th Fiscal Year

CONTENTSPAGE

The 37th Ordinary General Meeting of

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİİ VE TİCARET A.Ş.

Date: 14 May 2009, Thursday
Time: 14:00
Venue: Elite World Hotels
-2. Kat Pera Salonu
Şehit Muhtar Caddesi No: 42 34435 Taksim - İstanbul

Mr. CİHAN BEKTAŞ

We remember him on
the 6th anniversary of his death
(15.03.1928-18.09.2002)

AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

1-Opening and election of the Council and to empower the Council for signing the minutes of the meeting on behalf of the General Meeting,

2-To vote on the appointment of Mr. Fuat SUCU, appointed as per article number 315 of Turkish Commercial Code by the Board of Directors Resolution dated 26.01.2009 to take office as member of Board of Directors in place of a resigned member until the first election date of the Board of Directors.

3-To read and to discuss the Report of the Board of Directors for the year 2008,

4-To read and to discuss the Report of the Board of Auditors for the year 2008,

5-To read the Report of the Independent Auditors,

6-To read, to discuss and to ratify the Consolidated Balance Sheet and Income Statement for the year 2008 along with the proposal of the Board of Directors on the distribution of the profit for the year,

7-To acquit the Board of Directors,

8-To acquit the Auditors,

9-Election of the Auditors,

10-To determine the salaries and benefits of the members of the Board of Directors,

11-To determine the salaries of the Auditors,

12-To present information to the shareholders on the donations made by the company in 2008,

13-To empower the members of the Board of Directors to practise the transactions under the 334 th and th articles of the Turkish Commercial Code,

14-Wishes and proposals, the meeting adjourns.

SAMİ SUCU
(12.05.1926 - 01.03.2009)

Mr. Sami SUCU, our Vice Chairman of the Board, who contributed greatly to the Company's successes since the foundation of Sarkuysan resigned and stepped down as the member of the board on 26.01.2009.
Shortly after his resignation, he passed away on 1st March 2009. May God mercy on him and we offer our condolences to his relatives and Sarkuysan family.

SARKUYSAN'S I.D.

The Name of the Company: Sarkuysan Elektrolitik Bakır Sanayii ve Ticaret A.Ş.
Date of foundation: 03.05.1972
Registered Capital: TL 100.000.000,00
Paid-up Capital: TL 50.000.000,00
Web Site: www.sarkuysan.com

Head Office *Sarkuysan Trade Center*
Okçumusa Cad. No. 1 34420
Beyoğlu - Istanbul / TURKEY
Telephone: 90.212.252 60 00 (20 lines)
Telefax: 90.212.251 23 04

Commercial Reg. No.: 114801 / 61641
E-mail: export@sarkuysan.com
marketing@sarkuysan.com

Factory *: Osmangazi Tren İstasyonu*
Karşısı 41401 Gebze
Kocaeli / TURKEY
Telephone:90.262.653 26 04 (3 lines)
90.262.653 27 52 (7 lines)
90.262.653 45 07 (4 lines)
Telefax:90.262.653 55 12

Industrial Reg. No.:41380.46
E-mail: production@ sarkuysan.com

Sales Store *: Perpa İş Merkezi, 8. Kat, 5. Cad. No: 978-980 34350*
Şişli-İstanbul-Turkey
Telephone : 90.212. 222 45 96 (2 lines)
Telefax : 90.212.221 98 77
E-mail : sksper@sarkuysan.com

BOARD OF DIRECTORS

Term of Office :
May 2008 - May 2011
Authority :
Stated by the Turkish Commercial Code and Articles of Incorporation.

İbrahim GÜNGÖR (Chairman)

Sami SUCU (Vice Chairman)

Köksal AHISKA (Director)

Maksut URUN (Director)

Hayrettin ÇAYCI (Director)

A. Hamdi BEKTAŞ (Director)

Fikret GÜNAY (Director)

Hamit MÜCELLİT (Director)

Sermet TAŞKIN (Director)

CHAIRMAN'S MESSAGE

Dear Shareholders,

Welcome to the 37th Ordinary General Meeting of the Company. I respectfully salute all of you. Unfortunately this general meeting is being held in hard times during which the global economic crisis is still prevailing all around the world.

An economic crisis to such an extent is being witnessed for the first time since the start of the globalization stage. All the known economic and practical theories have proved to be insufficient to find a decisive solution and as a result our country, in full integration with the rest of the world, is also being affected negatively. The financial crisis stemming from the serious problems in the USA sub-prime market left leading financial corporations and banks in difficult situation, which either went bankrupt or had to receive government support. The effects of this crisis spilt over to all the rest of the world affecting the real sector in due course.

The panic stricken climate in the USA and other countries due to lack of confidence in the finance and banking sectors have not been felt in Turkey as a result of the serious and radical measures taken early 2000 during the banking crisis. However, due to the crisis, negative growth of demand has been experienced in all fields and industries all over the world. Lower capacity utilization in several leading sectors including metals and automotive industries as well as real estate sector has taken its toll all over the economies of the world. Negative economic data coupled with consumer behavior changes due to lack of confidence in the economic climate caused the current ambiguous and bleak picture.

The deterioration in the economic indicators in our country started to become more evident in line with the global economy particularly from the final quarter of 2008. Among these indicators employment data, which show a rise, is of top priority. The employment issue of the young population is of utmost importance in every aspect.

Dear Shareholders, under the current circumstances, unfortunately, the results of our operations, which we, as SARKUYSAN, have taken pride in bringing to your attention every year, have not been satisfactory for 2008. Our production hit record levels during the first 8 months of 2008. However, the negative impacts of the sharp decrease in copper prices on the LME during the last four months of the year brought about more fragile market conditions which in turn caused to do business basis more strict sales terms which affected the sales negatively. On the other hand, domestic demand contracted as a result of cancelled orders of the export oriented domestic customers due to lack of demand from export markets. Some of these customers cut their production; even some of them closed their factories. All these negative factors caused our production to decrease considerably. Consequently, in our consolidated financial tables the net sales revenues amounted to TL1.782.756.367,00. The company recorded a net profit of TL 621.890,00. In the light of current circumstances, I believe, our results will be assessed in the affirmative in comparison to the balance sheets of our peers in which losses were announced. Despite the fact that the desired results have not been attained due to global factors, I would like to thank all our officers and employees for their hard work and contribution in attaining important production and sales levels over the year as well as for their great efforts in managing the crisis.

In the meantime, on 1st March 2009 we have lost our dear friend Sami SUCU, with whom I worked shoulder to shoulder since the foundation of Sarkuysan and who took responsibilities for 37 years as director, vice chairman on the Board of Directors and member of the Executive Committee and who contributed greatly to the company and the subsidiaries. We remember him with respect. Also we would like to remember dear members of our family who passed away.

I would like to convey my best wishes to all of you.

Yours sincerely,
İbrahim GÜNGÖR
Chairman of the Board

INTRODUCTION AND CAPITAL STRUCTURE

The Annual Report covers the period from 01.01.2008 to 31.12.2008. In accordance with the communiqué serial XI No: 29 of the Capital Market Board, concerning " Guidelines for the Financial Reporting in the Capital Markets", which came into force on 09.04.2008 following its publication in the Official Gazette, our financial statements have been prepared as per The International Accounting Standards since 01.01.2008. In line with this provision, our financial statements for the year 2008 were audited by the independent auditing company and were announced in time in accordance with the regulations.

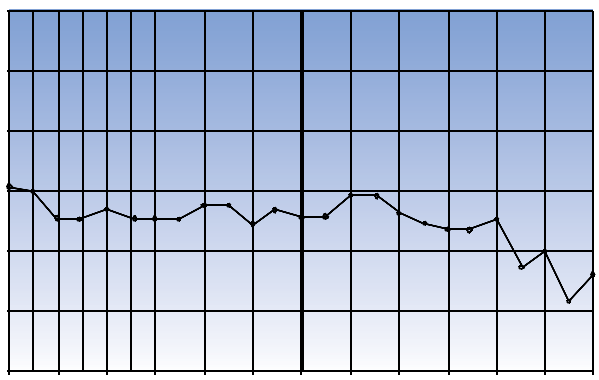
The Ordinary General Meeting of the shareholders for the year 2007 was held on 28.04.2008 at the Hilton Hotel Convention and Exhibition Centre, Istanbul.In accordance with the 6th provisional article of the Capital Market Law and the 3rd Provisional Article of the circular serial IV No: 28 of the Capital Market Board as the company shareholders had already registered their shares by 31.12.2007, by its invitation to general meeting which was published in 2 newspapers on 28.03.2008, the company disclosed that the shareholders should get their shares blocked by the Central Registration office in order to be able to attend the general meeting on 28.04.2008.

The company is wholly publicly owned and as of 31.12.2008, the shareholdings of Mr. Sermet TAŞKIN, Mr. İbrahim GÜNGÖR, Mr. A. Hamdi BEKTAŞ and Mr. Hayrettin ÇAYCI , among the Directors of the company, are 3,56%, 3,14%, 2,16% and 1,89 respectively. The shareholdings of each of the other Directors are below these percentages.

In the last quarter of 2008, the financial crisis which broke out following the home loans issues in the USA, whose negative effects rapidly spilt over to Europe, Asia and rest of the world and several banks and international corporations, primarily in the USA and England, went bankrupt. This situation turned into a global economic crisis which negatively affected almost all industries and caused the sales to decrease sharply and hence production in many industries retreated to a great extent. Despite various government stimulus packages in many countries in order to help their respective national economies, the social and economic aspects of the crisis got worse every other day. The sharp decreases in the international stock exchanges also affected the Istanbul Stock Exchange. Consequently, while a company share was TL3,20 on 02.01.2008 on the Istanbul Stock Exchange, the price of the company share followed a trend in parallel with the Exchange's general index and closed the year at TL1,47.

In accordance with the legal regulations, for the registration purposes of the bearer shares issued by the company, Öncü Menkul Değerler had been authorized by our company. However, since the said intermediary institution was taken over, an agreement with Yapı Kredi Yatırım Menkul Değerler A.Ş. was made concerning the depositing of our company shares with them. In line with this, our shareholders transferred their shares from Öncü Menkul Değerler A.Ş. to their accounts held with Yapı Kredi Yatırım Menkul Değerler A.Ş.

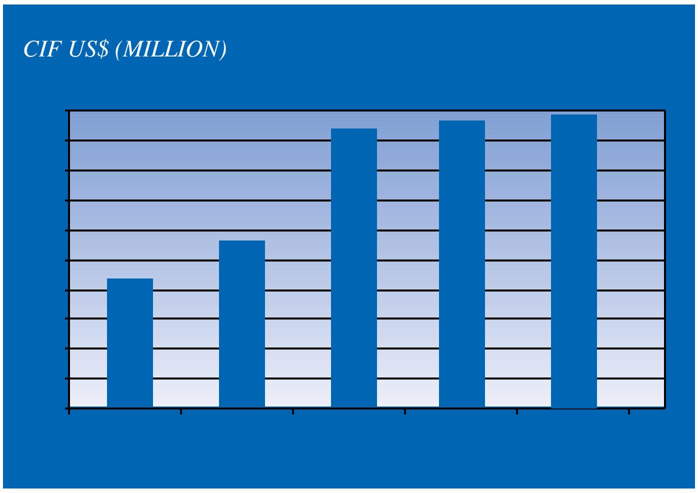
PRICE FLUCTUATIONS OF THE COMPANY SHARES ON THE ISTANBUL STOCK EXCHANGE IN 2008



MAIN FINANCIAL RATIOS

	2007	2008
Liquidity		
Current Ratio	1,24	1,16
Liquidity Ratio	0,92	1,06
Ratios for Financial Position		
Total Debts / Total Equity	1,61	1,97
Current Liabilities / Total Assets	0,60	0,64
Long-Term Debts / Total Assets	0,02	0,02
Profitability		
Net Profit / Total Assets	0,04	0,001

EXPORT SALES



FINANCIAL HIGHLIGHTS (TL)

		2005	2006	2007	2008
Registered Capital		50.000.000,00	100.000.000,00	100.000.000,00	100.000.000,00
Paid-up Capital		50.000.000,00	50.000.000,00	50.000.000,00	50.000.000,00
Total Par-Value of Stocks		4.268.112,50	4.268.112,50	4.268.112,50	4.268.112,50
Total Par-Value of Bonus Shares		45.731.887,50	45.731.887,50	45.731.887,50	45.731.887,50
Capital Increase (%)		-	-	-	-
Capital Increase in Cash (%)		-	-	-	-
Bonus Shares (%)		-	-	-	-
Share Price as at Year end		2.60	4.04	3.20	1.47
Addition of Fixed Assets Over the Year		17.760.796,-	7.184.011,-	7.888.352,-	12.173.016,-
Amount of Distributed Dividends (gross)		5.000.000,-	5.555.556,-	11.764.706,-	11.764.705,-
Amount of Distributed Dividends (net)		4.765.000,-	5.000.000,-	10.000.000,-	10.000.000,-
Dividend Rate (%)	Gross	10	11,11	23,52	23,52
	Net	9.53	10	20	20
Production (tonnes)		123.775	138.666	185.823	178.644
Sales (tonnes)		122.945	140.354	184.850	185.571
Export Revenues (CIF US$)		282.629.296,-	402.704.748,-	474.734.096,-	499.925.390,-
Number of Personnel		592	616	693	681

SUBSIDIARIES AND AFFILIATES

Demisaş A.Ş., established in 1974, has a factory located in Bilecik. On these premises, there are two separate foundries, a cupola furnace and induction furnace where melting takes place and 4 Disamatic Lines where the production takes place. The company manufactures hermetic compressor parts, scroll compressor parts, and nodular and gray iron, brake discs, vented brake discs, hub drums, flywheels, exhaust manifolds, rings, brake cylinders, brackets and brake security parts for the automotive industry. The annual production capacity of the company is 80.325 tonnes, nearly 65% of which is exported primarily to Western Europe. Production in 2008 reached 71.437 tonnes.

Head Office
Address :Sarkuysan İş Merkezi, Okçumusa Cad.
No. 1 Kat 1-2 34420 Beyoğlu - IstanbuL / TURKEY
Tel : 90.212.251 59 15 (pbx)
Fax: 90.212 251 60 74
Reg. No.:127850-75094
Website : www.demisas.com.tr
e-mail:info@demisas.com.tr

Factory
Address :Vezirhan Köyü
Bilecik11130 - TURKEY
Tel:90.228 233 10 14
Fax :90 228 233 12 46
e-mail:info@demisas.com.tr

The company handles a portion of domestic sales promotions and marketing of Sarkuysan products. Its successful results have contributed substantially to Sarkuysan's progress for many years.

