption of International Financial Reporting Standards" and IAS 27, "Consolidated and Separate Financial Statements

Amendment allows first-time adopters to use a 'deemed cost' of either based on IAS 27 or the anticipated carrying amount during measurement of the initial cost of investments in subsidiaries, jointly controlled entities, and associates. Amendment on IAS 27 requires presentation of dividends earned from subsidiaries, jointly controlled entities, and associates as income in the separate financial statements of the investor. It is anticipated that, it will have no material impact on the financial statements of the Company.

IFRS 2 "Share-based payment"

The amendment clarifies the definition of having vesting conditions and other than service conditions and performance conditions, other features of a share-based payment are not considered as vesting conditions. At the same time, the standard states that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. It is not expected to have any impact on the Company's financial statements

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)

Adoption of New and Revised International Financial Reporting Standards: (cont’d)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company: (cont’d)

IFRS 8 “Operating Segments”

IFRS 8 “Operating Segments” substitutes IAS 14 ‘Segment Reporting’. This standard requires segment reporting to be prepared based on the perspective of the management and segmentation criteria used in internal reports. It is anticipated that, IFRS 8 will have no material impact on the financial statements of the Company.

IAS 32 ve IAS 1 “Puttable Financial Instruments and Liabilities in Liquidation”

The amended standards require entities to classify puttable financial instruments and liabilities as equity instruments provided the financial instruments have particular features and meet specific conditions. On the other hand, amendment on IAS 1 requires description and disclosure of puttable financial instruments classified as equity instrument. It is not expected to have any impact on the Company’s financial statements.

IAS 23, “(Revised) Borrowing Costs”

The amendment requires entities to capitalize borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. This amendment prohibits the immediate expensing of borrowing costs. It is anticipated that, IAS 23 will have no material impact on the financial statements of the Company.

IFRS 3, “Business Combinations”

The amendments require cost associated with business combinations to be recognized immediately in profit or loss, and any subsequent change in fair value of contingent liabilities recognized in the business combination to be reflected in the income statement rather than recognizing any adjustments in goodwill.

IFRIC 13, “Customer Loyalty Programs”

According to IFRIC 13, customer loyalty programs are accounted for as a separate component of the sale transaction. The amount of proceeds allocated to the award credits is measured by reference to their fair value and the deferred portion of the proceeds is recognized as revenue only when obligations are fulfilled. It is anticipated that, it will have no material impact on the financial statements of the Company since the Company does not have any transactions subject to IFRIC 13.

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.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont’d)

Adoption of New and Revised International Financial Reporting Standards: (cont’d)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company: (cont’d)

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

IFRIC 16 clarifies three main issues: 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. Hedging instrument(s) may be held by any entity or entities within the Company. It is anticipated that, it will have no material impact on the financial statements of the Company accordingly.

IFRIC 17, “Distribution of Non-cash Assets to Owners”

IFRIC 17 applies to pro rata distributions of non-cash assets (all owners are treated equally) but does not apply to common control transactions. It is anticipated that, it will have no material impact on the financial statements of the Company accordingly.

IFRIC 18, “Transfers of Assets from Customers”

The interpretation clarifies accounting of the cases in which an entity receives from a customer an item of property, plant, and equipment or cash that must be used only to acquire or construct such items in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services and also provides guidance on how to account for transfers of cash from customers. It is anticipated that, it will have no material impact on the financial statements of the Company accordingly.

IAS 1 (Amendment), ‘‘Presentation of financial statements’’

A revised version of IAS 1 Presentation of Financial Statements has been issued to provide more useful information. The major changes are the statement of changes in equity will only include the transactions with the shareholders, introduction of “total comprehensive income” in addition to the income statement which will present all profit or loss as income or expenses. The revised interpretation of the prior year financial statements and disclosing the restatement effect of change in accounting policies to prior year financial statements. The Group will adopt the changes in financial statement presentation in year 2009.

IAS 39, “Financial Instruments: Recognition and Measurement” Amendments for eligible hedged items

This amendment clarifies that fair value hedge against inflation is applied only in cases where cash outflows of the relevant financial instrument is indexed to inflation based on the contractual terms.

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. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (cont'd)

<u>Comparative information and adjustments made in prior periods' financial statements</u>

The Company's financial statements are prepared comparatively with the prior period in order to provide information on the financial position and performance of the Company. When the presentation or classification of financial statements is changed, prior period's financial statements are also reclassified in line with the related changes in order to sustain consistency.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and valuation principles used to prepare the accompanying financial statements are as follows:

a. Revenue:

Factoring service income is composed of interest income and commission income earned from advance payments made to customers.

A specific percentage amount, obtained from invoice total subject to factoring transactions, constitutes commission income.

Dividend income earned from equity share investments is recorded when shareholders' right to earn dividends arises.

All income and expenses are accounted in compliance with accrual basis.

b. Tangible Assets:

Tangible assets are carried at historical cost, less accumulated depreciation and impairment.

Tangible assets are depreciated principally on a straight-line basis considering the expected useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Expenses for the maintenance of tangible assets are normally recorded in profit and loss statement. Gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

c. Intangible Assets:

<u>Intangible Fixed Assets Acquired:</u>

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

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c. Intangible Assets (cont'd):

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (5 years).

d. Impairment of Assets:

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

e. Borrowing Costs:

All borrowing costs are recognized in profit and loss in the period in which they are incurred.

f. Financial Instruments:

Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Factoring Receivables and Other Receivables

Factoring receivables and other receivables are carried at fair value during initial recognition. Subsequent to initial recognition, all receivables except for factoring receivables, are carried at amortized cost using the effective interest method. Factoring transactions are accounted at carrying amounts in subsequent reporting periods. The Company management believes that carrying amounts of factoring receivables approximate to their fair values since amortization is taken into account at initial recognition.

Effective from 1 January 2008, in accordance with the Communiqué (No: 26588) on the "Principles and Procedures of Receivable Allowances To Be Provided By Financial Leasing, Factoring and Financing Companies" issued at 20 July 2007 special provision rate allocated for the factoring receivables considering their guarantees are as follows: 20%, at a minimum, for factoring receivables overdue more than 90 days not exceeding 180 days; 50%, at a minimum, for factoring receivables overdue more than 180 days not exceeding 360 days; and 100%, at a minimum, for factoring receivables overdue more than 1 year. The Company allocates 100% provision for all doubtful factoring receivables which do not have worthy collaterals without considering the time intervals above.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont’d)

f. Financial Instruments (cont’d):

<u>Financial Assets</u>

Financial assets are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value, and are recognized and derecognized on trade date where the purchase of sales of an investment is under a contract whose terms require the delivery of the investment within the timeframe established by the market concerned. Financial assets are classified into the following specified categories: financial assets as ‘at fair value through profit or loss’ , ‘held to maturity investments’, ‘available for sale” financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

<u>*Financial assets at fair value through profit or loss:*</u>

Financial assets are classified as financial assets at fair value through profit or loss where the Company acquires the financial asset principally for the purpose of selling in the near term, the financial asset is a part of an identified portfolio of financial instruments that the Company manages together and has a recent actual pattern of short term profit taking as well as derivatives that are not designated as effective hedging instruments. A gain or loss from valuation of a financial asset or financial liability classified as at fair value through profit or loss shall be recognized in profit or loss. Net gain / loss recognized in profit or loss includes interest and dividend income earned on the financial asset.