Head Office
Address: Sarkuysan İş Merkezi, Okçumusa Cad. No. 1 Kat A-2
34420 Beyoğlu - İstanbuL / TURKEY
Tel.: 90.212 249 06 60 (pbx)
Fax.: 90.212 251 25 24
Reg. no.: 162336/109775
e-mail : sarda@sarkuysan.com

The company successfully continues to manufacture steel and plastic reels, supplementary special machinery for the wire and cable industry with sales to the leading companies in the domestic and global wire and cable industry.
Also the company realizes copper wire paper coating, copper and aluminium bar production for the electromechanical industry and undertakes projects on a turnkey basis to its customer base in other sectors as a manufacturer, subcontractor including steel construction projects.

Head Office

Address : Sarkuysan İş Merkezi
Okçumusa Cad. No. 1 Kat 4
34420 Beyoğlu
Istanbul / TURKEY
Tel: 90.212.252 60 00 (20 lines)
Fax: 90.212 251 23 04
Reg. no. : 275439/223021

Factory

Address: Aşiroğlu Deresi Mevkii
2. Bölge İstasyon Mah.
Gebze - Kocaeli / TURKEY
Tel: 90.262 653 90 82
Fax: 90.262 653 90 89
Web site: www.sarmakina.com.tr
e-mail: sarmakina@sarmakina.com.tr

BEKTAŞ

Bakır Emaye Kablo Sanayi ve Ticaret A.Ş.

The company, merged with Emsan A.Ş., Kavi A.Ş. and Botel A.Ş. in 2002 to create Bemka Emaye Bobin Teli ve Kablo Sanayi Ticaret A.Ş., the biggest enamelled copper winding wire factory in Turkey, currently with a capital of TL 25.000.000,00 and for this reason, Bektaş A.Ş. stopped production in 2003. Bemka A.Ş. started operation soon after the merger and continuously increased the demand potential for its products thanks to their superior quality and active marketing policy both in the domestic and international markets. Bektaş A.Ş. has a 17% stake in Bemka A.Ş.

Head Office

Address: Sarkuysan İş Merkezi, Okçumusa Cad.
No. 1 Kat A/1 34420 Beyoğlu - İstanbul/TURKEY
Tel.: 90. 212 252 98 73
Fax:90. 212 245 30 11
Reg. no.:160724/108157
e-mail :bektasemaye@sarkuysan.com

Sark - USA, Inc.

Incorporated with the aim of marketing Sarkuysan products directly in the US market. The capital of the company is US$100.000,00.

Address: Park 80 West, Plaza II Suite 410 Saddle Brook, NJ 07663 USA
Tel: 001 201 368 20 20
Fax: 001 201 368 20 21
e-mail: marketing@sark-usa.com
Reg.No.: EIN.27-0013886
Web site: www.sark-usa.com

Sark Wire Corporation

Incorporated in Albany the capital of the state of New York in the USA with the aim of producing electrolytic copper wire and products with initial capital of US$2.000.000,00 (US$1.000.000,00 paid by Bektaş A.Ş., US$500.000,00 by Sark-USA, Inc and US$500.000,00 by Sarmakina A.Ş.) which was increased by US$3.000.000,00 to US$5.000.000,00 by the resolution of Board of Directors dated

Address: 120 Industrial Park Road Albany, NY 12206 USA
Tel: 001 201 368 20 20
Fax: 001 201 368 20 21
Reg.No.: 26-00837344
Web site : www.sarkwire.com

BRANCHES

SARKUYSAN A.Ş. AEGEAN FREE ZONE BRANCH

Electrolytic copper wire, produced here since 1996, is marketed to various countries. Annual production capacity of the plant is 691 tonnes.

Address	*Ege Serbest Bölgesi Nilüfer Sok. No: 19 Gaziemir - İZMİR / TURKEY*
Tel	
Fax	
Reg. No.	*80511 / K-6766*
e-mail	*sksege@sarkuysan.com*

SARKUYSAN S.P.A.

Incorporated with the aim of marketing the company products directly to the European countries, mainly in Italy.

Address : Via Caracciolo 30   20155 Milano-ITALIA
Tel: 0039 0234592237
Fax: 0039 0234592189
Reg. No.: 97292990153
e-mail: italia@sarkuysan.com

SUBSIDIARIES (TL)

	2005	2006	2007	2008
Demisaş Döküm Emaye Mamulleri Sanayi A.Ş.				
Paid-up Capital	28.000.000,00	28.000.000,00	28.000.000,00	28.000.000,00
Our Shareholdings	12.444.139,32	12.444.139,32	12.444.139,32	12.444.139,32
Earnings from Shareholdings				
Bektaş Bakır Emaye Kablo Sanayi ve Tic.A.Ş.				
Paid-up Capital	4.250.000,00	4.250.000,00	4.250.000,00	4.250.000,00
Our Shareholdings	3.889.111,46	3.889.111,46	3.889.111,46	3.889.111,46
Earnings from Shareholdings				
Sarda Dağıtım ve Tic. A.Ş.				
Paid-up Capital	3.000.000,00	3.000.000,00	6.000.000,00	6.000.000,00
Our Shareholdings	2.999.200,14	2.999.200,14	5.988.400,28	5.988.400,28
Earnings from Shareholdings				
Sarmakina San. ve Tic.A.Ş.				
Paid-up Capital	2.000.000,00	2.000.000,00	2.000.000,00	2.000.000,00
Our Shareholdings	1.980.000,00	1.980.000,00	1.980.000,00	1.980.000,00
Earnings from Shareholdings				
SARK - USA, INC.				
Paid-up Capital	162.616,17	162.616,17	162.616,17	162.616,17
Our Shareholdings	162.616,17	162.616,17	162.616,17	162.616,17
Earnings from Shareholdings				
Sark Wire Corporation (formed in 2008)				
Paid-up Capital				
Our Shareholdings				
Earnings from Shareholdings				

INVESTMENTS

The company continued investment projects for many years without interruption. Likewise, investment activities went on in 2008 as well. Particularly by taking into consideration the intensive competitive climate in our industry, machinery park investment for the production of mono and flexible conductors as well as Multi Wire and Bunched Wire continued over the year in line with the mission of the company placing importance on the high value added products. To this end, the assembly works of some of the machineries which were imported over the previous year were completed and these lines came on stream during the year. Utmost care was given in order for the machineries and plants which were commissioned during the year to possess the latest technologies.

The production of "tin coated copper bus bar" a main semi product mainly used as input material in electro-technique industry was successfully realized in our plant by utilizing technology and process developed by our company.

In addition, our operations in order to increase the production capacity of the copper tube and copper bus bar as well as to broaden the product range continued over the year.

Besides, investment project which previously started concerning the optimization of our production processes with IT implementations continued during the year.Important investments were made at our Quality Control Laboratory for the improvement of the sensitivity of the Chemical Analysis facilities for the purpose of further increasing the process and product quality.

By virtue of these investments, the product range was broadened and volumes of sales to cooling and heating industries were increased.

PRODUCTION OPERATIONS

SARKUYSAN was founded in 1972 in Istanbul for the production of electrolytic copper products. The production plants of the company are located in Osmangazi, Gebze, 40 km from Istanbul on an area of 165.000 m . The SKS brand product range which includes various electrolytic copper conductors in various diameters and forms manufactured in accordance with international standards also includes copper tubes with inner and outer groove, and bus bars. The annual production capacity of the company exceeds 200.000 tons. Environment friendly production is realized at Sarkuysan plants equipped with modern environment protection technologies.

THE QUALITY POLICY OF SARKUYSAN A.Ş.

Quality is a tradition at Sarkuysan A.Ş. It has always been the main policy of our company to produce "High Quality Goods" which meet the needs and expectations of our customers. Our main aim is to maintain and improve our place among the leading producers in the world quality race by virtue of high technology, accumulation of information, experience, and qualified workforce. We also stick to the principle of "Environment Friendly Production" for a clean nature. Our quality management is based on continuous improvement of quality management system and its effectiveness by investment, coordination and support programs together with complete fulfilment of quality management system requirements in order to meet the expectations of our customers in a world moving towards a single market.

Since high quality production is the fruit of the mutual efforts of our workforce, training and incentive programs for the realization and improvement of the quality consciousness constitute the basis of our training policy.

Our "Handbook of Quality " which is the main document of ISO 9001 and ISO/TS 16949 Quality Management System, explains the complete principles and procedures of the system. Our management and employees must abide by these principles and procedures. These principles assure that products of SARKUYSAN A.Ş. are produced in compliance with customer requirements, national and international standards as well as law. Effective implementation of the Quality Management System will bring about low cost and high quality production, thus increase our competitiveness both in domestic and international markets. Within the framework of this basic quality policy it is the common and essential duty of our employees to maintain and improve further the success obtained in the product quality.

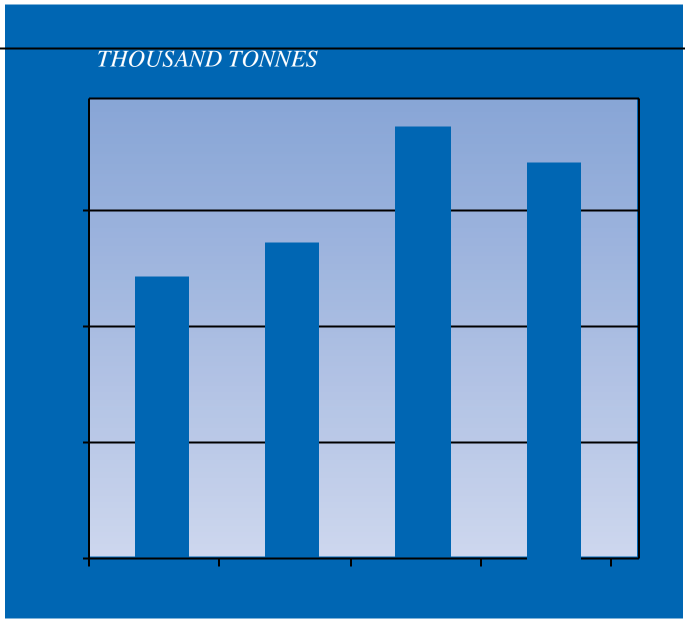
Sarkuysan has ISO 14001 Environmental Management System Certificate and OHSAS 18001 Workplace Health and Safety Management System Certificate for all its activities.

ENVIRONMENTAL POLICY

While maintaining its operations, the company's environmental policy is:

- To use clean technologies which do not pollute the environment and minimize waste with recycling possibilities in the production of products in accordance with the requirements of our customers,
- To ensure the efficient use of natural resources (natural gas, electricity, water, raw materials etc.) for sustainable development,
- To raise awareness and train the employees in environmental matters,
- To focus on the co-operation with the industrial, commercial and governmental organizations which respect the environment,
- To comply with the requirements of environmental legislation and approved code of practice in the course of activities.

PRODUCTION



SALES

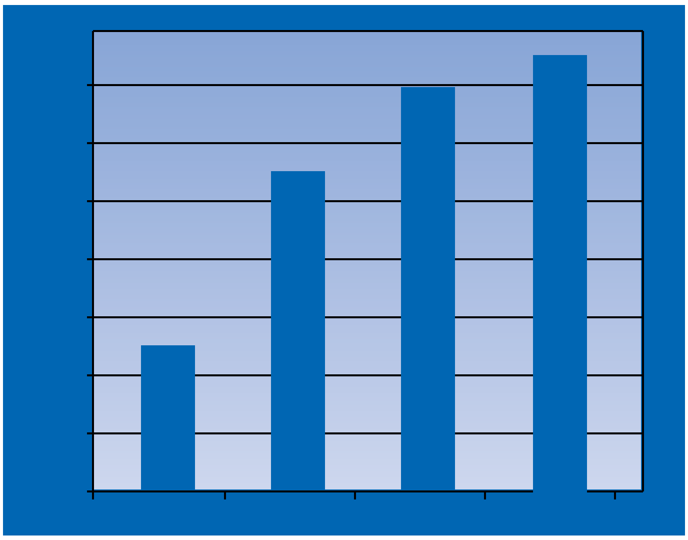
Economic instability in the global markets going on since the second half of 2007 continued in the year 2008 as well. Particularly during the last quarter of the year the outbreak of the crisis affected the sales considerably. Instability in the global supply and demand balance caused a sharp drop in the copper prices in the London Metal Exchange. The prices of both our raw materials and products are determined based on the LME copper price. While the LME copper price was $6.666,00 per tonne in the beginning of 2008, and at year end it dropped to $2.902 per tonne level. It spiked to its highest level of $8.985,00 in July. In 2008 the annual average of the cash settlement price of copper on the London Metal Exchange is $6.956 per tonne.

Unprecedented volatile environment in the London Metal Exchange and sharp fluctuations in the copper prices made long-term planning quite difficult. In such an environment to manage raw material purchases, pricing and to sell products carried considerable risk factors. In this volatile market conditions meticulous steps were taken in the light of our knowledge, experiences and intuition and both raw material purchases and product sales were hedged.

Despite the negative factors experienced in 2008, as a result of the active sales policy, high performance, top quality products and our zealous activities, the sales quantity reached 185.571 tonnes. The company's sales proceeds reached TL1.782.756.367,00 in 2008. Export sales reached

SALES (NET)

TL MILLION



PRODUCT RANGE

**** Copper Cathode***

**** Electrolytic Copper Products (Tough pitch/Oxygen Free)***

- Rods
- Wire Rods
- Wire in various diameters
- Flat wire (bare or insulated)
- Profiles
- Tin-plated wire
- Nickel-plated wire
- Bunched and stranded wire
- Ropes

**** Silver Bearing Electrolytic Copper Products(Oxygen Free)***

- Rods
- Flat wire
- Profiles

**** Centrifugally Cast Products (Bronze, Brass and Special Alloys)***

**** Copper Tube with inner and outer groove***

**** Electrolytic Copper Bus bar (bare or tin coated)***

In 2008, Sarkuysan exported its products to approximately 55 countries in EU, America, Africa and Middle East.