<u>*Effective interest rate method:*</u>

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

Held to maturity and available for sale debt instruments and profit from financial assets classified as loans and receivables are recognized in income by using the effective interest rate method.

<u>*Held-to-maturity investments:*</u>

Policies and debt securities with fixed or determinable payments and fixed maturity dates that the Company both has positive intention and the ability to hold to maturity are classified as held-to-maturity. Held-to-maturity investments are recognized at amortized cost using the effective interest method, less any impairment.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f. Financial Instruments (cont'd):

Financial Assets (cont'd)

Available for sale financial assets:

Available for sale investments consist of other than (a) held-to-maturity investments or (b) assets held for trading or (c) loans and receivables. Available for sale investments are measured at subsequent reporting dates at fair value as long as fair value can be reliably measured, and whose fair value cannot be reliably measured are stated at cost. Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale except for equity instruments are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Dividends on available for sale equity instruments are recognized in profit and loss when the Company has the right to receive any payment.

The fair value of available for sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the prevailing exchange rate at the reporting date. The change in fair value attributable to translation differences that result from a change in amortized cost of the asset is recognized in profit or loss, and other changes are recognized in equity.

The Company does not have available for sale and held to maturity financial assets as of 31 December 2008.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss are subject to impairment testing at each balance sheet date to determine whether there is any indication of impairment of financial asset or financial asset group. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset. That loss event or events must also have an impact on the estimated future cash flows of the financial asset or group of financial assets. For loans and receivables, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

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

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f. Financial Instruments (cont'd):

Financial Assets (cont'd)

Impairment of financial assets (cont'd):

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

In respect of available for sale equity instruments, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of the assets approximates their fair value.

Financial Liabilities

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

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value and subsequently measured at fair value in each reporting period. Any changes in fair value are recognized in the income statement. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

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

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

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

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g. Business Combinations:

None.

h. Effects of Changes in Exchange Rates:

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of the Company is expressed in TRY, which is the functional currency of the Company, and the presentation currency for the financial statements.

The foreign currency exchange rates used by the Company as of 31 December 2008 and 31 December 2007 are as follows:

	31 December 2008	31 December 2007
USD	1,5123	1,1647
EURO	2,1408	1,7102

In statutory records of the Company, transactions in currencies other than TRY (foreign currencies) are recorded at the prevailing exchange rates at the transaction date.

At the balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gain and losses arising from monetary items translation, collection or disbursements are recognized in profit or loss.

i. Earnings per Share:

Earnings per share presented in the accompanying statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can raise their share capital by distributing "Bonus Shares" to shareholders from retained earnings. In computing earnings per share, such "Bonus Share" distributions are treated as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

The Company's shares are not traded in the stock market, therefore, earnings per share is not calculated in the accompanying financial statements.

j. Subsequent Events:

Events after balance sheet date comprise any event between the balance sheet date and the date of authorization of the financial statements for publication, even if any event after balance sheet date occurred subsequent to an announcement on the Company's profit or following any financial information disclosed to public.

The Company adjusts the amounts recognized in its financial statements to reflect adjusting events after the balance sheet date if such subsequent events arise.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

k. Provisions, Contingent Liabilities and Contingent Assets:

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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

l. Change in Accounting Policies, Accounting Estimates and Errors:

Changes in accounting policies or fundamental accounting errors are applied retrospectively and the financial statements for the prior periods are restated. There is no major change in accounting policies in the current year.

If changes in accounting estimates relate only for one period, changes are applied in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively. There is no major change in accounting estimates in the current year. Any material accounting error detected is applied retrospectively and prior year financial statement is restated, accordingly.

m. Finance Lease

Lease- The Company as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss in accordance with the Company's general policy on borrowing costs as detailed above.

Rental payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant leases.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n. Related Parties:

In the accompanying financial statements, shareholders of İş Factoring Finansman Hizmetleri A.Ş., key management personnel and Board of Directors members, their families and companies controlled by them or related to them, subsidiaries and associates are considered and referred to as related parties ("Related Parties").

Carrying value of due to and due from related parties at financial statements are estimated to be their fair value.

o. Segmental Information:

No segmental information is disclosed as the Company provides factoring services only in Turkey.

p. Taxation on Income:

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

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

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

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

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

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

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (cont'd)

p. Taxation on Income (cont'd):

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

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

r. Employee Benefits / Retirement Pay Provision:

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

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation. All actuarial gains and losses calculated are recognized in the income statement.

s. Statement of Cash Flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows mainly generated from leasing operations of the Company.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Company.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Company.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets held for trading:

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Mutual Funds	90.012	-	24.991	-
	90.012	-	24.991	-

The Company has Türkiye İş Bankası A.Ş.'s mutual funds amounting to TRY 90.012. (31 December 2007: TRY 24.991).

5. BANKS

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Demand deposits	1.442.978	466.480	2.462.165	218.882
Time deposits	3.000.000	71.078	50.000.000	-
Interest accrual	1.639	79	345.836	-
	4.444.617	537.637	52.808.001	218.882

The details of time deposits as of 31 December 2008 are as follows:

Currency	Interest Rate	Maturity	31 December 2008
TRY	20%	30.01.2009	3.001.639
USD	2,55%	15.01.2009	71.157
			3.072.796

In the amount presented above, the Company has Turkish Lira deposits at Türkiye İş Bankası A.Ş. amounting to TRY 316.670 (31 December 2007: TRY 2.230.331) and foreign currency deposits amounting to TRY 536.413 (31 December 2007: TRY 218.882); and the Company has foreign currency deposit amounting to TRY 1.224 (31 December 2007:None.) at İş Bank GmbH.