The company participated in various exhibitions and fairs both abroad and at home to promote sales during the year. Among these are the following:

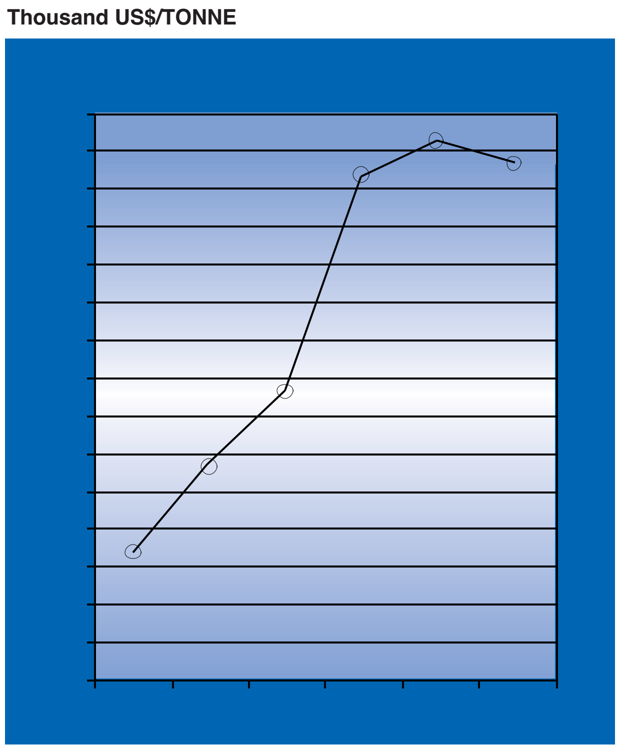
Domestic Exhibitions

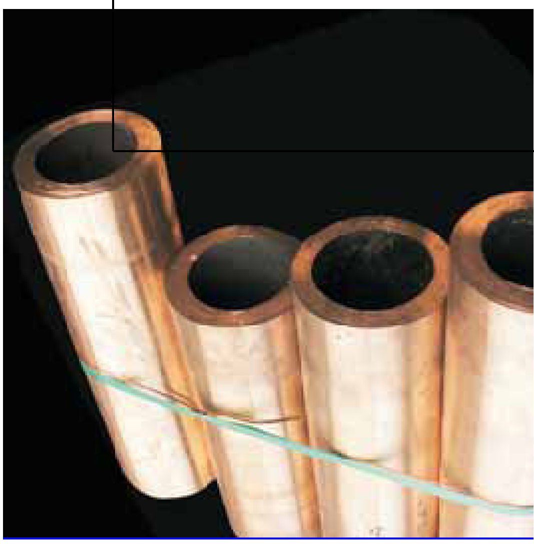
** 18-21 September 2008*
2nd Cable and Wire Exhibition, Istanbul

International Exhibitions

**** 10-13 February 2008*** *Middle East Electricity / Dubai*
**** 31 March-04 April 2008*** *Wire 2008/Düsseldorf*
**** 15 -18 April 2008*** *12th Elcom/Ukraine*
**** 12-15 May 2008*** *SHK Moscow/Russia*

LMECOPPERPRICES (Annual averages)





MANAGEMENT

Hayrettin ÇAYCI	*President - M.Sc. Metallurgical Engineer*
Doğan ÇAKIR	*Vice President (Domestic Trade) - M.Sc. Metallurgical Engineer*
Sevgür ARSLANPAY	*Vice President (Technical) - Chemical Engineer*
Erhan AKBAŞ	*EDP Manager - System Analyst*
Sabri ATİLLA	*Administrative Operations Manager - Business Administrator*
M. Fehmi ÇİÇEKOĞLU	*Marketing Manager - Economist*
Tolga EDİZ	*Continuous Casting Manager - Metallurgical Engineer*
Oğuz ERGÜNGÖR	*Human Resources Manager - Economist*
Hüseyin Yalçın GENÇAY	*Maintenance Manager - M.Sc. Mechanical Engineer*
Dilek Mine GİNİ	*Import Manager - Business Administrator*
Emine GÜNDAĞ	*Manager of Commercial Accounting - Business Administrator (CPA)*
Selçuk HARPUT	*R&D Manager - Metallurgical Engineer*
Güneş KANIK	*Legal Counsellor - Lawyer*
Şükrü KARAÇ	*End Production Manager - Mechanical Engineer*
Polat KARLIDAĞ	*Industrial Engineering Manager - Industrial Engineer*
Meryem KAYA	*Export Operations Manager - Business Administrator*
İlhan KOCAMAN	*Manager of Quality Assurance - Metallurgical Engineer*
Levent Şakir KULAÇ	*Refinery Manager - Metallurgical Engineer*
Filiz TEKİN SALMANLI	*Production and Material Planning Manager - Industrial Engineer*
Ahmet SONKAYA	*Purchasing Manager -M.Sc. Metallurgical Engineer*
Nezih SÜRMELİ	*Sales Manager - Mechanical Engineer*
Ferhan TURNAGİL	*Manager of Cost Accounting-Economist (CPA,*
Ömer Münci ÜNAL	*Tube Plant Manager - Mechanical Engineer*
Erkin YILMAZ	*Financial Manager - Economist*

HUMAN RESOURCES

The human resources policy and management operations of the company have been carried out in accordance with the basic company principles and objectives. The basic philosophy of the employment policy is to obtain the maximum efficiency in the production of top quality products with the minimum workforce. As at end of 2008, total number of personnel employed was 681, including 175 management, 106 technical and 400 workers.

As usual programs and social activities continued to further improve the skills, efficiency and motivation of the personnel during the year. The company also realized various activities in line with the corporate image of a socially responsible entity including the following.

The company continued to contribute to youth education over the year with 59 undergraduates, including employees' children and successful graduates of Sarkuysan High School, being awarded scholarships. Also 64 students were awarded scholarships from a private fund established by our personnel. Vocational high school students and undergraduates are also given the chance of training at the company to the extent of the quota allocated by the company.
Our relationship with Sarkuysan High School has always been maintained and traditional essay writing contest during the Atatürk Week was organized. The company also contributed to the maintenance and repair works of the Sarkuysan High School. Another great contribution by the company to the field of education is the laying the foundation of a primary school with 32 classrooms for 960 students located in Darıca, near our factory on 24th July 2008. In this way, the company has contributed to the all stages of education starting from kindergarten to university.

As has now become a tradition, Sarkuysan allocates the funds set aside for New Year promotional gifts to the purchase of much needed medical equipment to be donated to state hospitals. In this way, contributions were made to Our Children with Leukaemia Foundation Hospital in Istanbul and to "the City for Children with Leukaemia" a project carried out by Foundation For Children with Leukaemia under construction in Ankara.

As in the previous years, charity dinners were given during the Ramadan in cooperation with Beyoğlu, Gebze and Darıca municipalities.

Sarkuysan table tennis team represented the country in the European Cup Winners' Championship.

Sarkuysan Classical Turkish Music Chorus, made up of our employees, gave successful concerts at the Istanbul Technical University Maçka Campus on 22nd March 2008 and at the Eskihisar Ancient Theatre on 28th June 2008.

A collective labour contract was executed by MESS, Turkish Employers' Association of Metal Industries and Birleşik Metal-İş Sendikaları, workers' union for the period from 01.09.2008 to

CONCLUSION

Dear Shareholders,
In the following sections of our report, we present to you the consolidated balance sheet as of December 31, 2008 and the related income statement for the period as well as the footnotes and financial statements prepared in accordance with the Standards of Financial Reporting in the Capital Markets in line with the Capital Markets Board's communiqué Serial XI No: 29.

Respectfully yours,
Sarkuysan Elektrolitik
Bakır Sanayii ve Ticaret A.Ş.
Board of Directors

TO THE BOARD OF DIRECTORS OF
SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET ANONİM ŞİRKETİ

We have audited the accompanying financial statements of **Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi** ("the Company"), which comprise the consolidated balance sheets as of December 31, 2008 and the consolidated income statements, consolidated statements of changes in equity and consolidated statements of cash flow for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of Management in Accordance with Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards published by Capital Market Board (CMB). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

Responsibility of Independent Auditing Firm

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Our audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret Anonim Şirketi** as of December 31, 2008 and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with financial reporting standards published by Capital Market Board (CMB).

(İstanbul, 09/04/2009)

An Independent Member of BAKER TILLY INTERNATIONAL
GÜRELİ YEMİNLİ MALİ MÜŞAVİRLİK VE
BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

GYM
GÜRELİ
YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ
DENETİM HİZMETLERİ A.Ş.

Dr. Hakkı DEDE
Certified Public Accountant

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Antalya Ofisi : Fener Mah. 1964 Sk. No: 88 D: 4 07160 Antalya Tel: (0242) 324 62 00 (pbx) Faks: (0242) 324 13 33 - 34 E-mail: gymantalya@gureli.com.tr
İzmir Ofis : 1379 Sk. No: 19 D: 8 Alsancak / İzmir Tel: (0232) 463 88 63 Faks: (0232) 465 32 13 E-mail: gymizmir@gureli.com.tr
Trakya Ofisi : Atatürk Bulvarı No: 44 D: 5-10 Tekirdağ Tel: (0282) 261 25 30 - (0282) 261 62 56 Faks: (0282) 261 83 22 E-mail: gymtrakya@gureli.com.tr

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.

XI-29 CONSOLIDATED BALANCE SHEET

(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated.)

ASSETS ***Footnotes***	***Audited Current Period***	***Audited Previous Period***
Current Assets 457.700.616 422.177.947		
Cash and Cash Equivalents 6 197.428.792 71.833.112		
Financial Investments 7 - -		
Trade Receivables 10 179.341.590 181.145.429		
Receivables from Financial Operations 12 - -		
Other Receivables 11 26.179.598 34.497.391		
Inventories 13 36.697.563 109.574.103		
Biological Assets 14 - -		
Other Current Assets 26 18.053.073 25.127.912		
Total 457.700.616 422.177.947		
Fixed Assets Held for Sale Purposes 34 - -		
Non-Current Assets 157.295.294 148.632.620		
Trade Receivables 10 - -		
Receivables from Financial Operations 12 - -		
Other Receivables 11 25.747 2.747		
Financial Investments 7 538 538		
Investments Evaluated by Equity Method 16 34.489.996 35.941.907		
Biological Assets 14 - -		
Investment Properties 17 - -		
Tangible Fixed Assets 18 114.815.166 106.312.092		
Intangible Fixed Assets 19 58.529 48.233		
Goodwill 20 4.399.646 4.399.646		
Deferred Tax Assets 35 - -		
Other Non-Current Assets 26 3.505.672 1.927.457		
TOTAL ASSETS 614.995.910 570.810.567		

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.

XI-29 CONSOLIDATED BALANCE SHEET

(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated.)

Footnotes	Audited Current Period	Audited Previous Period
LIABILITIES -		
Short-Term Liabilities 395.858.699 340.223.273		
Financial Liabilities 8 314.325.118 285.215.466		
Other Financial Liabilities 9 - -		
Trade Payables 10 70.720.433 42.499.792		
Other Payables 11 3.600.860 9.202.147		
Payables to Financial Operations 12 - -		
Government Grant and Assistance 21 - -		
Current Period Tax Liability 35 240.044 -		
Provisions 22 2.341.141 20.419		
Other Short-term Liabilities 26 4.631.103 3.285.449		
Total 395.858.699 340.223.273		
Liabilities related to fixed assets held for Sale Purposes 34 - -		
Long-Term Liabilities 12.079.717 12.327.964		
Financial Liabilities 8 - -		
Other Financial Liabilities 9 - -		
Trade Payables 10 - -		
Other Payables 11 - -		
Payables to Financial Operations 12 - -		
Government Grant and Assistance 21 - -		
Provisions 22 4.084 -		
Provision for Termination Indemnities 24 6.451.078 5.535.703		
Deferred Tax Liabilities 35 5.624.555 6.792.261		
Other Long-term Liabilities 26 - -		
SHAREHOLDERS' EQUITY 207.057.494 218.259.330		
Parent Company Shareholders' Equity 27 206.955.800 218.176.005		
Paid-in Capital 50.000.000 50.000.000 Differences of Capital Adjustments 62.162.278 62.162.278		
Adjustments regarding Share Capital of Participations - -		
Share Premiums - -		
Value Increase Funds 721.882 641.750		
Foreign Currency Translation Differences 1.157.735 -		
Restricted Reserves Assorted from Profit 11.062.913 8.772.612		
Previous Years' Profits / (Losses) 81.229.102 75.244.681		
Net Profit / (Loss) for the Period 621.890 21.354.684		
Minority Interests 27 101.694 83.325		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES 614.995.910 570.810.567		

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ VE TİCARET A.Ş.

XI-29 CONSOLIDATED INCOME STATEMENT

(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated.)

	Footnotes	Audited Current Period	Audited Previous Period
CONTINUED OPERATIONS			
Sales Revenue	28	1.782.756.367	1.747.139.658
Cost of Sales (-)	28	(1.735.016.574)	(1.717.196.432)
GROSS PROFIT / (LOSS) FROM BUSINESS OPERATIONS		**47.739.793**	**29.943.226**
Interest, charge, premiums, commissions and other income		-	-
Interest, charge, premiums, commissions and other expenses (-)		-	-
Gross Profit / (Loss) from Financial Operations		-	-
GROSS PROFIT / (LOSS)		**47.739.793**	**29.943.226**
Marketing, Sales and Distribution Expenses (-)	29	(15.340.511)	(12.872.128)
General Administration Expenses (-)	29	(13.245.789)	(11.447.855)
Research and Development Expenses (-)	29	(1.575.957)	(887.230)
Other Operating Income	31	11.303.238	7.583.435
Other Operating Expenses (-)	31	(2.508.664)	(772.447)
OPERATING PROFIT / (LOSS)		**26.372.110**	**11.547.001**
Share in Profit / (Loss) of Investments Evaluated According to Equity Method	16	(720.873)	957.216
Financial Income	32	198.176.159	88.567.484
Financial Expenses (-)	33	(223.050.736)	(73.869.203)
CONTINUED OPERATIONS PROFIT / (LOSS) BEFORE TAXATION		**776.660**	**27.202.498**
Continued Operations Tax Income / (Expense)	**35**	**(136.801)**	**(5.824.713)**
- Tax Income / (Expense) for the Period		(1.304.507)	(6.631.974)
- Deferred Tax Income/ (Expense)		1.167.706	807.261
CONTINUED OPERATIONS PROFIT / (LOSS)		**639.859**	**21.377.785**
DISCONTINUED OPERATIONS		-	-
Discontinued operations Profit / (Loss) After Taxation		-	-
PROFIT / (LOSS) FOR THE PERIOD		**639.859**	**21.377.785**
Distribution of Profit / (Loss) for the Period		**639.859**	**21.377.785**
Minority Interest		17.969	23.101
Parent Company Share		621.890	21.354.684
Earnings / (Loss) Per Share	**36**	**0.0124**	**0.4271**

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİİ VE TİCARET A.Ş.

XI-29 CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated.)