The details of time deposits as of 31 December 2007 are as follows:

Currency	Interest Rate	Maturity	31 December 2007
TRY	18,35%- 18,85%	11.01.2008 – 28.01.2008	50.345.836
			50.345.836

Reconciliation of carrying value of liquid assets in the accompanying financial statements and the cash flow statement is as follows:

	31 December 2008	31 December 2007
Demand deposit	1.909.458	2.681.047
Time deposit (1-3 month)(without accrual)	3.071.078	50.000.000
Cash and cash equivalents	4.980.536	52.681.047

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

6. FINANCIAL ASSETS AVAILABLE FOR SALE

				Ownership Percentage (%)		Fair Value	
Name of the investment	Core business	Incorporation and operation location	Voting Right (%)	31 December 2008	31 December 2007	31 December 2008	31 December 2007
İş Yatırım Menkul Değerler A.Ş. - (İş Yatırım)	Investment and Securities Services	İstanbul	2,43%	2,43%	2,43%	2.410.320	7.840.800
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	Private Equity	İstanbul	0,89%	0,89%	0,89%	318.240	584.480
Yatırım Finansman Menkul Değerler A.Ş.	Investment and Securities Services	İstanbul	0,06%	0,06%	0,06%	25.325	20.553
İş Net Elektronik Bilgi Üretim Dağ. Tic. ve İletişim Hiz. A.Ş. – (İş Net)	Inf. Comm. and Techn. Services	İstanbul	1,00%	1,00%	1,00%	327.624	327.624
						3.081.509	8.773.457

7. FACTORING RECEIVABLES

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Domestic factoring receivables (net)	66.447.593	-	54.171.661	-
Export and import factoring receivables (net)	-	815.553	-	3.266.216
Factoring interest income accrual	662.479	18.463	104.327	14.340
Unearned interest income	(846.088)	-	(1.466.760)	-
Factoring receivables under follow-up (*)	3.048.605	8.427	2.128.165	-
Gross factoring receivables	69.312.589	842.443	54.937.393	3.280.556
Specific provisions(-)	(3.048.605)	(8.427)	(2.128.165)	-
	66.263.984	834.016	52.809.228	3.280.556

(*) The item is classified under the non-performing loans in the balance sheet.

While EUR 389.581 and TRY 17.512.046 of factoring receivables have variable interest rates (31 December 2007: EUR 707.257, GBP 1.019.418, USD 229.195 and TRY 5.828.957) TRY 48.751.938 of factoring receivables have a fixed interest rate (31 December 2007: TRY 46.413.268).

The Company has contractual guarantees for factoring receivables.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

7. FACTORING RECEIVABLES (cont'd)

Types of factoring transactions are as follows:

	31 December 2008	31 December 2007
Domestic irrevocable	17.301.284	7.708.178
Foreign irrevocable	-	3.280.556
Domestic revocable	48.962.700	45.101.050
Foreign revocable	834.016	-
	67.098.000	56.089.784

Other than its 100% provision allocated doubtful receivables, the Company has no overdue factoring receivables as of the balance sheet date. The carrying value of the Company's restructured factoring receivables amounts to TRY 231.250 (31 December 2007: TRY 172.018). If such receivables were not restructured, they would be classified as overdue or doubtful receivables. The Company has contractual guarantees for such receivables.

The Company's guarantees for factoring receivables are as follows and if the amount of guarantees exceeds the amount of receivables during the calculation of guarantees, only the corresponding portion equal to receivable amount is included in the below table.

Guarantee Type:	31 December 2008	31 December 2007
Mortgage	1.515.000	3.030.000
	1.515.000	3.030.000

The aging of the factoring receivables under follow-up is as follows:

	31 December 2008	31 December 2007
Up to 90 days	566.567	735.576
Between 90 – 180 days	726.753	502.962
Between 180 – 360 days	-	29.850
Over 360 days	1.763.712	859.777
Outstanding amount	-	-
	3.057.032	2.128.165

The Company has contractual guarantees for the above non-performing factoring receivables.

The movement of provision for non-performing factoring receivables is as follows:

	1 January-31 December 2008	1 January-31 December 2007
Provision at the beginning of the period	2.128.165	859.738
Additions	1.463.078	1.323.062
Collections	(330.395)	(54.635)
Write off	(203.816)	-
Provision at the end of the period	3.057.032	2.128.165

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

8. RELATED PARTY EXPLANATIONS

Factoring receivables from related parties	31 December 2008	31 December 2007
Kültür Yayınları İş-Türk Ltd. Şti.	358.922	-
Bayek Tedavi ve Sağlık Hizmetleri İşletmeciliği A.Ş.	6.500.000	350.000
İş Koray Turizm Ormancılık Madencilik İnşaat Taahhüt ve Ticaret A.Ş.	-	473.747
Nevotek Bilişim Ses ve İletişim Sist.San.Ve Tic. A.Ş.	276.999	317.381
	7.135.921	1.141.128

Payables to related parties		
Anadolu Hayat Emeklilik A.Ş.	685	-
İş Merkezleri Yönetim ve İşletim A.Ş.	3.394	-
	4.079	-

Borrowings from related parties

Türkiye İş Bankası A.Ş.

Currency	Interest Rate	Maturity	31 December 2008
TRY	17%	Revolving	5.930.000
USD	5,90%-10%-11%	29.01.2009-24.04.2009	178.653
			6.108.653

Currency	Interest Rate	Maturity	31 December 2007
TRY	16,70%	Revolving	24.591.744
GBP	7,35%	Overdraft	2.237.024
			26.828.768

İş Bank GmbH

Currency	Interest Rate	Maturity	31 December 2008
EURO	6,237%	Overdraft	1.134.079
			1.134.079

Currency	Interest Rate	Maturity	31 December 2007
EURO	6,237%	Overdraft	1.465.681
			1.465.681

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

8. RELATED PARTY EXPLANATIONS (cont'd)

Deposits from related parties

	31 December 2008	31 December 2007
Türkiye İş Bankası A.Ş. Demand Deposit	781.926	2.448.123
Türkiye İş Bankası A.Ş Time Deposit	71.157	-
İş Bank GmbH Demand Deposit	1.224	1.090
	854.307	2.449.213

	01.01.2008-31.12.2008	01.01.2007-31.12.2007
Factoring interest income from related parties		
Nevotek Bilişim Ses ve İletişim Sistemleri San ve Tic. A.Ş.	79.069	18.474
Bayek Tedavi ve Sağlık Hizmetleri İşletmeciliği A.Ş.	279.819	8.095
Kültür Yayınları İş-Türk Ltd.Şti.	60.373	-
İş Koray Turizm Orm Mad A.Ş.	42.707	-
	461.968	26.569
Factoring commission income from related parties		
Nevotek Bilişim Ses ve İletişim Sistemleri San ve Tic. A.Ş.	1.466	3.644
Kültür Yayınları İş-Türk Ltd.Şti.	6.904	-
Şişe Cam Dış Ticaret A.Ş.	155.478	47.653
İş Bank GmbH	-	332
T. Şişe ve Cam Fab. A.Ş.	423	122.992
	164.271	174.621
Mutual fund income		
Türkiye İş Bankası A.Ş.	9.018	8.284
Interest Income from related parties		
Türkiye İş Bankası A.Ş.	584.687	97.808

Dividend income	01.01.2008-31.12.2008	01.01.2007-31.12.2007
Yatırım Finansman Menkul Değerler A.Ş.	4.784	3.166
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	37.707	12.255
İş Yatırım Menkul Değerler A.Ş.	231.080	-
İş Net Elekt.Bilgi Ür.Dağ.Tic.ve İlet.Hiz. A.Ş.	3.600	-
	277.171	15.421
Finance expense		
Türkiye İş Bankası A.Ş.	2.098.952	1.559.362
İş Bank GmbH	78.067	53.552
	2.177.019	1.612.914

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

8. RELATED PARTY EXPLANATIONS (cont'd)

Rent expense	01.01.2008-31.12.2008	01.01.2007-31.12.2007
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	160.293	158.646
İş Finansal Kiralama A.Ş.	7.103	6.325
	167.396	164.971

General administration expenses		
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	5.492	4.050
İş Merkezleri Yönetim ve İşletim A.Ş.	58.546	55.566
Anadolu Anonim Türk Sigorta A.Ş.	35.652	31.303
Anadolu Hayat Emeklilik A.Ş.	11.580	6.779
T.Sınai Kalkınma Bankası A.Ş.	-	15.778
İş Net Elek. Bilgi Üretim Dağ. Tic. Ve İlet. Hizm. A.Ş.	94	8.709
İş Bank GmbH	318	302
İş Finansal Kiralama A.Ş.	8.704	-
Beyaz Filo Oto Kiralama A.Ş.	21.566	-
	141.952	122.487

Compensation to key management personnel		
Short Term Benefits (*)	576.784	91.873

(*) Key management consists of general manager, assistant general managers and board of directors.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

9. TANGIBLE ASSETS

	Furniture and Fixtures	Leasehold Improvements	Total
Acquisition Cost			
Opening balance 1 January 2008	898.301	563.257	1.461.558
Additions	7.382	-	7.382
Disposals	-	-	-
Closing balance 31 December 2008	905.683	563.257	1.468.940
Accumulated depreciation			
Opening balance 1 January 2008	(861.119)	(544.586)	(1.405.705)
Charge for period	(13.572)	(5.478)	(19.050)
Disposals	-	-	-
Closing balance 31 December 2008	(874.691)	(550.064)	(1.424.755)
Net book value as of 31 December 2008	30.992	13.193	44.185

	Furniture and Fixtures	Leasehold Improvements	Total
Acquisition Cost			
Opening balance 1 January 2007	885.224	561.823	1.447.047
Additions	13.077	1.434	14.511
Closing balance 31 December 2007	898.301	563.257	1.461.558
Accumulated depreciation			
Opening balance 1 January 2007	(847.716)	(537.833)	(1.385.549)
Charge for period	(13.403)	(6.753)	(20.156)
Closing balance 31 December 2007	(861.119)	(544.586)	(1.405.705)
Net book value as of 31 December 2007	37.182	18.671	55.853

Useful lives of tangible assets are as follows:

	Year
Furniture and Fixtures	5
Leasehold Improvements	5

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

10. INTANGIBLE ASSETS

	31 December 2008	31 December 2007
Acquisition cost (Rights)		
Opening balance 1 January	207.336	170.141
Additions	64.921	37.195
Closing balance	272.257	207.336
Amortisation		
Opening balance 1 January	(161.826)	(157.419)
Charge for the year	(13.988)	(4.407)
Closing balance	(175.814)	(161.826)
Net Book Value	96.443	45.510

Useful life of intangible assets is determined as 5 years.

11. GOODWILL

None.

12. DEFERRED TAX ASSETS AND LIABILITIES

The Company recognizes deferred tax assets and liabilities based upon the temporary differences arising between its financial statements as reported for IFRS purposes and financial statements prepared according to the Turkish tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation and represented below. It is provided provision for deferred tax assets that will not be realized in future.

	31 December 2008	31 December 2007
Deferred Tax Assets	239.342	19.822

	31 December 2008	31 December 2007
Temporary differences subject to deferred tax:		
Tax base difference in tangible and intangible assets	67.694	44.144
Retirement pay provision	(96.372)	(128.624)
Unused vacation provision	(19.654)	(14.628)
Allowance for doubtful factoring receivables	(1.055.793)	-
Personnel premium provision	(92.585)	-
	(1.196.710)	(99.108)

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

12. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

	31December 2008	31 December 2007
Deferred Tax (Assets) / Liabilities		
Tax base difference in tangible and intangible assets	13.539	8.829
Retirement pay provision	(19.274)	(25.725)
Unused vacation provision	(3.931)	(2.926)
Allowance for doubtful factoring receivables	(211.159)	-
Personnel premium provision	(18.517)	-
Deferred tax asset (net)	(239.342)	(19.822)

Deferred tax (assets) movement for the year ended as of 31 December 2008 is as follows:

	31 December 2008	31 December 2007
Opening balance 1 January	(19.822)	(18.474)
Deferred tax (benefit) / expense	(219.520)	(1.348)
Closing balance	(239.342)	(19.822)

13. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Assets held for sale (*)	2.887	-	-	-
	2.887	-	-	-

(*) Consists of immovables held by the Company as a result of the legal proceedings in relation to its receivables under follow-up.

14. OTHER ASSETS

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Prepaid expenses	58.702	-	74.258	-
Prepaid taxes	-	-	85.728	-
Other	35.794	-	24.459	-
	94.496	-	184.445	-

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

15. FUNDS BORROWED

Short-term borrowings	31 December 2008	31 December 2007
Short-term borrowings	46.360.311	96.936.242
Short-term portions of long-term borrowings	-	-
Total short-term borrowings	46.360.311	96.936.242
Long-term borrowings		
Long-term portions of long-term borrowings	-	-
Total long-term borrowings	-	-
Total borrowings	46.360.311	96.936.242

Maturity analysis of borrowings:	31 December 2008	31December 2007
Within 1 year	46.360.311	96.936.242
Within 1-2 years	-	-
Within 2-3 years	-	-
Within 3-4 years	-	-
TOTAL	46.360.311	96.936.242

The details of short-term borrowings are as follows:

Currency	Interest rate %	Currency amount	31 December 2008
TRY	16,90-18,20	-	45.020.000
USD (*)	5,00-11,00	118.133	178.653
EURO	6,24	529.746	1.134.079
Interest accruals			27.579
TOTAL			46.360.311

Currency	Interest rate %	Currency amount	31 December 2007
TRY	16,20-16,90	-	93.179.997
EURO	5,79	857.023	1.465.681
GBP	7,35	961.788	2.237.024
Interest accruals			53.540
TOTAL			96.936.242

(*) It includes foreign currency indexed loans and they have been classified as TRY in the accompanying balance sheet.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

15. FUNDS BORROWED (cont'd)

Compound credit interest rates are as follows:

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Fixed rate	15.456.438	-	20.039.433	-
Variable rate	29.769.794	1.134.079	73.194.104	3.702.705
	45.226.232	1.134.079	93.233.537	3.702.705

Fair value of the Company's borrowings are presented in Note 39.