Footnotes	***Audited*** ***Current Period***	***Audited*** ***Current Period***
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Net Period Profit / (Loss) 36 621.890 21.354.684		
Adjustments :		
Depreciation (+) 18,19 11.692.280 11.212.021		
Change in Provision For Termination Indemnities (+) 24 915.375 973.467		
Rediscount on Notes Receivable (+) 10,33 (470.319) (329.635)		
Provision for Doubtful Receivables for Current Period (+) 10,31 152.888 38.001		
Provision For Nullified Doubtful Receivables (-) - -		
Rediscount on Notes Payable (-) 10,32 (370.292) (30.987)		
Provision for Decrease in Value of Inventories - -		
Loss from Foreign Currency (+) - -		
Securities or Long-Term Investment Earnings (-) / Losses		
Operational Income Before Changes in Working Capital (+) 12.541.822 33.217.551		
Change in Trade Receivables /Other Receivables		
Change in Inventories (+) 13 72.876.540 7.304.378		
Change in Biological Assets (+) - -		
Change in Marketable Securities held for Purchase/Sale Purposes (-) 7 - 35.000		
Change in Trade Payables (-) 10,11 22.989.646 36.493.866		
Cash from Operational Activities (+) 118.842.446 82.283.229		
Interest Payments		
Other Change in Working Capital		
Net Cash Inflow Provided/(Used in) From Operating Activities: 128.533.778 91.346.590		
B) CASH PROVIDED/(USED in) FROM INVESTMENT ACTIVITIES		
Financial Fixed Assets Acquisition		
Tangible Fixed Assets Acquisitons		
Net value of Tangible Fixed Assets Disposals 18,19 108.026 130.599		
Collected Interests		
Collected Dividends		
Net Cash Used in Investment Activities: (20.205.655) (17.447.503)		
C) CASH FLOW PROVIDED/(USED in) FROM FINANCIAL ACTIVITIES		
Foreign Exchange Differences		
Change in Short-Tern Financial Liabilities		
Value Increase Fund 27 80.132 -		
Dividends Paid		
Cash Provided/(Used) From Financial Activities 17.267.557 (19.822.469)		
Increase in Cash and Cash Equivalents 125.595.680 54.076.618		
BEGINNING BALANCE of CASH and CASH EQUIVALENTS 6 71.833.112 17.756.494		
ENDING BALANCE of CASH and CASH EQUIVALENTS 6 197.428.792 71.833.112		

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİİ VE TİCARET A.Ş.
XI-29 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Amounts are expressed in Turkish Lira (TL) unless otherwise indicated.)

Audited

Previous Period	Footnotes	Capital	Capital Adjustment Differences	Restricted Reserves Assorted from Profit	Value Increase Funds	Foreign Currency Differences	Net Period Profit / (Loss)	Retained Earnings/ (Losses)	Parent Company Shareholders' Equity	Minority Interests	Total Shareholders' Equity
01.01.2007		50.000.000	62.162.278	5.591.023	551.275	-	36.104.605	54.371.963	208.781.144	70.714	208.851.858
Transfer	27	-	-	3.181.589	-	-	(36.104.605)	32.923.016	-	-	-
Revaluation Fund	27	-	-	-	90.475	-	-	-	90.475	-	90.475
Capital Increase	27	-	-	-	-	-	-	-	-	400	400
Dividend	27	-	-	-	-	-	-	(12.050.298)	(12.050.298)	(10.890)	(12.061.188)
Net Period Profit	27	-	-	-	-	-	21.354.684	-	21.354.684	23.101	21.377.785
31.12.2007		50.000.000	62.162.278	8.772.612	641.750	-	21.354.684	75.244.681	218.176.005	83.325	218.259.330

Audited

Current Period	Footnotes	Capital	Capital Adjustment Differences	Restricted Reserves Assorted from Profit	Value Increase Funds	Foreign Currency Differences	Net Period Profit / (Loss)	Retained Earnings/ (Losses)	Parent Company Shareholders' Equity	Minority Interests	Total Shareholders' Equity
01.01.2008		50.000.000	62.162.278	8.772.612	641.750	-	21.354.684	75.244.681	218.176.005	83.325	218.259.330
Transfer	27	-	-	2.290.301	-	-	(21.354.684)	19.064.383	-	-	-
Revaluation Fund	27	-	-	-	80.132	-	-	-	80.132	-	80.132
Foreign Currency Differences	27	-	-	-	-	1.157.735	-		1.157.735	-	1.157.735
Capital Increase	27	-	-	-	-	-	-	-	-		-
Dividend	27	-	-	-	-	-	-	(13.079.962)	(13.079.962)	-	(13.079.962)
Net Period Profit	27	-	-	-	-	-	621.890	-	621.890	18.369	640.259
31.12.2008		50.000.000	62.162.278	11.062.913	721.882	1.157.735	621.890	81.229.102	206.955.800	101.694	207.057.494

1. ORGANIZATION AND BUSINESS SEGMENT

Sarkuysan Elektrolitik Bakır Sanayi ve Ticaret A.Ş.(The Company) was established on 02.05.1972 and company shares are traded on the Istanbul Stock Exchange. The main operations of the company are to produce and trade electrolytic copper wire, copper and copper alloys.

The registered address of the company: Okçumusa Cad. Sarkuysan Trade Center No: 1 Şişhane, Beyoğlu-ISTANBUL.

All of the equity is open public and there is no shareholder who has right more than 10%.

The average number of the personnel is 781 . (31.12.2007: 775)

Unionized workers402395		
Non-unionized workers4253		
White-collared workers337327		
Total781775		

The subsidiaries and affiliates of the company as of 31.12.2008 are as follows,

Shareholder	***Subsidiaries and Affiliates***	***Field of ActivityCapital***		***Share Percentage***
Sarkuysan A.Ş.	*Sarmakina San. Ve Tic. A.Ş*	*Packing material (steel reels), manufacturing and trade of the manufacturing machinery*		
Sarkuysan A.Ş.	*Sarda Dağ.ve Tic.A.Ş*	*Marketing and distribution13.238.18399,97*		
Sarkuysan A.Ş.	*Bektaş Emaye Kablo San. Tic. A.Ş*	*Not operating, but obtains participation earnings*		
Sarkuysan A.Ş.	*Sark USA, INC*	*Marketing of Sarkuysan products in the USA market*		
Sarkuysan A.Ş.	*Ege Serbest Bölge Şubesi*	*Production and Trade of Electrolytic copper wire*		
Sarkuysan A.Ş.	*Demisaş Döküm Emaye Mam.San.A.Ş*	*Manufacture and trade of iron spare parts for Automotive and Home Electronics Industries*		
Sarda Dağ.ve Tic.A.Ş	*Bektaş Emaye Kablo San. Tic. A.Ş*	*Not operating, but obtains participation earnings*		
Bektaş Emaye Kablo San. Tic. A.Ş	*Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş*	*Manufacturer of power, data, telecom cables, other insulated conductors and components as well as trade of these products in the domestic and export markets.*		
Sarkuysan A.Ş.	*Sark Wire Corp*	*Production and Trade of copper wire*		
Bektaş Emaye Kablo San. Tic. A.Ş	*Sark Wire CorpProduction and Trade of copper wire*			
Sark USA, INC.Sark Wire CorpProduction and Trade of copper wire				
Sarmakina San. Ve Tic. A.Ş.	*Sark Wire CorpProduction and Trade of copper wire*			

Hereafter, in the consolidated financial statements and footnotes, Sarkuysan and the consolidated subsidiaries will be referred as "community".

2. PRINCIPLES OF CONSOLIDATION

2.01 Accounting Standards

The Group maintains its books of accounts and legal financial statement in accordance with Turkish Commercial Code and accounting principles determined in tax legislations.

CMB published a comprehensive set of accounting principles in accordance with the communiqué Serial: XI, No:29 on "Communiqué on Financial Reporting at Capital Markets". This communiqué has become valid for the first interim financial subsequent to January 01, 2008. The supplementary communique Serial: XI, No: 29 was issued as an ammendment to Communiqué Serial: XI NO: 25 and states that, the financial statements will be prepared in accordance with the International Financial Reporting Standards ("IFRS") as conceded by the Europe Union ("EU"). IFRS will be applied until the time differences between the IFRS and Turkish Accounting/Financial Reporting Standards ("TFRS") are declared by the Turkish Accounting Standards Board. Thus TFRS, which are in compliance with the applied standards, will be adopted.

As the differences between the IFRS and the TFRS have not been declared as of the date of this report, the accompanying financial statements and notes have been prepared in accordance with IFRS as declared in the communiqué Serial: XI, No: 29, with the required formats announced by the CMB on April 14, 2008 and the necessary classifications are made.

According to the Board of Directors Meeting dated April 09, 2009 the Company's financial statements for the period of January 01- December 31, 2008, are approved and signed by Chairman of Board İbrahim Güngör and Member of Board Hayrettin Çaycı.

2.01.01 Classifications and Adjustments in Financial Statements for the Year 2007

The Group prepared its financial statements in accordance with the communiqué No:XI-29 for the first time at March 31, 2008. Per IFRS1 'Presentation of Financial Statements', the transition date to IAS/IFRS is January 1, 2007. The comparison of financial statements of previous year, which have been prepared after afore mentioned regulations, with the financial statements prepared in accordance with communiqué XI-29 is as follows;

	Renewed for Communiqué Serial: XI No:29	***Pre-reported for Communiqué Serial: XI No:25***
December 31, 2007 Total Assets	*570.810.567*	*575.350.344*
December 31, 2007 Shareholders' Equity	*218.259.330*	*216.167.133*
December 31, 2007 Net Profit	*21.354.684*	*20.879.108*

Group has ceased to calculate the amortization for Positive Goodwill in accordance with IFRS 3 "Business Combinations" as of December 31, 2004; and negative goodwill is associated with the previous years' profit/loss. Adjustment related to goodwill had an additive affect on shareholders' equity with the amount 2.092.197 TL as of December 31, 2007, on period profit with the amount of 475.576 TL as of December

Advances in tangible assets and stocks are classified in other current and other non-current assets. Prepaid taxes in other current assets are deducted from provision for tax. Foreign currency gain, interest income and rediscount income which are stated in other income in the income statement as of December 31, 2007 are stated in financial income. Foreign currency loss, interest expense and rediscount expense which are stated in other expenses in the income statement are stated in the financial expenses.

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

According to the decision dated March 17, 2005 with No:11/367 made by the CMB, the inflation accounting has been no longer effective for the perids after January 01, 2005 for the companies that are operating in Turkey and preparing financial statements in accordance with CMB standards. Therefore, application of International Accounting Standards 29 "Financial Reporting on Hyper-Inflationist Economies" was ended after January 01, 2005.

2.03 Changes in Accounting Policies

The changes to the current accounting policies can be made either if it is necessary or the changes will provide more appropriate and reliable presentation of the transactions and events pertaining to the financial position, performance and the cash flow of the Group. If the changes in accounting policies affect the prior periods, the financial statements are retroactively adjusted.

2.04 Changes in Accounting Estimates and Errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. On the other hand, if the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted.

In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements. However; if the affect of the accounting estimate to the financial statement is not determinable, then it is not disclosed in the notes to the financial statements.

2.05 Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the financial statements are as follows:

2.05.01 Income

The Group recognizes income according to the accrual basis, when the Group reasonably determines the income and economic benefit is probable. Revenue is reduced for customer returns and sales discounts.

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

- *The significant risks and the ownership of the goods are transferred to the buyer;*
- *The Group refrains the managerial control over the goods and the effective control over the goods sold;*
- *The revenue can be measured reasonably;*
- *It is probable that the economic benefits related to transaction will flow to the entitiy;*
- *The costs incurred or will be incurred in conjuction with the transaction can be measured reliably.*

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

Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

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

When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The differences between the fair value and the nominal value is recorded as interest income according to the accrual basis.

2.05.02 Inventories

Inventories are stated either at the lower of acquisition cost or net realizable value. The cost basis of the inventories includes; the acquisition cost, conversion costs, and the costs incurred to bring the inventories to their existing status. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued using the monthly weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale.

2.05.03 Tangible Fixed Assets

The property, plant, and equipment acquired after January 01, 2005 are carried at historical cost, which is computed by deducting the accumulated depreciation from their cost basis. For assets that were acquired before January 01, 2005, the tangible fixed assets is presented on the consolidated financial statement at indexed historical cost for inflation effects as at December 31, 2004. Tangible assets are depreciated using the straight-line method over their economic lives.

The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

	Economic Life (Year)	Percentage %
- Land Improvements	25	4
- Buildings	50	2
- Machinery, Plant, and Equipment	12,5	8
- Furniture and Fixtures	5	20
- Vehicles	5	20
- Rights	5	20

The profit and loss arisen from fixed asset sales are determined by comparing the net book value with the sales price and the difference is recorded as operating profit or loss.

Maintenance and repair costs are recorded as expense as at their realization date. If the maintenance and repair expenses clearly improve the economic value or performance of the related asset, then these costs are capitalized.

2.05.04 Intangible Assets

Intangible assets acquired before January 01, 2005 are carried at indexed historical cost for inflation effects as at December 31, 2004; however, purchases after January 01, 2005 are carried at their historical cost less accumulated amortization and impairment.

Intangible assets consist of information systems and computer softwares acquired. Intangible assets are depreciated on a straight-line basis over their useful lives.

2.05.05 Leasing Operations

The Group as Lessee:

Finance Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the lessee. Assets held under the finance lease are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. Lease payments include the principal and the interest. The principal balance of the lease payments is included in the balance sheet as finance lease obligation and it's reduced when payments are made. The interest payments are charged to profit or loss throughout the lease period.

The costs and expenses incurred at the initial acquisition of the fixed asset subject to financial leasing are added to the cost. The fixed assets obtained through financial leasing are subject to depreciation over their estimated useful lives. The fixed assets, which are acquired via finance leases, are amortized over the economic life of the asset.

Operational Leases

Lease agreements, which the lessor retains all the risks and benefits pertaining to the goods, are described as operational leases. Lease payments made for an operational lease are expensed throughout the lease term.

The Group as Lessor:

Operational Leases

The Group presents operating lease assets in their balance sheet according to the nature of the assets. Lease income from operational leases is recognized as income over the lease term. The initial direct costs incurred to secure an operational lease are expensed in the period, in which they were incurred.

2.05.06 Impairment of Assets

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

2.05.07 Borrowing Costs

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

2.05.08 Financial Instruments

(i) Financial Assets

Investments are recognized and derecognized on trade date where the purchase of sales of an investment is under a contract, whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs except for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified as "financial assets, whose fair value differences are reflected to the profit or loss", "financial assets held to the maturity", "financial assets available for-sale" and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition.