As at 31 December 2008, the Company had available TRY 251.480.000 of undrawn committed borrowing facilities in respect of which all conditions precedent has been met. (31 December 2007: TRY 84.643.500)

16. SUNDRY CREDITORS AND OTHER LIABILITIES

Sundry Creditors

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Payables to suppliers	19.548	-	36.786	-
Other	-	397.001	-	62
	19.548	397.001	36.786	62

17. FINANCE LEASE PAYABLES

None (31 December 2007: None.).

18. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING

None (31 December 2007: None.).

19. TAXES PAYABLE AND OTHER LIABILITIES

	31 December 2008		31 December 2007	
	TRY	FC	TRY	FC
Taxes payable and liabilities	101.633	-	84.031	-
	101.633	-	84.031	-

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

20. PROVISIONS FOR LIABILITIES

Other Provisions:

	31 December 2008	31 December 2007
Corporate tax provision (net)	306.084	-
Legal case provision (*)	-	7.903.933
General provision for factoring receivables (***)	900.000	-
Bonus provision	92.585	-
	1.298.669	7.903.933

	31 December 2008	31 December 2007
Corporate tax provision	1.053.162	406.461
Prepaid taxes	(747.078)	(492.189)
Corporate tax provision (net) (**)	306.084	(85.728)

(*) The Company has filed a lawsuit against the related tax authorities regarding the cancellation of penalty notice assessments which were received in 2005 and paid for the principle amount of those tax penalties. As the lawsuit filed was resulted against the Company, it filed for an appeal in the State Council within the legitimate timeframe, whereas it also made an application to the Ministry of Treasure for the suspension and scheduling of an installment plan for its tax dues and started to pay its dues. Subsequent to the overruling of the Tax Court's order by the Fourth Instance of State Council, all tax payments of the Company that are made through an installment plan are suspended. Subsequent to the State of Council's order, the Company has requested a reimbursement and reimbursement procedures were completed in June 2008. As those lawsuits were resulted in favor of the Company, the Company management reversed the provision amount, which was allocated in prior years in the accompanying balance sheet, as a result of the reimbursement made by the Tax Offices and recognized such amount as an income in the current period.

(**) Classified under other assets in the prior periods.

(***) In addition to the provision for doubtful receivables, the Company management allocated a general provision for its risky factoring receivables.

21. EMPLOYEE BENEFITS

Provision for Employee Benefits	31 December 2008	31 December 2007
Retirement pay provision	96.372	128.624
Unused vacation provision	19.654	14.628
	116.026	143.252

Retirement Pay Provision	31 December 2008	31 December 2007
Period beginning	128.624	109.060
Increase during the period	32.599	34.197
Amounts paid	-	(14.633)
Retirement pay provision cancelled	(64.851)	-
Period end	96.372	128.624

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

21. EMPLOYEE BENEFITS (cont'd)

Retirement Pay Provision:

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such amount at the end of its employee termination contract. Also, employees who are entitled to a retirement are required to be paid retirement pay in accordance with the requirements of Act No: 2422 dated 6 March 1981, Act No: 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code No: 506. Some transitional provisions related to the pre-retirement service term was excluded from the scope of the Law since the related law was amended as of 23 May 2002.

The amount payable consists of one month's salary limited to a maximum of TRY 2.173,18 (2007: TRY 2.030,19) for each period of service at 31 December 2008.

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as at 31 December 2008, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5,4% and a discount rate of 12%, resulting in a real discount rate of approximately 6,26% (31 December 2007: with 5% inflation rate and 11% discount rate approximately 5,71%). The anticipated rate of forfeitures is considered and taken into account as 0% (2007: 0%). As the maximum liability is revised semi annually, the maximum amount of TRY 2.260,05 effective from 1 January 2009 has been taken into consideration in calculation of provision from employment termination benefits.

22. MINORITY INTEREST

None.

23. PAID-IN CAPITAL AND CAPITAL RESERVES

As of 31 December 2008 and 31 December 2007, share capital held is as follows:

CAPITAL

Shareholders	(%)	31 December 2008	(%)	31 December 2007
İş Finansal Kiralama A.Ş.	78,2311	12.517.000	78,2311	12.517.000
Türkiye Sınai Kalkınma Bankası A.Ş.	21,7500	3.480.000	21,7500	3.480.000
Türkiye Şişe ve Cam Fab. A.Ş.	0,0063	1.000	0,0063	1.000
Camiş Madencilik A.Ş.	0,0063	1.000	0,0063	1.000
TSKB Gayrimenkul Değerleme A.Ş.	0,0063	1.000	0,0063	1.000
TOTAL	100,000	16.000.000	100,000	16.000.000

The Company does not have privileged shares.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

23. PAID-IN CAPITAL AND CAPITAL RESERVES (cont'd)

CAPITAL RESERVES

	31 December 2008	31 December 2007
Other Capital Reserves:		
-Shareholders' equity inflation restatement differences:	4.064.201	4.064.201
Marketable securities revaluation reserve (*)	(1.055.228)	4.641.492
TOTAL	3.008.973	8.705.693

(*) Resulted from valuation of the Company's available for sale financial assets which are publicly traded.

24. PROFIT RESERVES

	31 December 2008	31 December 2007
Legal reserves	281.007	281.007
Extraordinary reserves	340.792	340.792
TOTAL	621.799	621.799

The legal reserves consist of the first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

25. PRIOR YEARS' PROFIT/LOSS

	31 December 2008	31 December 2007
Prior year profit/(loss)	(12.211.053)	(13.385.437)

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

26. FOREIGN CURRENCY POSITION

31 December 2008	USD	EURO	GBP	DKK	AUD	TRY Equivalent
Banks	47.710	194.436	22.458			537.637
Factoring Receivables	209.272	389.581	-	-	-	1.150.497
Other Assets	-	-	-	-	-	-
Funds borrowed	(120.068)	(529.746)	-	-	-	(1.315.659)
Sundry creditors and other liabilities	(756)	(172.972)	(11.658)	-	-	(397.001)
Balance sheet position	136.158	(118.701)	10.800	-	-	(24.526)
Off balance sheet position	-	-	-	-	-	
Net foreign currency position	136.158	(118.701)	10.800	-	-	(24.526)

31 December 2007	USD	EURO	GBP	DKK	AUD	TRY Equivalent
Banks	22.075	16.064	68.895	15.454	1.876	218.882
Factoring Receivables	229.195	707.257	1.019.418	-	-	3.847.559
Other Assets	-	-	-	-	-	-
Funds borrowed	-	(857.023)	(961.788)	-	-	(3.702.705)
Sundry creditors and other liabilities	-	(36)	-	-	-	(62)
Balance sheet position	251.270	(133.738)	126.525	15.454	1.876	363.674
Off balance sheet position	-	-	-	-	-	-
Net foreign currency position	251.270	(133.738)	126.525	15.454	1.876	363.674

As of 31 December 2008, foreign currency indexed loans amounting to USD 120.068 (Total: TRY 181.580) and foreign currency indexed factoring receivables amounting to 209.272 USD (Total: TRY 316.481) are classified in TRY column of the balance sheet. As of 31 December 2007, foreign currency indexed factoring receivables amounting to USD 229.259 and EUR 175.409, total of TRY 567.003 are classified in TRY column of the balance sheet.

27. COMMITMENTS AND CONTINGENCIES

As of 31 December 2008, TRY 1.134.817 of letter of guarantees are given to customs authorities and banks (31 December 2007: TRY 31.576.681).

Additionally, the Company has recognized TRY 7.903.933 of provision reversal in the accompanying financial statements in the current period in connection with the court case explained in Note 20.

The Company has commitments in connection to irrevocable transactions amounting to TRY 300.000. (31 December 2007: TRY 3.649.221)

28. SEGMENTAL INFORMATION

None.

29. SUBSEQUENT EVENTS

None.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

30. OPERATING INCOME

	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Factoring Income	16.502.037	9.178.124
	16.502.037	9.178.124

31. OPERATING EXPENSE

	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Personnel Expenses	(1.533.998)	(1.092.873)
Retirement Pay Provision Expense	(32.599)	(34.197)
Unused Vacation Provision Expense	(5.026)	(5.314)
Depreciation and Amortization Expense	(33.038)	(24.563)
Office Rent and Dues	(168.390)	(164.971)
Consultancy Expenses	(83.652)	(79.229)
Vehicle Expenses	(83.969)	(46.742)
Other General Administrative Expenses	(417.157)	(267.581)
	(2.357.829)	(1.715.470)

32. OTHER OPERATING INCOME

	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Dividend Income	277.171	15.421
Commission Income	-	415
Interest Income	2.323.214	443.644
Foreign Exchange Gains	633.848	7.321
Legal Case Collection and Provision Cancellation Income (*)	16.661.571	-
Collections from Doubtful Receivables	330.395	54.635
Other	142.041	11.294
	20.368.240	532.730

(*) TRY 7.903.933 of the amount is due to reversal of provision allocated in prior years detailed in Note 20 and TRY 8.757.638 of the amount is due to such legal case collection.

33. FINANCE EXPENSE

	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Interest Expenses	(10.405.382)	(4.294.604)
Fees and Commissions	(159.059)	(289.711)
	(10.564.441)	(4.584.315)

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

34. PROVISIONS FOR NON-PERFORMING RECEIVABLES

	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Specific provisions for non-performing receivables	(1.463.078)	(1.323.062)
General provision expenses (*)	(900.000)	-
	(2.363.078)	(1.323.062)

(*) In addition to the provision for doubtful receivables, the Company management allocated a general provision for its risky factoring receivables.

35. OTHER OPERATING EXPENSE

	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Foreign exchange losses	(625.194)	(36.402)
Other	(109.872)	(472.108)
	(735.066)	(508.510)

36. TAXATION

Provision for taxes on income	01.01.2008 - 31.12.2008	01.01.2007 - 31.12.2007
Corporate tax provision	(1.053.162)	(406.461)
Deferred tax income / (expense)	219.520	1.348
	(833.642)	(405.113)

Reconciliation of tax expense with the net income for the year is as follows;	1 January- 31 December 2008	1 January- 31 December 2007
Profit before taxation	20.849.863	1.579.497
Effective tax rate	%20	%20
Calculated taxation	(4.169.973)	(315.899)
Tax reconciliation:		
- Nondeductible expenses	(56.632)	(101.137)
- Dividend and other non-taxable income	3.392.963	11.923
Tax income in the income statement	(833.642)	(405.113)

Corporate Tax

The Company is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Company's results for the year.

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

36. TAXATION (cont'd)

Corporate Tax (cont'd)

The effective tax rate in 2008 is 20%. (2007: 20%)

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2008 is 20% (2007: 20%).

Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1April and 25 April of the following year (between 1st and 25th of the following 4. month of the tax year for the tax responsibles who have special tax years). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 June 2006. However until the resolution of Council of Ministers, it has been used as 10%. With the resolution of Council of Ministers, effective from 23 July 2006, income withholding tax rate has been changed to 15%. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the company. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentive certificates are revoked commencing from 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of 31 December 2005 so as to be deducted from taxable income of subsequent profitable years. However, the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2006, 2007 and 2008 is 30%. If the Company cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

The Company does not have investment incentive to be used for the following years, thus the effective tax rate has been determined as 20%.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

36. TAXATION (cont'd)

Inflation adjusted tax calculation:

In 2003 and the previous years, profit for the period on which taxation was being calculated, used to be uninflated balances except for the effect of the annual revaluation of the fixed assets and the depreciation calculated thereon. The Law 5024 published in the Official Gazette of 30 December 2003 numbered 25332 requires the application of inflation accounting in 2004 and the following periods provided that the inflation rate reaches the limits set out by the Law. The Turkish Tax Law is similar to IAS 29. As the conditions outlined in the Turkish Tax Law occurred the Company adjusted its financial statements according to the regulations and calculated current period tax base over these financial statements as of 31 December 2004. These financial statements constituted the opening balances for 2005. In accordance with the Law 5024, such threshold has not been met in 2005, thus the Company did not apply inflation accounting for the periods then ended.

37. EARNINGS PER SHARE

The Company's shares are not traded in the stock exchange market, therefore, earnings per share is not calculated in the accompanying financial statements.

38. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS ISSUES

None (31 December 2007: None.).