(ii) Prevailing Interest Method

Prevailing interest method is the valuation of financial asset with their amortized cost and allocation of interest income to the relevant period. Prevailing interest rate is that discounts the estimated cash flow for the expected life of financial instrument or where appropriate a shorter period.
Income related to financial assets, except the "financial assets, whose fair value differences are reflected to the profit or loss", is calculated by using the prevailing interest rate.

a) Financial Assets Whose Fair Value Differences Are Reflected to the Profit or Loss

"Financial assets whose fair value differences are reflected to the profit or loss", are the financial assets that are held for trading purposes. If a financial asset is acquired for trading purposes, it is classified in this category. Also, derivative instruments, which are not exempt from financial risk, are also classified as "Financial assets whose fair value differences are reflected to the profit or loss". These financial assets are classified as current assets.

b) Financial Assets Which Will Be Held to the Maturity

Debt instruments, which the Group has the intention and capability to hold to maturity, and/or have fixed or determinable payment arrangement are classified as "Investments Held to the Maturity". Financial asset that will be held to the maturity, are recorded after deducting the impairment from the cost basis, which has been amortized with prevailing interest method. All relevant income is calculated using the prevailing interest method.

c) Financial Assets Available-for-Sale

Financial assets, which are "Available-for-Sale" are either (a) financial assets, which will not be held to maturity or (b) financial assets, which are not held for trading purposes. Financial assets Available-for-Sale are recorded with their fair value if their fair value can be determined reliably. Marketable securities are shown at their cost basis unless their fair value can be reliably measured or have an active trading market. Profit or loss pertaining to the financial assets Available-for-Sale is not recorded on the income statement. The fluctuation in the fair value of these assets are shown in the statement of shareholders' equity. Where the investment is disposed of or is determined to be imapaired, the cumulative gain or loss previously recognized is includeded in profit or loss for the period.

Provisions recorded in the income statement pertaining to the impairment of financial asset Available-for-Sale cannot be reversed from the income statement in future periods. Except equity instruments classified as available-for-sale, if impairment loss decreases in next period and if therein decreasing can be related to an event occurred after the accounting of impairment loss, impairment loss accounted before, can be cancelled in income statement.

d) Loans and Receivables

Trade receivables, other receivables, and loans are initially recognized at their fair value. Subsequently, receivables and loans are measured at amortized cost using the effective interest method.

Impairment of Financial Assets

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

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

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 that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

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

Cash and Cash Equivalents

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

(ii) Financial Liabilities

Financial liabilities and equity instruments are classified according to the contractual agreements entered into and the definition of financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all the liabilities. Accounting policies determined for the financial liabilities and the financial instruments based on equity are explained below.

Financial liabilities are classified as either "financial liabilities whose fair value differences are reflected to the profit /loss" or other financial liabilities.

a) Financial Liabilities Whose Fair Value Differences Are Reflected to the Profit /Loss

"Financial liabilities whose fair value differences are reflected to the profit /loss" are recorded with their fair value and are re-evaluated at the end of each balance sheet date. Changes in fair values are recorded on the income statement. Net earnings and/or losses recorded on the income statement also include interest payments made for this financial liability.

b) Other Financial Liabilities

Other financial liabilities are initially determined with their fair value, after deducting the 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.
Prevailing interest method is used to calculate the amortized costs of a financial liability and to allocate the interest expense over the relevant period. Prevailing interest rate is that discounts the estimated cash flow for the expected life of financial instrument or where appropriate, a shorter period.

(iii)Derivative Financial Instruments

Derivative financial instruments are initially recorded with their fair value and evaluated with fair value in next periods. The Group occasionally uses derivative instruments to minimize their risks from liabilities denominated in foreign currency.

2.05.09 Effects of Currency Fluctuations

All transactions, denominated in foreign currencies, are converted into TL by the exchange rate ruling at the transaction date. All foreign currency denominated monetary assets and liabilities stated at the balance sheet are converted into TL by the exchange rate ruling at the balance sheet date. Foreign exchange gains and/or losses as a result of the conversions are recorded in the income statement.

2.05.10 Earnings per Share

Earnings per share in the income statement is calculated by dividing net income by the weighted average number of common shares outstanding for the period.

In Turkey, companies are allowed to increase their share capital by distributing "bonus shares" from retained earnings. These bonus shares are deemed as issued shares while calculating the net earnings per share. 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.

2.05.11 Subsequent Events

Subsequent events cover all events that occur between the balance sheet date and the publication date of the financial statements. If there is a substantial evidence that the subsequent events existed or arose after the balance sheet date, these events are disclosed and explained in the notes to the financial statements.

The Group adjusts its financial statements if the above-explained subsequent events require any adjustments.

2.05.12 Provisions, Contingent Liabilities & Assets

A provision is set-forth in the financial statements, if a legal liability exists as a result of past events as if (a) the cash out-flow is probable for the reversal of provision and (b) the liability amount can be estimated reliably. Contingent liabilities are consistently reviewed prior to the probability of any cash out-flow.
In case of the cash out-flow is probable, provision is set forth in the financial statements of the year the probability of contingent liability accounts is changed.

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made for 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. When portion or full amount 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 certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.05.13 Related Party Disclosures

The partners' of the Group, Group's management personnel, Group companies and its directors, close family members in the charge of the Group, and other companies directly or indirectly controlled by the Group are considered related parties. The transactions with related parties are disclosed in the notes to the consolidated financial statements.

2.05.14 Taxation and Deferred Tax

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

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

Current tax

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

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases 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 Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income to the income statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in the 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 acquirer's identifiable assets, liabilities and contingent liabilities over cost.

Taxes on financial statements contain changes in current period taxes and deferred tax. Group calculates current period tax and deferred tax based on period results.

Offsetting in Taxation

Corporate tax amounts are related to prepaid corporate tax amounts and these amounts are offsetting in financial statements. Deferred tax assets and liabilities are also offsetting in financial statements.

2.05.15 Retirement Pay

According to Turkish Labor Law, employee termination benefit is reflected in the financial statements, when the termination indemnities are deserved. The retirement benefit obligation recognized in the financial statements represents the present value of the defined benefit obligation as adjusted for unrecognized gains and losses.

2.05.16 Cash Flow Statement

Cash and cash equivalents are stated at cost value in the balance sheet. The cash and cash equivalents comprises cash in hand, bank deposits and highly liquid investments.

2.05.17 Government Grants and Assistance

Government grants are not recognized until there is a reasonable assurance that the entity will comply with the conditions set forth in the contractual agreements and the grants will be received. Income from the government grants are matched with the related costs, which the Group will be compensated on a systematic basis, and recognized as income over the necessary period.

2.05.18 Investment Properties

The community has no investment properties as of September 30, 2008 and December 31, 2007.

2.06 Comparative Presentation and Adjustment of Prior Period Financial Statements

The comparative financial statements have been presented to enable to perform the financial position and the performance trend analysis. All necessary adjustments have been made in prior financial statements to present consistent and comparative financial statements.

2.07 Offsetting

The financial assets and liabilities in the consolidated financial statements are offset and the net amount reported in the balance sheet, where there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.08. Consolidation Principles

Subsidiaries are companies which are controlled by the Company through direct or indirect ownership of shares with voting rights more than 50% of the outstanding stock as well as firms in which the Company has the actual power to direct or cause the direction of the financial and management policies in line with the interest of the Company despite it does not have shares with voting rights more than 50% of the outstanding stock.

The subsidiaries and affiliates of the company as of 31.12.2008 are as follows,

Shareholder	Subsidiaries and Affiliates	Field of ActivityCapital		Share Percentage
Sarkuysan A.Ş	Sarmakina San. Ve Tic. A.Ş.	Packing material (steel reels), manufacture and trade of the manufacture machinery		
Sarkuysan A.Ş	Sarda Dağ.ve Tic.A.Ş.	Marketing and distribution13.238.18399,97		
Sarkuysan A.Ş	Bektaş Emaye Kablo San. Tic. A.Ş.	Not operating, but obtains participation earnings		
Sarkuysan A.Ş.	Sark USA, INC.	Marketing of Sarkuysan products in the USA market		
Sarkuysan A.Ş	Ege Serbest Bölge Şubesi	Production and Trade of Electrolytic copper wire.		
Sarkuysan A.Ş	Demisaş Döküm Emaye Mam. San.A.Ş.	Manufacture and trade of iron spare parts for Automotive and Home Electronics Industries		
Sarda Dağ.ve Tic.A.Ş	Bektaş Emaye Kablo San. Tic. A.Ş.	Not operating, but obtains participation earnings		
Bektaş Emaye Kablo San. Tic. A.Ş	Bemka Emaye Bobin Teli ve Kablo San. Tic. A.Ş.	Manufacturer of power, data, telecom cables, other insulated conductors and components as well as trade of these products in the domestic and export markets.		
Sarkuysan A.Ş.	Sark Wire Corp	Production and Trade of copper wire	$ 5.000.000	60,00
Bektaş Emaye Kablo San. Tic. A.Ş	Sark Wire CorpProduction and Trade of copper wire$ 5.000.000 20,00			
Sark USA, INC.Sark Wire CorpProduction and Trade of copper wire$ 5.000.000 10,00				
Sarmakina San. Ve Tic. A.Ş	Sark Wire CorpProduction and Trade of copper wire$ 5.000.000 10,00			

The participation of Sarkuysan Elektrolitik Bakır Sanayii ve Ticaret A.Ş. in Demisaş A.Ş. and the participation of Bektaş A.Ş. in Bemka A.Ş. are consolidated according to shareholder's equity method.
According to the Equity Method; as of date, when the partnership within the scope of consolidation becomes a subsidiary, and just to be applied for once, when subsequent share acquisitions occur , the acquisition cost of the shares of the subsidiary owned by parent company are deducted from the value of these shares represented in the equity balances of the balance sheet of the subsidiary, which is evaluated according to the fair value and accounted under the previous years' profit/(loss).

The balance sheet and income statements of the other subsidiaries have been consolidated by using the full consolidation method and the registered values and shareholders' equity of the subsidiaries owned by the company have mutually been netted. Similarly, internal transactions and balances between the company and the subsidiaries have mutually been eliminated.

Minority rights indicate the shares of the minority shareholders' in the net assets of the subsidiaries and their shares in the financial results at the end of the period. These details are shown separately in the consolidated balance sheet and the income statement. If losses belonging to the minority rights are more than the minority interest of the subsidiary shares, in the event that the minority shareholders have no binding liabilities, the losses belonging to the minority can be against the interest of the majority shareholders.

In the consolidated financial statements, if there is positive or negative goodwill showing the difference between the fair value and the purchase price of the net asset acquired by the Community, they are included in the assets and are reflected to the income statement by straight-line depreciation method based on useful economic life with positive goodwill indicated as expense and negative goodwill as income.
Depreciation method does not implemented concerning positive goodwill arisen from purchasing after December 31, 2004 in context of IFRS 3–'Business Combination'. After reviewing positive goodwill calculated, if there is impairment, the necessary impairment provisions will be made. If the group's share exceeds the acquisition cost in the fair value of the acquired identifiable asset and liabilities related to purchases after December 31, 2004, in other words if there is a negative goodwill, this amount is recorded as income in the current period. The negative goodwill which is made up of acquisitions before December 31, 2004 is closed with previous years' profits in the opening balancesheet of December 01, 2007.

2.09 New and Updated International Financial Reporting Standards

The Company has adopted the applicable standards, which have become effective as of January 1, 2008 and were issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"), which are in consistent with its line of business.
The following mandatory standards and the revisions made to the existing standards and their interpretations are not applicable as they are not related to the Company's line of business, thus not adopted in the financial statements for the fiscal period beginning on January 1, 2008:

- *IFRIC Interpretation 11 , "IFRS 2: Group and Treasury Share Transactions"*
- *IFRIC Interpretation 12, "Service Concession Arrangements"*
- *IFRIC Interpretation 14, " IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"*

A number of new standards, amendments to standards and interpretations are not yet effective at 31 December 2008 and have not been applied in preparing these financial statements:

IFRS 8, "Operating Segments"	*The amendment is effective for annual periods beginning on or after 1 January 2009.*
IFRIC 13, "Customer Royalty Programs"	*The interpretation is effective for annual periods beginning on or after 1 July 2008.*
IFRIC 15, "Agreements for the Construction of Real Estate"	*The interpretation is effective for annual periods beginning on or after 1 January 2009.*
IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"	*The interpretation is effective for annual periods beginning on or after 1 November 2008.*
IFRS 2, "Share-based Payment" – Amended for Vesting Conditions and Cancellations	*The amendment is 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" – Amended for Implication of Acquisition Method*	*The amendment is effective for annual periods beginning on or after 1 July 2009.*

IAS 1, "Presentation of Financial Statements" IAS 32, "Financial Instruments: Presentation" - Amended for Puttable Instruments and Obligations Arising on Liquidation	*The amendment is effective for annual periods beginning on or after 1 January 2009.*
IAS 1, "Presentation of Financial Statements" Amended for Necessity of Income Statement Reflected to Shareholders' Equity Directly	*The amendment is effective for annual periods beginning on or after 1 January 2009.*
IAS 39, "Financial Instruments: Recognition and Measurement" – Amended for Eligible Hedged Items.	*The amendment is effective for annual periods beginning on or after 1 January 2009.*

The management of the Company believes that the amendments and the interpretations are not expected to have any effect on the financial statements.

3. BUSINESS COMBINATIONS

The Community participated to SARK WIRE CORP which is domiciled in the USA with the ratio of 100 % (Sarkuysan % 60, Bektaş % 20,Sarmakina % 10, Sark USA % 10) in the current period. SARK WIRE CORP has been included in the consolidation in the current period.

4. BUSINESS ASSOCIATIONS

This part is about accounting of business associations' shares and reporting the business associations' asset, liability, income and expenses to financial statements of common entrepreneurs and investors. Business associations can be different class and structure. This standard determines three types of business association. Those are; operations controlled collectively, assets controlled collectively and entities controlled collectively. Basic subjects of this standard are; to asses if there is a control collectively or not, to asses the type of business associations and to apply equity method and proportional consolidation. Company has no operation in context of business associations.

5. REPORTING FINANCIAL INFORMATION BY SEGMENTS AND GEOGRAPHIC AREAS

None.

6. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents for the periods ended are as follows:

Account Name31.12.200831.12.2007		
Cash6.7285.750		
Banks197.422.06471.602.283		
-Demand Deposits115.694.53362.508.237		
-Time Deposits81.727.5319.094.046		
Receivables from reverse repo-225.079		
Total197.428.79271.833.112		

The Group has a time deposit amounting to TL 81,727,531 in various banks. The related time deposits' maturity terms are shorter than 3 month period and the interest rate ranges based on currencies are as follows: 14-22%(TRY), 1-6.9%(USD), 2.25-2.5%(EUR). (The Group has a time deposit amounting to TL 9.094.046 in various banks for the period ended December 31, 2007. The related time deposits' maturity terms are shorter than 3 month period and the interest rate is between 15% - 16%)

7 - FINANCIAL ASSETS & INVESTMENTS

The balances of Group's Financial Assets as of December 31, 2008 and December 31, 2007 are as follows:

Name	**Share Ratio**	**Provision for Decrease in Value**	**December 31,2008 Net Value**
Other--538			
Total-538			

Name	**Share Ratio**	**Provision for Decrease in Value**	**December 31,2007 Net Value**
Other - -538			
Total-538			

8. FINANCIAL LIABILITIES

Short-Term financial liabilities for the years ended are as follows:

Account Name 31.12.2008 31.12.2007		
Short-Term Bank Loans314.325.118285.215.466		
Total314.325.118285.215.466		

The details of the Bank Loans are as follows:

Description of Loan	**Maturity**	**Foreign Currency Amount**	**Currency**	**Foreign Exchange Rate**	**Amount in TL**	**Interest Rate**
Export Loan		*26.625.081*	*USD1,512340.265.110*			
Pre-financing Loan		*181.220.663*	*USD1,5123274.060.008*			
Total207.845.744 314.325.118						

Description of Loan	**Maturity**	**Foreign Currency Amount**	**Currency**	**Foreign Exchange Rate**	**Amount in TL**	**Interest Rate**
Export Loan		*213.856.448USD1,1647249.078.605*				
Export Loan23.07.2008	*1.024.446Euro1,71021.752.008 5,57*					
Pre-financing Loan		*21.939.272 USD1,164725.552.670*				
Pre-financing Loan		*5.164.415 Euro1,71028.832.183*				
Total						

The community has no long-term Financial Liabilties for the period ended December 31, 2008.

9. OTHER FINANCIAL LIABILITIES

None.

10. TRADE RECEIVABLES AND PAYABLES

The details of the Short-Term Trade Receivables as of December 31, 2008 and December 31, 2007 are as follows:

Account Name31.12.200831.12.2007		
Trade Receivables161.642.349141.020.861		
- Trade Receivables from Related Parties42.536.8715.171.488		
- Other119.105.478135.849.373		
Notes Receivables18.370.28441.265.930		
Discount on Notes Receivables (-)(671.043)(1.141.362)		
Doubtful Receivables 3.681.1973.528.309		
Provision for Doubtful Receivables (-)(3.681.197)(3.528.309)		
Total179.341.590181.145.429		

The community has no Long-term Trade Receivables for the period ended December 31, 2008.

Short-Term portion of the Trade payables for the periods ended December 31, 2008 and December 31, 2007 are as follows:

Account Name31.12.200831.12.2007		
Trade Payables7.388.88928.339.701		
- Trade Payables from Related Parties --		
-Other7.388.88928.339.701		
Notes Payables63.733.72814.211.423		
Rediscount on Notes Payable(421.624)(51.332)		
Other Trade Payables19.440-		
Total70.720.43342.499.792		

The community has no Long-term Trade Payables for the period ended December 31, 2008.

11. OTHER RECEIVABLES AND PAYABLES

Other Short-term Receivables for the periods ended December 31, 2008 and December 31, 2007 are as follows:

Account Name31.12.200831.12.2007		
Deposits and Guarantees Given86.65819.116		
Receivables from Tax Administration25.991.50034.377.363		
Receivables from Personnel85.895100.912		
Other15.545-		
Total26.179.59834.497.391		

Other Long-term Receivables for the periods ended December 31, 2008 and December 31, 2007 are as follows:

Account Name31.12.200831.12.2007		
Deposits and Guarantees Given25.7472.747		
Total25.7472.747		

Other Short-term Payables for the periods ended December 31, 2008 and December 31, 2007 are as follows:

Account Name31.12.200831.12.2007		
Other Payables 142.636287.379		
- Non-trading Payables to Shareholders 94.495125.252		
- Other48.141162.127		
Deposits and Guarantees Taken53.2939.253		
Taxes and Funds Payable1.651.2305.011.054		
Social Security Institution Payable850.764898.124		
Due to Personnel803.847406.404		
Letter of Credit99.0902.589.933		
Total3.600.8609.202.147		

The community has no other Long-term Payables for the period ended December 31, 2008.

12. RECEVIABLES AND PAYABLES FROM / TO FINANCIAL OPERATIONS

None.

13. INVENTORIES

Inventory balances as of December 31, 2008 and December 31, 2007 are as follows:

Account Name31.12.200831.12.2007		
Raw Materials11.318.11820.318.264		
Semi-finished Goods1.651.97720.414.219		
Finished Goods13.304.23151.068.333		
Commercial Goods5.140.3247.375.680		
Other Inventories5.282.91310.399.696		
Allowance for Impairment of Inventories (-)-(2.089)		
Total36.697.563109.574.103		

14. BIOLOGICAL ASSETS

None.

15. CONSTRUCTION CONTRACTS IN PROGRESS

None.

16. INVESTMENTS EVALUATED BY EQUITY METHOD

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2008 Balance Sheet Net Value
Demisaş Döküm Emaye Mam.San.A.Ş.	44,44	-	31.329.712
Bemka Emaye Bobin Teli ve Kablo San.16,98 -3.160.284			
Total -34.489.996			

Corporation Name	Participation Ratio	Provision for Impairment	December 31, 2007 Balance Sheet Net Value
Demisaş Döküm Emaye Mam.San.A.Ş.	44,44	-	31.070.270
Bemka Emaye Bobin Teli ve Kablo San.16,98 -4.871.637			
Total -35.941.907			

The summary of financial information about investments which are recognized as Equity Sharing method are as follows;

Total Assets 244.702.874 217.520.568		
Shareholders' Equity 89.116.190 98.613.814		

17. INVESTMENT PROPERTY

None.

18. TANGIBLE ASSETS

Tangible assets for the periods ended are as follows:

Cost

	January 01,	TransfersAdditionsDisposals(-)				December 31,
Land5.161.790 - 601.410 - 5.763.200						
Land Improvements1.635.085 - - - 1.635.085						
Buildings48.042.694 958.141 2.094.668 - 51.095.503						
Machinery, Plants and Equipment						
Vehicles 4.374.911 - 220.662 (93.776) 4.501.797						
Furniture and Fixtures3.937.121 - 138.953 (18.416) 4.057.658						
Other Fixed Assets12.035.420 - 320.396 (7.899) 12.347.917						
Constructions in Progress						
Leasehold Improvements- - 152.084 - 152.084						
Total305.581.205- 20.279.905(994.756)324.866.354						

Accumulated Depreciation

	January 01,	Transfers	Period Depreciation	Disposals	December 31,
Land Improvements	*(1.018.698)*	-	*(40.569)*	-	*(1.059.267)*
Buildings	*(15.308.607)*	-	*(1.011.392)*	-	*(16.319.999)*
Machinery, Plants and Equipment					
Vehicles	*(3.377.361)*	-	*(333.689)*	*84.744*	*(3.626.306)*
Furniture and Fixtures	*(3.712.660)*	-	*(78.303)*	*17.892*	*(3.773.071)*
Other Fixed Assets	*(11.599.547)*	-	*(267.039)*	*7.899*	*(11.858.687)*
Leasehold Improvements	-	-	*(15.213)*	-	*(15.213)*
Total	***(199.269.113)***	**-**	***(11.668.805)***	***886.730***	***(210.051.188)***
Tangible Assets, NET	***106.312.092***	**-**	***(108.026)***		***114.815.166***

Cost

	January 01,	Transfers	Additions	Disposals	December 31,
Land	*4.684.641*	-	*477.149*	-	*5.161.790*
Land Improvements	*1.585.972*	*34.355*	*14.758*	-	*1.635.085*
Buildings	*46.668.260*	*1.171.878*	*202.556*	-	*48.042.694*
Machinery, Plants and Equipment					
Vehicles	*4.316.871*	-	*336.661*	*(278.621)*	*4.374.911*
Furniture and Fixtures	*3.867.486*	-	*100.188*	*(30.553)*	*3.937.121*
Other Fixed Assets	*11.947.582*	-	*97.637*	*(9.799)*	*12.035.420*
Constructions in Progress	*5.764.101*	*(5.337.123)*	*13.467.377*	-	*13.894.355*
Total	***289.159.136***				

Accumulated Depreciation

	January 01,	Transfers	Period Depreciation	Disposals	December 31,
Land	-	-	-	-	-
Land Improvements	*(982.833)*	-	*(35.865)*	-	*(1.018.698)*
Buildings	*(14.534.565)*	-	*(774.042)*	-	*(15.308.607)*
Machinery, Plants and Equipment					
Vehicles	*(3.359.349)*	-	*(296.265)*	*278.253*	*(3.377.361)*
Furniture and Fixtures	*(3.649.984)*	-	*(93.124)*		
Other Fixed Assets	*(11.361.740)*	-	*(247.606)*	*9.799*	*(11.599.547)*
Total	***(188.687.925)***				
Tangible Assets, NET	***100.471.211***	**-**	***(118.070)***		***106.312.092***

19. INTANGIBLE ASSETS

Cost

	January	***TransfersAdditionsDisposals***			***December 31,***
Rights201.969 -33.776					
Total201.969 - 33.776	***- 235.745***				

Accumulated Amortization

	January	***Transfers***	***Period Amortization***	***Disposals***	***December 31,***
Rights(153.736)-(23.480)					
Total(153.736) -(23.480)	***- (177.216)***				
Intangible Assets, NET48.233		–	–	–	

Cost

	January 01,	***TransfersAdditionsDisposals***			***December 31,***
Rights198.054 - 3.915					
Development-Organization Expenses					
Total200.351- 3.915(2.297)201.969					

Accumulated Amortization

	January 01, 2007Transfers		***Period AmortizationDisposals***		***December 31,***
Rights(130.765)-(22.971)-(153.736)					
Total(130.765)-(22.971)-(153.736)					
Intangible Assets, NET69.586-(19.056)(2.297) 48.233					

20. GOODWILL

	Sarda	***Bektaş***	***Sark Usa***	***Ege Free Zone***	***Total***
Goodwill4.497.2275.548.331478.442 354.41210.878.412					
Accumulated Amortization (-)(3.075.368)(3.209.677)(51.907) (141.814)(6.478.766)					
Goodwill, Net1.421.8592.338.654 426.535 212.598 4.399.646					

21 GOVERNMENT GRANT AND ASSISTANCE

None.

22 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i) Provisions

Provisions for Liabilities31.12.200831.12.2007		
Provision for Lawsuits74.31119.827		
Provision for Costs 2.266.830-		
Provision for Other Liabilities and Expenses		
Total2.341.14120.419		

There are no Provisions for Long-Term Liabilities for the end of the period.

ii) Contingent Assets and Liabilities;

Contingent Events;

The Group make provisions for doubtful receivables for the receivables which have not been collected even they have been come to maturity. As of 31.12.2008; the Group made provision for receivables amount of TL 3.681.197, and provisions for lawsuits amount of TL 74.311 for the lawsuits against the Group.

Contingent Events;

The Group make provisions for doubtful receivables for the receivables which have not been collected even they have been come to maturity. As of 31.12.2007; the Group made provision for receivables amount of 3.528.309 TL, and provisions for lawsuits amount of 19.827 TL for the lawsuits against the Group.

iii) Commitments Not Presented in the Liabilities of the Balance Shee;

		TL
SarkuysanLetters of Guarantees Given76.812.104		
SarkuysanLetters of Guarantees Taken22.768.051		
SarkuysanHedging Operations136.660.653		
SarkuysanNotes of Guarantees Received49.653.103		
SarkuysanBails Given694.048		
SarkuysanMortgages Received600.000		
SarkuysanCheques of Guarantees Received3.785.188		
SarmakinaLetters of Guarantees Given62.415		
SarmakinaLetters of Guarantees Taken399.141		
Bektaş	*Letters of Guarantees Given*	*6.342*
Bektaş	*Bails Given**	*11.492.751*
Ege Free Zone Branch Letters of Guarantees Given2.280		
Sarda Letters of Guarantees Taken790.000		
Sarda Cheques of Guarantees Received350.000		
Total		

**The amount which is recognised as equity method, consists of bails given to Bemka.*

		TL
SarkuysanLetters of Guarantees Given114.238.401		
SarkuysanNotes of Guarantees Given6		
SarkuysanBails Given964.048		
SarkuysanHedging Operations123.760.051		
SarmakinaLetters of Guarantees Given56.420		
Bektaş	*Letters of Guarantees Given*	*6.342*
Ege Free Zone Branch Letters of Guarantees Given5.249		
Total239.030.517		

ii) Total Amount of Insurances on Assets;