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company manages its capital by sustaining its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

There is no change in the capital risk management strategy in 2008, and the leverage ratio is 66%. (31 December 2007: 30%). As of 31 December 2008 and 2007, the leverage ratios are as follows;

	2008	2007
Total liabilities	46.776.860	96.973.090
Less: Cash and cash equivalents	(5.072.266)	(53.051.874)
Net liabilities	41.704.594	43.921.216
Total shareholders' equity	27.435.940	13.116.439
Shareholders' equity / liabilities	66%	30%

b) Significant Accounting Policies

The Company's accounting policies on the financial instruments are disclosed in Note 3 "Summary of valuation principles / significant accounting policies" to the financial statements.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(c) Categories of financial instruments

	31 December 2008	31 December 2007
Financial assets:		
Banks	4.982.254	53.026.883
Financial Assets at Fair Value Through Profit and Loss:		
-Financial Assets Held for Trading	90.012	24.991
Factoring Receivables and Non-Performing Factoring Receivables	67.098.000	56.089.784
Financial Assets Available for Sale	3.081.509	8.773.457
Financial Liabilities:		
Sundry Creditors and Other Liabilities	(416.549)	(36.848)
Funds Borrowed	(46.360.311)	(96.936.242)

(d) Financial risk management objectives

The Company is responsible for coordinating access to domestic and international markets, monitoring and managing the financial risks relating to the operations of the Company. Such risks include market risk (including currency risk, fair value interest rate risk and price risk), liquidity risk and cash flow interest rate risk.

(e) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates (refer to section f) and interest rates (refer to section g). At the Company level, market risk exposures are measured by sensitivity analysis.

There has been no change in the Company's exposure to market risks or the method used in order to manage and measure such risks.

(f) Foreign currency risk management

Foreign currency risks result from foreign currency transactions. The Company manages its foreign currency risk arising from its operations and cash flows of finance contracts by monitoring in a timely manner.

The Company's monetary assets and monetary liabilities denominated in foreign currencies are disclosed in Note 26.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(f) Foreign currency risk management (cont'd)

Foreign currency sensitivity

The Company is mainly exposed to USD and EUR exchange rate risks.

The table below indicates the sensitivity of the Company to USD and EUR when there is 15% of change in such exchange rates. The Company uses 15% of rate change when it reports its foreign currency risk to the top management and this rate represents the top managements expectation on the exchange rate fluctuations. Sensitivity analyses made in relation to the Company's exposure to foreign currency at the reporting period is determined based on the fluctuations at the beginning of the fiscal year and the analyses are fixed during the reporting period. Positive amount refers to an increase in net profit.

	31 December 2008			
	Gain / Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
15% appreciation of USD against TRY				
1 – Net USD Asset/Liability	30.887	(30.887)	-	-
2 – USD hedging	-	-	-	-
3 – USD, net effect (1+2)	30.887	(30.887)	-	-
15% appreciation of EUR against TRY				
4 – Net EUR Asset/Liability	(38.117)	38.117	-	-
5 – EUR hedging	-	-	-	-
6 – EUR, net effect (4+5)	(38.117)	38.117	-	-
15% appreciation of other currencies against TRY				
7 – Net other currency Asset/Liability	3.552	(3.552)	-	-
8 – Other Currency hedging	-	-	-	-
9 – Other currency, net effect (7+8)	3.552	(3.552)	-	-
TOTAL (3 + 6 +9)	(3.678)	3.678	-	-

	31 December 2007			
	Gain / Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
15% appreciation of USD against TRY				
1 – Net USD Asset/Liability	43.898	(43.898)	-	-
2 – USD hedging	-	-	-	-
3 – USD, net effect (1+2)	43.898	(43.898)	-	-
15% appreciation of EUR against TRY				
4 – Net EUR Asset/Liability	(34.308)	34.308	-	-
5 – EUR hedging	-	-	-	-
6 – EUR, net effect (4+5)	(34.308)	34.308	-	-
15% appreciation of other currencies against TRY				
7 – Net other currency Asset/Liability	44.142	(44.142)	-	-
8 – Other Currency hedging	-	-	-	-
9 – Other currency, net effect (7+8)	44.142	(44.142)	-	-
TOTAL (3 + 6 +9)	53.732	(53.732)	-	-

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(g) Interest risk management

The Company is exposed to interest rate risks as the Company borrows funds at both fixed and floating interest rates. Such risk is covered by making a proper classification between fixed and floating interest rate liabilities.

Interest rate sensitivity

The interest rate sensitivity analysis below is based on the Company's exposure to interest rate risks at the reporting period and estimated interest rate fluctuations at the beginning of the fiscal year, and fixed during the reporting period. The Company management makes its sensitivity analysis based on 100 base point interest rate fluctuation scenario. This rate is also used in top management reporting.

Interest Position Table

	31 December 2008	31 December 2007
Fixed interest rate financial instruments		
Financial assets:		
Banks	4.982.254	53.026.883
Factoring receivables	48.751.938	46.413.268
Financial liabilities:		
Borrowings	15.456.438	20.039.433
Floating interest rate financial instruments		
Financial assets:		
Factoring receivables	18.346.062	9.676.516
Financial liabilities:		
Borrowings	30.903.873	76.896.809

If interest rates were 100 base point higher at the balance sheet date and all other variables were fixed:

- Interest income from floating interest rate factoring contracts would increase by TRY 216.610 (31 December 2007: TRY 140.706), while interest income from fixed interest rate factoring contracts would increase by TRY 542.934. (31 December 2007: TRY 458.365)

- Interest income from fixed interest rate time deposits would increase by TRY 30.470 (31 December 2007: TRY 500.000)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(h) Other price risks

The Company is exposed to equity share price risk because of equity investments. Equity shares are held especially for strategic purposes rather than trading purposes. These investments are not actively traded by the Company.

Equity price sensitivity

Sensitivity analysis below is determined based on the equity share price risks exposed as of the balance sheet date.

If data used in the valuation method were 15% higher / lower and all other variables were fixed:

- There would not be any difference in the net profit/loss to the extent that equity investments are classified as available or are not disposed of or are not subject to impairment.

- Funds under other equity would increase/decrease by TRY 409.284 (2007: TRY 1.263.792). It is mainly because of changes in fair value of the available for sale equity shares.

(i) Credit risk management

Credit risks refer to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure to credit risks and credit ratings of its counterparties are monitored periodically. Credit exposure is controlled by means of counterparty limits and Board of Directors' limit.