Asset Insured	Company	Insurance Company	Insurance Period	Currency	Insurance Amount	
					TL	Foreign Currency
Interruption Insurance	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*80.000.000*
Machine Factory Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*1.000.000*
Sarkuysan Trade Center Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*22.500.000*
Tube Plant Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*30.530.000*
Factory –Gebze Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*280.750.000*
Perpa Store. Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*		*232.000*
Pendik Factory Building Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*2.700.000*
Kuyumcukent Fire	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*410.000*
Product Liability Insurance	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*400.000.000*
Employer's Liability	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*157.800.000*
Liability Policies of Related Individuals	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*100.000*
Personal Accident Insurance	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*370.500.000*
Electronical Equipment	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*3.000.000*
Cash	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*1.000.000*
Carried Money – Value	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*2.000.000*
Breach of Trust	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*USD*	*-*	*600.000*
Transportation	*Sarkuysan*	*Axa Oyak*	*01.01.2008-31.12.2008*	*TL*	*840.572*	*-*
Sarkuysan- Ak Trade Center Fire	*Sarkuysan*	*Anadolu Sig.*	*28.03.2008-28.03.2009*	*TL*	*3.727.900*	*-*
Sarkuysan- Ak Trade Center Gallery	*Sarkuysan*	*Anadolu Sig.*	*28.03.2008-28.03.2009*	*TL*	*589.600*	*-*
Furniture+ Electronical Equipment	Sarda	Axa Oyak AŞ	31.12.2008- 31.12.2009	USD	-	100.000
Carried Cash – Value	Sarda	Axa Oyak AŞ	31.12.2008- 31.12.2009	USD	-	240.000
Breach of Trust	Sarda	Axa Oyak AŞ	31.12.2008- 31.12.2009	USD	-	25.000
Cash	Sarda	Axa Oyak AŞ	31.12.2008- 31.12.2009	USD		
34 Tz 447 BMW Traffic Insurance	Sarda	Axa Oyak AŞ	18.12.2008 -18.12.2009	TL	8.000	-
34 Tz 447 Bmw Automobile Insurance	Sarda	Axa Oyak AŞ	19.12.2008 -19.12.2009	TL	30.400	-
34YB 0221 VW Trnsp. Traffic Insurance	Sarda	Axa Oyak AŞ	30.12.2008- 30.12.2009	TL	8.000	-
YB 0221 VW Trnsp. Automobile Insurance.	Sarda	Axa Oyak AŞ	30.12.2008- 30.12.2009	TL	34.850	-
34 N 4959 Peugeot Traffic Insurance	Sarda	Axa Oyak AŞ	07.11.2008- 07.11.2009	TL	8.000	-
34 N 4959 Peugeot Automobile Insurance	Sarda	Axa Oyak AŞ	07.11.2007- 07.11.2008	TL	39.100	-
Trade Goods	Sarda	Axa Oyak AŞ	25.02.2008- 25.02.2009	USD	-	400.000
Altunizade-General Business Insurance	*Sarda*	*Anadolu Sigorta*	*28.03.2008- 28.03.2009*	*TL*	*372.790*	*-*
Altunizade-General Business Insurance	*Sarda*	*Anadolu Sig.*	*28.03.2008- 28.03.2009*	*TL*	*58.960*	*-*
Carried Money – Value	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*10.000*
Carried Money – Value	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*5.000*
Carried Money – Value	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*3.000*
Breach of Trust	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*250.000*
Cash	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*150.000*
Interruption Insurance	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*2.150.000*
Furniture and Fixtures	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*365.806*
Financial Liability Policies of Related Individuals	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*100.000*
SKS Factory –Gebze Fire (Machine)	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*328.685*
SMK Factory –Gebze Fire	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*6.563.773*
Transportation Automobile Insurance	*Sarmakina*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*TL*	*140.634*	*-*
Furniture and Fixtures (Fire)	Bektaş	Axa Oyak	31.12.2007 -31.12.2008	USD	-	20.000
Electronical Equipment	Bektaş	Axa Oyak	31.12.2007 -31.12.2008	USD	-	5.000
Personal Accident Insurance	Bektaş	Axa Oyak	31.12.2007 -31.12.2008	USD	-	150.000
Employer's Liability	Bektaş	Axa Oyak	31.12.2007 -31.12.2008	USD	-	100.000
Commercial Goods (Fire)	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*248.522*
Commercial Goods (Fire)	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*450.000*
Furniture and Fixtures (Fire)	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*		*54.553*
Machine (Fire)	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*460.432*
Additional Securities	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*1.213.507*
Terror	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*1.213.507*
Earthquake	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*1.213.507*
Robbery	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*450.000*
Furniture and Fixtures Robbery	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*54.553*
Machine installation Robbery	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*460.432*
Loss Profit	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*100.000*
Glass Insurance	*Free Zone*	*Axa Oyak*	*31.12.2007 -31.12.2008*	*USD*	*-*	*1.000*
Total						

Asset InsuredCompany		Insurance Company	Insurance PeriodCurrency		Insurance Amount	
					TLForeign Currency	
Interruption InsuranceSarkuysanAxa Oyak01.01.2007-31.12.2007USD 65.000.000						
Machine Factory FireSarkuysanAxa Oyak01.01.2007-31.12.2007USD 1.700.000						
Sarkuysan Trade Center FireSarkuysanAxa Oyak01.01.2007-31.12.2007USD 23.000.000						
Tube Plant FireSarkuysanAxa Oyak01.01.2007-31.12.2007USD 23.650.000						
Factory –Gebze FireSarkuysanAxa Oyak01.01.2007-31.12.2007USD 209.550.000						
Perpa Store. FireSarkuysanAxa Oyak01.01.2007-31.12.2007USD 280.000						
Pendik Factory Building FireSarkuysanAxa Oyak01.01.2007-31.12.2007USD 2.500.000						
Product Liability InsuranceSarkuysanAxa Oyak01.01.2007-31.12.2007USD 400.000.000						
Employer's LiabilitySarkuysanAxa Oyak01.01.2007-31.12.2007USD 74.900.000						
Liability Policies of Related IndividualsSarkuysanAxa Oyak01.01.2007-31.12.2007USD 100.000						
Personal Accident Insurance SarkuysanAxa Oyak01.01.2007-31.12.2007USD 300.000						
Electronical EquipmentSarkuysanAxa Oyak01.01.2007-31.12.2007USD 3.000.000						
CashSarkuysanAxa Oyak01.01.2007-31.12.2007USD 1.000.000						
Carried Money – ValueSarkuysanAxa Oyak01.01.2007-31.12.2007USD 2.500.000						
Breach of TrustSarkuysanAxa Oyak01.01.2007-31.12.2007USD 600.000						
TransportationSarkuysanAxa Oyak01.01.2007-31.12.2007TL944.646						
Sarkuysan- Ak Trade Center FireSarkuysanAnadolu Sig.28.03.2006-28.03.2007TL3.727.900						
Sarkuysan- Ak Trade Center GallerySarkuysanAnadolu Sig.28.03.2006-28.03.2007TL589.600						
Carried Money – ValueSarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 538.000						
Breach of TrustSarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 300.000						
CashSarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 220.000						
Interruption InsuranceSarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 1.519.900						
Furniture and FixturesSarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 182.750						
SKS Factory –Gebze Fire (Machine)SarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 511.500						
SMK Factory –Gebze FireSarmakinaAxa Oyak31.12.2006/ 31.12.2007USD 4.469.272						
Transportation Automobile InsuranceSarmakinaAxa Oyak Y.Sg.31.12.2006/ 31.12.2007TL130.000						
Carried Cash – ValueSardaAxa Oyak31.12.2007- 31.12.2008USD 240.000						
Breach of TrustSardaAxa Oyak31.12.2007- 31.12.2008USD 25.000						
Furniture and Fixtures(Fire-Robbery-Earthquake-Terror)	SardaAxa Oyak31.12.2006/ 31.12.2007USD 100.000					
CashSardaAxa Oyak31.12.2007- 31.12.2008USD 1.200.000						
34 TZ 447 BMW Traffic InsuranceSardaAxa Oyak18.12.2006 -18.12.2007TL8.000						
34 TZ 447 BMW Automobile InsuranceSardaAxa Oyak19.12.2006 -19.12.2007TL30.400						
34YB 0221 VW Trnsp. Traffic InsuranceSardaAxa Oyak30.12.2006- 30.12.2007TL8.000						
YB 0221 VW Trnsp. Automobile Insurance.SardaAxa Oyak30.12.2006- 30.12.2007TL34.850						
34 N 4959 Peugeot Traffic InsuranceSardaAxa Oyak07.11.2007- 07.11.2008TL8.000						
34 N 4959 Peugeot Automobile InsuranceSardaAxa Oyak07.11.2007- 07.11.2008TL39.100						
Trade GoodsSardaAxa Oyak25.02.2007- 25.02.2008USD 400.000						
Altunizade-General Business InsuranceSardaAnadolu Sig.28.03.2007- 28.03.2008TL372.790						
Altunizade-General Business InsuranceSardaAnadolu Sig.28.03.2007- 28.03.2008TL58.960						
Altunizade- Interruption Insurance SardaAxa Oyak31.12.2006-31.12.2007TL86.202						
Altunizade-(Other People Responsibility Insurance)	SardaAxa Oyak31.12.2006-31.12.2007TL10.000					
Furniture and Fixtures (Fire)	Bektaş	Axa Oyak	31.12.2006-31.12.2007	USD		20.000
Electronical Equipment	Bektaş	Axa Oyak	31.12.2006- 31.12.2007	USD		5.000
Personal Accident Insurance	Bektaş	Axa Oyak	31.12.2006-31.12.2007	USD		50.000
Employer's Liability	Bektaş	Axa Oyak	31.12.2006-31.12.2007	USD		100.000
Commercial Goods (Fire)Free ZoneAxa Oyak31.12.2006-31.12.2007USD 150.000						
Commercial Goods (Fire)Free ZoneAxa Oyak31.12.2006-31.12.2007USD 55.000						
Furniture and Fixtures (Fire)Free ZoneAxa Oyak31.12.2006-31.12.2007USD 18.000						
Machine (Fire)Free ZoneAxa Oyak31.12.2006-31.12.2007USD 420.000						
Additional SecuritiesFree ZoneAxa Oyak31.12.2006-31.12.2007USD 643.000						
TerrorFree ZoneAxa Oyak31.12.2006-31.12.2007USD 643.000						
EarthquakeFree ZoneAxa Oyak31.12.2006-31.12.2007USD 643.000						
RobberyFree ZoneAxa Oyak31.12.2006-31.12.2007USD 55.000						
Furniture and Fixtures RobberyFree ZoneAxa Oyak31.12.2006-31.12.2007USD 18.000						
Machine installation RobberyFree ZoneAxa Oyak31.12.2006-31.12.2007USD 420.000						
Loss ProfitFree ZoneAxa Oyak31.12.2006-31.12.2007USD 135.000						
Total						

23. COMMITMENTS

None.

24. EMPLOYEE TERMINATION BENEFITS

Account Name31.12.200831.12.2007		
Provisions For Termination Indemnity		
Total6.451.0785.535.703		

In context of current Labor Law, liability of payment of legal benefit for termination indemnity arises when terminated employment contract is qualified for termination indemnity. In addition, according to currently operated Social Insurance Law no:506 dated March 6, 1981 law 2422 and dated August 25, 1999, law 4447 and changed 60th article, making payment to employee, who has the right of severance with termination indemnity, is a legal liability. As of December 31, 2008, termination indemnity upper limit is monthly TL 2.173,19 (December 31, 2007: TL 2.030,19) .

Termination indemnity payable is not subjected to any legal funding.

Termination indemnity payable, is calculated by forecasting the present value of currently working employee's possible future liabilities. IAS 19 ("Employee Termination Benefits"), predicts to build up Company's liabilities with using actuarial valuation techniques in context of defined benefit plans. According to these predictions, actuarial assumptions used in calculation of total liabilities are as follows:

Base assumption is the inflation parallel increase of maximum liability of each year. Applied discount rate must represent expected real discount rate after the adjustment of future inflation. As of December 31, 2008, provisions in financial statement are calculated by forecasting the present value of currently working employee's possible future liabilities.

25. RETIREMENT BENEFIT PLANS

None.

26. OTHER ASSETS AND LIABILITIES

Other current assets for the periods ended, are as follows:

Account Name31.12.200831.12.2007		
Prepaid Expenses1.649.8531.658.891		
Income Accruals67.184-		
Personnel Advances29234.385		
Job Advances3.868.27231.543		
Prepaid Taxes 5.029.57046.151		
Advances Given For Purchases7.051.02422.908.489		
Other386.878448.453		
Total18.053.07325.127.912		

Group's Other Non-Current Assets for the periods ended, are as follows :

Account Name31.12.200831.12.2007		
Advances Given for Current and Non-Current Assets3.494.2221.927.457		
Other11.450		
Total3.505.6721.927.457		

Group's Other Short-Term Liabilities for the periods ended, are as follows :

Account Name31.12.200831.12.2007		
Advances Received4.425.5363.285.449		
Other205.567-		
Total4.631.1033.285.449		

The group has no Other Long-Term Liabilities for the periods ended.

27. SHAREHOLDERS' EQUITY

i) Minority Shares / Minority Shares Profit - (Loss)

Account Name31.12.200831.12.2007		
Minority Shares101.69483.325		
Total101.69483.325		

Account Name01.01.2008 - 31.12.200801.01.2007 - 31.12.2007		
Minority Shares Profit/(Loss)17.96923.101		
Total17.96923.101		

ii) Capital

Capital50.000.00050.000.000		
Differences of Capital Adjustments62.162.27862.162.278		
Value Increase Funds721.882641.750		
Foreign Currency Exchange Differences1.157.735-		
Restricted Reserves11.062.9138.772.612		
Previous Years' Profit81.229.10275.244.681		
Net Period Profit621.89021.354.684		
Parent Company Shareholders' Equity206.955.800218.176.005		
Minority Shares101.69483.325		
Total Shareholders' Equity207.057.494218.259.330		

iii) Capital/Share Capital/Elimination Adjustments

All of the equity is open public and there is no shareholder who has right more than %10.

iv) Restricted Reserves from Profit

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that 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 Group's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

v) Previous Years' Profits / (Losses)

Profits of previous years consist of extraordinary reserves, miscellaneous inflation differences and profits of other previous years.

In accordance with the CMB's decision numbered 7/242 dated on February 25, 2005; if the amount of net distributable profit based on the CMB's requirement on the minimum profit distribution arrangements, which is computed over the net profit determined based on the CMB's regulations, does not exceed the net distributable profit in the statutory accounts, the whole amount should be distributed, otherwise; all distributable amount in the statutory accounts are distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period.

In accordance with the CMB's decision numbered 2/53 on January 18, 2007, companies, which prepared their financial statements in accordance with the CMB standards, are required to distribute at least 20% of their net profit. The distribution, with the approval and decision via the General Assembly's resolution, can be made either by cash, bonus issues or cash and bonus shares with a rule that the distributable amount will not be less than 20 % of the distributable profit.