Factoring receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(i) Credit risk management (cont'd)

Sectoral allocation of factoring receivables is as follows:

	31 December 2008 %	31 December 2007 %
Motor Vehicles	19,61	4,24
Metal Industry	12,76	13,01
Health	9,66	0,62
Chemical, Plastic and Pharmacy	8,81	4,76
Forestry Products and Paper	8,70	0,29
Rubber Products Manufacturing	7,67	-
Food	5,28	16,02
Mining	3,86	3,31
Other Manufacturing Industry	3,78	16,49
Print Industry	3,11	2,30
Other Vehicles	2,76	-
Wholesale Trading and Brokerage	2,48	0,84
Transportation	1,45	0,34
Glass, Tile and Cement	1,42	-
Textile	1,35	14,10
Other	7,30	23,68
	100,00	100,00

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(i) Credit risk management (cont'd)

Credit risks based on categories of financial instruments:

	Factoring Receivables				
31 December 2008	Related Party	Third Party	Deposits	Fair value through profit/loss financial instruments	Available for sale financial assets
Maximum net credit risk as of balance sheet date (*)	7.135.921	59.962.079	4.982.254	90.012	3.081.509
- The part of maximum is under guarantee with collateral etc.	-	1.515.000	-	-	-
A. Carrying value of financial assets that not past due nor impaired	7.135.921	59.730.829	4.982.254	90.012	3.081.509
- The part under guarantee with collateral etc.	-	1.515.000	-	-	-
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	231.250	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets			-	-	-
- Past due (gross carrying value)	-	3.057.032	-	-	-
- Impairment (-)	-	(3.057.032)	-	-	-
- The part of net value under guarantee with collateral etc. (**)	-	-	-	-	-
- Not past due (gross carrying value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- The part of net value under guarantee with collateral etc. (**)	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-

(*) No credit enhancing item such as; guarantees received, is taken into account in the calculation.
(**) Includes guarantees of assets impaired but not overdue.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(i) Credit risk management (cont'd)

Credit risks based on categories of financial instruments:

	Factoring Receivables				
31 December 2007	Related Party	Third Party	Deposits	Fair value through profit/loss financial instruments	Available for sale financial assets
Maximum net credit risk as of balance sheet date (*)	1.141.128	54.948.656	53.026.883	24.991	8.773.457
- The part of maximum is under guarantee with collateral etc.	-	3.030.000	-	-	-
A. Carrying value of financial assets that not past due nor impaired	-	54.776.638	53.026.883	24.991	8.773.457
- The part of maximum risk under guarantee with collateral etc.	-	3.030.000	-	-	-
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	172.018	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Past due (gross carrying value)	-	2.128.165		-	-
- Impairment (-)	-	(2.128.165)		-	-
- The part of net value under guarantee with collateral etc. (**)	-	-		-	-
- Not past due (gross carrying value)	-	-		-	-
- Impairment (-)	-	-		-	-
- The part of net value under guarantee with collateral etc.	-	-		-	-
E. Off balance sheet items that include credit risk	-	-		-	-

(*) No credit enhancing item such as; guarantees received, is taken into account in the calculation.
(**) Includes guarantees of assets impaired but not overdue.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(i) Credit risk management (cont'd)

Guarantees taken for all factoring receivables including past dues and non-performing receivables are as follows:

	31 December 2008		31 December 2007	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Mortgages	1.515.000	1.515.000	3.030.000	3.030.000
	1.515.000	1.515.000	3.030.000	3.030.000

(i) Liquidity risk management

Company management has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages its liquidity risk by maintaining adequate reserves and reserve borrowing facilities by constantly monitoring forecasts and actual cash flows and matching the maturity profile of financial assets and liabilities.

Liquidity risk table

The following table details the Company's expected maturity for its non derivative financial assets and liabilities. The tables below have been prepared based on the earliest dates for collections and disbursements of the Company's assets and liabilities. Interest amounts to be collected and disbursed on the Company's assets and liabilities have also been included in the table below.

31 December 2008

Maturities based on agreement	Book Value	Cash inflow/outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative Financial Assets:						
Banks	4.982.254	5.029.955	5.029.955	-	-	-
Factoring receivables	67.098.000	67.098.000	62.763.250	4.334.750	-	-
	72.080.254	72.127.955	67.793.205	4.334.750	-	-
Non-derivative Financial Liabilities:						
Funds borrowed	46.360.311	46.381.211	46.381.211	-	-	-
Sundry creditors and other liabilities	416.549	416.549	416.549	-	-	-
	46.776.860	46.797.760	46.797.760	-	-	-

The Company makes payments based on contract maturities.

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(i) Liquidity risk management (cont'd)

31 December 2007

Maturities based on agreement	Book Value	Cash inflow/outflow according to contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative Financial Assets:						
Banks	53.026.883	53.489.130	53.489.130	-	-	-
Factoring Receivables	56.089.784	56.089.784	40.297.382	14.195.591	1.596.811	-
	109.116.667	109.578.914	93.786.512	14.195.591	1.596.811	-
Non-derivative Financial Liabilities:						
Funds borrowed	96.936.242	96.936.242	96.936.242	-	-	-
Sundry creditors and other liabilities	36.848	36.848	36.848	-	-	-
	96.973.090	96.973.090	96.973.090	-	-	-

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(j) Fair Value of Financial Instruments

Except for the items below, the Company management estimates that the carrying value of the financial assets and liabilities approximates their fair value.

31 December 2008	Financial assets held for trading	Financial assets at amortized cost	Loans and receivables	Financial liabilities at amortized cost	Book value	Fair value
Financial assets						
Banks	-	4.982.254	-	-	4.982.254	4.982.254
Fair value through profit and loss financial assets						
-Financial assets held for trading	90.012	-	-	-	90.012	90.012
Factoring Receivables and Non-Performing Receivables	-	-	67.098.000	-	67.098.000	67.098.000
Financial liabilities						
Sundry creditors	-	-	-	416.549	416.549	416.549
Funds borrowed	-	-	-	46.360.311	46.360.311	46.360.311

(Amounts are expressed in New Turkish Lira ("TRY") unless otherwise stated.)

39. ADDITIONAL INFORMATION ABOUT FINANCIAL INSTRUMENTS (cont'd)

(j) Fair Value of Financial Instruments (cont'd)

31 December 2007	Financial assets held for trading	Financial assets at amortized cost	Loans and receivables	Financial liabilities at amortized cost	Book value	Fair value
Financial assets						
Banks	-	53.026.883	-	-	53.026.883	53.026.883
Fair value through profit and loss financial assets						
-Financial assets held for trading	24.991	-	-	-	24.991	24.991
Factoring receivables and non-performing receivables	-	-	56.089.784	-	56.089.784	56.089.784
Financial liabilities						
Sundry creditors	-	-	-	36.848	36.848	36.848
Funds borrowed	-	-	-	96.936.242	96.936.242	96.936.242