28. SALES AND COST OF SALES

Breakdown of Sales for the periods ended are as follows:

Account Name	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Domestic Sales	*1.152.878.461*	*1.115.871.193*
Foreign Sales	*637.076.448*	*630.187.897*
Other Sales	*4.796.098*	*12.097.140*
Discounts (-)	*(11.994.640)*	*(11.016.572)*
Net Sales	***1.782.756.367***	***1.747.139.658***
Cost of Sales (-)	***(1.735.016.574)***	***(1.717.196.432)***
Gross Operating Profit / (Loss)	***47.739.793***	***29.943.226***

Production Quantities	***Quantity***	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Copper Wire	*Ton*	*166.814*	*175.513*
Copper Tube, Bus Bars, Bronze, etc..	*Ton*	*11.830*	*10.310*
Steel and Plastic Reels	*Unit*	*107.211*	*147.156*
Machine Manufacturing	*Unit*	*59*	*33*

Sales Quantities	***Quantity***	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Copper Wire	*Ton*	*173.814*	*174.702*
Copper Tube, Bus Bars, Bronze, etc..	*Ton*	*11.757*	*10.148*
Steel and Plastic Reels	*Unit*	*115.872*	*140.130*
Machine Manufacturing	*Unit*	*48*	*36*

29. RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES AND GENEREAL ADMINISTRATION EXPENSES

The Operation Expenses of the Group for the periods ended are as follows:

Account Name	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Marketing, Sales & Distribution Expenses (-)		
General Administration Expenses (-)	*(13.245.789)*	*(11.447.855)*
Research and Development Expenses (-)	*(1.575.957)*	*(887.230)*
Total Operation Expenses	***(30.162.257)***	***(25.207.213)***

30. EXPENSES RELATED TO THEIR NATURE

Group's Expenses Related to Their Nature for the periods ended are as follows :

Marketing, Sales & Distribution Expenses	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Personnel Expenses	*(4.313.777)*	*(3.301.658)*
Market Research Expenses	*(272.873)*	*(512.949)*
Termination Indemnity Expenses	*(77.399)*	*(72.592)*
Communication Expenses	*(147.516)*	*(135.759)*
Transportation Expenses	*(3.585.433)*	*(3.144.905)*
Packaging Expenses	*(5.196.826)*	*(4.280.326)*
Rent Expenses	*(284.154)*	*(46.355)*
Advertisement Expenses	*(271.866)*	*(248.253)*
Building Maintenance and Repair Expenses	*(126.494)*	*(182.081)*
Insurance Expenses	*(237.159)*	*(187.216)*
Taxes, Duties and Charges Expenses	*(64.942)*	*(56.262)*
Depreciation Expenses	*(112.545)*	*(95.390)*
Other	*(649.527)*	*(608.382)*
Total	***(15.340.511)***	***(12.872.128)***
General Administration Expenses	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Personnel Expenses	*(9.724.743)*	*(8.298.520)*
Communication Expenses	*(194.660)*	*(176.340)*
Scholarship Expenses	*(177.702)*	*(141.678)*
Representation Expenses	*(381.341)*	*(340.829)*
Insurance Expenses	*(118.402)*	*(361.975)*
Consultancy Expenses	*(415.126)*	*(358.100)*
Building Maintenance and Repair Expenses	*(306.432)*	*(398.645)*
Termination Indemnity Expenses	*(99.450)*	*(29.268)*
Rent Expenses	*(64.620)*	*(86.532)*
Taxes, Duties and Charges Expenses	*(197.112)*	*(186.885)*
Advertisement Expenses	*(38.948)*	*(59.763)*
Depreciation Expenses	*(499.345)*	*(221.548)*
Other	*(1.027.908)*	*(787.772)*
Total	***(13.245.789)***	***(11.447.855)***
Research & Development Expenses	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Personnel Expenses	*(1.243.074)*	*(649.831)*
Outsourced Benefits and Services	*(164.382)*	*(84.120)*
Depreciation Expenses	*(89.245)*	*(80.507)*
Other	*(79.256)*	*(72.772)*
Total	***(1.575.957)***	***(887.230)***

31. OTHER OPERATING INCOME / EXPENSE

Group's Other Operating Income for the periods ended are as follows :

Other Income	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Previous Period Revenues and Profits	*232.153*	*238.189*
Terminated Provisions	*53.820*	*73.698*
Profit on Sale of Fixed Assets	*37.215*	*55.359*
Rent Income	*2.372.920*	*2.330.457*
Insurance Indemnity Revenue	*1.016.157*	*271.435*
Stock Differences	*7.004.269*	*4.131.644*
Other	*586.704*	*482.653*
Total	***11.303.238***	***7.583.435***

Group's Other Operating Expenses for the periods ended are as follows :

Other Expenses	***01.01.2008 - 31.12.2008***	***01.01.2007 - 31.12.2007***
Previous Period Expenses and Losses	*(144.308)*	*(355.396)*
Provisions for Doubtful Receivables Expenses	*(152.888)*	*(38.001)*
Provisions for Litigations Expenses	*(58.568)*	*-*
Idle Capacity Expenses	*(212.104)*	*(120.486)*
Donations and Aid	*(1.263.647)*	*-*
Other	*(677.149)*	*(258.564)*
Total	***(2.508.664)***	***(772.447)***

32. FINANCIAL INCOME

Group's Financial Income for the periods ended are as follows :

Financial Income		
Interest Income	*12.028.297*	*21.383.589*
Foreign Exchange Gain	*184.584.706*	*66.618.610*
Rediscount Income	*421.623*	*51.332*
Cancellation of Previous Period's Rediscount Expense		
Total	***198.176.159***	***88.567.484***

33. FINANCIAL EXPENSES

Group's Financial Expenses for the periods ended are as follows :

Financial Expenses		
Interest Expense (-)	*(19.910.487)*	*(19.519.807)*
Foreign Exchange Loss (-)	*(200.895.732)*	*(50.725.570)*
Rediscount Expense (-)	*(671.043)*	*(1.141.533)*
Cancellation of Previous Period's Rediscount Income	*(51.332)*	*(20.345)*
Other	*(1.522.142)*	*(2.461.948)*
Total	***(223.050.736)***	***(73.869.203)***

34. FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None.

35. TAX ASSETS AND LIABILITIES

The Group's tax income / (expense) is composed of current period's corporate tax expense and deferred tax income / (expense).

Account Name01.01.2008		
Current Corporate Tax Provision (-)(1.304.507)(6.631.974)		
Deferred Tax Income / (Expense)1.167.706807.261		
Total Tax Income / (Expense)(136.801)(5.824.713)		

i) Provision for Current Period Tax

The Group and subsidiaries are subject to Corporate Tax in Turkey. The necessary tax liability provisions have been made for the estimated Group's operation results for the current period.

Account Name31.12.200831.12.2007		
Provision for Taxes1.304.5076.631.974		
Prepaid Expenses and Funds(1.064.463)(6.631.974)		
Total 240.044-		

The corporate tax to be accrued over the taxable profit is calculated from the statutory accounting profit by adding back non-deductible expenses and deducting (i) dividends received from resident companies, (ii) income that is exempt from taxation and (iii) investment allowances.

Effective Corporate Tax Rate:

According to the corporate tax law numbered 5520, which was published in the official gazette dated June 21, 2006, the effective corporate tax rate was set as 20%.

According to Turkish Corporate Tax Law, losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prior years' profits.

According to Corporate Tax Law's Article: 24, the corporate tax is imposed by the taxpayer's tax returns.

There is no procedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25th of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

Income Withholding Tax:

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed, except for resident companies in Turkey receiving dividends from resident companies in Turkey and Turkish branches of foreign companies. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July

ii) Deferred Tax :

The deferred tax asset and tax liability is based on the temporary differences, which arise between the financial statements prepared according to CMB's accounting standards and statutory tax financial statements. These differences usually due to the recognition of revenue and expenses in different reporing periods for the CMB standards and tax purposes.

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every acounting year, the Group reviews the deferred tax asset and in circumsantes, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset. Corporate tax rate is used in the calculation of deferred taxes.

Account Name31.12.200831.12.2007		
Fixed Assets(6.385.505)(6.760.416)		
Fiscal Loss700.381-		
Rediscount Expense134.209228.255		
Termination Indemnity1.281.2771.091.964		
Provision for Doubtful Receivables38.9268.348		
Provision for Legal Cases15.6793.965		
Provision for Decrease in Value of Stocks91.518100.160		
Rediscount Income(84.325)(10.266)		
Special Funds(1.416.715)(1.454.271)		
Deferred Tax Assets / Liabilities (5.624.555)(6.792.261)		

Balance at the beginning of the period(6.792.261)(7.599.522)		
Deferred Tax Income / (Expense)1.167.706807.261		
Balance at the end of the period(5.624.555)(6.792.261)		

36. EARNINGS PER SHARE

Earnings per share in the income statement are calculated by dividing net income by the weighted average number of common shares outstanding for the period.

Group's earnings per share are calculated for the periods ended are as follows:

Net Profit For The Period / (Loss)621.89021.354.684		
Weighted Average Number of Common Shares Outstanding50.000.00050.000.000		
Earnings / (Loss) per Share0,01240,4271		

37. EXPLANATIONS OF RELATED PARTIES

a) Balances of Related Parties :

	Receivables		***Liabilities***	
December 31, 2008	***Commercial***	***Non-Commercial***	***Commercial***	***Non-Commercial***
Bemka	*42.506.219*	*-*	*-*	*-*
Demisaş	*30.652*	*-*	*-*	*-*
Shareholders	*-*	*-*	*-*	*94.495*
Total	***42.536.871***	***-***	***-***	***94.495***

	Receivables		***Liabilities***	
December 31, 2007	***Commercial***	***Non-Commercial***	***Commercial***	***Non-Commercial***
Bemka	*5.018.928*	*-*	*-*	*-*
Demisaş	*152.560*	*-*	*-*	*-*
Shareholders	*-*	*-*	*-*	*125.252*
Total	***5.171.488***			***125.252***

b) Details of the Purchases and Sales of Related Parties :

Related Parties	***Goods and Service Sales***	***Rent Income***	***Foreign Exchange Interest Income***	***Other Sales***	***Total***
Bemka	*132.421.436*	*120.288*	*9.728.053*	*300.583*	*142.570.360*
Demisaş	*2.651.196*	*172.800*	*-*	*104.942*	*2.928.938*
Total	***135.072.632***	***293.088***	***9.728.053***	***405.525***	***145.499.298***

Related Parties	***Purchase of Goods and Services***	***Rent Expense***	***Foreign Exchange Interest Expense***	***Other Purchases***	***Total***
Bemka	*323.593*	*-*	*2.654.378*	*-*	*2.977.971*
Demisaş	*-*	*-*	*-*	*1.746*	*1.746*
Total					

Related Parties	Goods and Service Sales	Rent Income	Foreign Exchange Interest Income	Other Sales	Total
Bemka128.868.22394.7921.289.114361.691130.613.820					
Demisaş	2.699.569	129.000	-	99.253	2.927.822
Total131.567.792223.7921.289.114460.944133.541.642					

Related Parties	Purchase of Goods and Services	Rent Expense	Foreign Exchange Interest Expense	Other PurchasesTotal	
Bemka739.843-4.502.701-5.242.544					
Demisaş	305	-	-	1.191	1.496
Total740.148-4.502.7011.1915.244.040					

c) Services and advantages to the senior executives:

Services and advantages to the senior executives as of December 31, 2008 are TL 4.222.370. (December 31,2007: TL 5.079.615)

38. THE CHARACTERISTICS AND LEVEL OF RISKS EXISTING FROM FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The company is planning to secure the business continuity and on the other hand planning to increase the profitability by using the balance of liabilities and share capital efficiently.

The Group's capital structure consists of payables including the credits remarked in Note 8, cash and cash equivalents in Note 6, shareholders' equity including issued capital, capital reserves, profit reserves and previous years' profit remarked in Note 27.

The risks related to cost of capital and all categories of capital are evaluated by senior executives. By these evaluations of senior executives, structure of capital is planning to be balanced by dividend payments and issuing new shares as much as new credits or time extension of existent credits.

The group is monitoring capital by liabilities / share capital rate.This rate is calculated by dividing net liabilities to share capital. Net liabilities is calculated by subtracting cash and cash equivalents from total liabilities (stated in balance sheet like credits, financial leasings and trade payables). Total share capital, as stated in balance sheet, is calculated by the sum of owners' equity and net liabilities.

The Group's general strategy which depends on borrowings was not changed according to previous periods.

(b) Important Accounting Policies

The Group's important accounting policies relating to financial instruments are presented in the Note 2.

(c) Market Risk

The Group, due to its activities, is exposed to changes in exchange rates (see article d) and interest rates (see article e), and other risks (article g). The Group, as it holds the financial instruments, also bears the risk of other party not meeting the requirements of the agreement. (Article h)

Market risks seen at the level of group are measured according to the sensitivity analysis principle. The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are no different from the previous year.

The Group's raw materials are foreign based. Accordingly, production costs are sensitive to the exchange rates. There is possibility of decreasing in the Group's profit margin in the case of increasing costs do not reflect to the sale prices because of competitive conditions in the period when foreign currency increases. The forward raw material purchases contract have been made in order to decrease the adverse effect of fluctuation in prices on the Group's profitability.

(d) Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk.

This risk mainly arises from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized.

In this regard, the Group manages this risk with a method of netting foreign currency denominated assets and liabilities. The management reviews the foreign currency open position and provide measures if required.

The Company is mainly exposed to foreign currency risk in USD, and the effect of other currencies are not material.

The financial fluctuation, that happened to begin from the United States as a mortgage crisis , effected the world economic system. The crisis had negative effects on Turkish Financial Markets as well as it had on the other countries in the world. Based on the fact, the Turkish Lira has lost its value against hard currencies especially in October 2008. According to the currency that the Central Bank of the Republic of Turkey has announced by the date of this report, the Turkish Lira has an approximate value loss of 20-25 % against the US dollar compared to the exchange rate of September 30,2008. Fluctuations has not been balanced in the market yet. Accordingly, the future operations, liquidity and the financial situation of the company can be effected negatively by these economic issues as the other firms. As of the date of this report, fluctuations and uncertainity in the market continues; thus, the effects of the adverse events on the future options, liquidity and the financial situation of the Company could not be determined.

Foreign Exchange Rate Sensitivity Analysis Table				
Current Period				
	Profit/LossEquity			
	Appreciation of Foreign Exchange	**Depreciation of Foreign Exchange**	**Appreciation of Foreign Exchange**	**Depreciation of Foreign Exchange**
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Asset / Liability(7.304.068)7.304.068 - -				
2- The part, hedged from US Dollar Risk (-)- - - -				
3- US Dollar Net Effect (1+2)(7.304.068)7.304.068 - -				
In the event of 10% value change of Euro against TL;				
4- Euro Net Asset / Liability1.485.639 (1.485.639)- -				
5- The part, hedged from Euro Risk (-)- - - -				
6- Euro Net Effect (4+5)1.485.639 (1.485.639)- -				
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset / Liability234.185 (234.185)				
8- The part, hedged from GBP Risk (-)-				
9- GBP Net Effect (4+5)234.185 (234.185)- -				
In the event of 10% value change of Other against TL;				
10- Other Net Asset / Liability- - - -				
11- The part, hedged from Other Risk (-)- - - -				
12- Other Net Effect (4+5)- - - -				
TOTAL(5.584.244)5.584.244 - -				

Foreign Exchange Rate Sensitivity Analysis Table				
Previous Period				
	Profit/LossEquity			
	Appreciation of Foreign Exchange	**Depreciation of Foreign Exchange**	**Appreciation of Foreign Exchange**	**Depreciation of Foreign Exchange**
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Asset / Liability(16.897.786)16.897.786 - -				
2- The part, hedged from US Dollar Risk (-)- - - -				
3- US Dollar Net Effect (1+2)(16.897.786)16.897.786 - -				
In the event of 10% value change of Euro against TL;				
4- Euro Net Asset / Liability1.552.392 (1.552.392)- -				
5- The part, hedged from Euro Risk (-)- - - -				
6- Euro Net Effect (4+5)1.552.392 (1.552.392)- -				
In the event of 10% value change of GBP against TL;				
7- GBP Net Asset / Liability81.158 (81.158)- -				
8- The part, hedged from GBP Risk (-)- - - -				
9- GBP Net Effect (4+5)81.158 (81.158)- -				
In the event of 10% value change of Other against TL;				
10- Other Net Asset / Liability2.505 (2.505)- -				
11- The part, hedged from Other Risk (-)- - - -				
12- Other Net Effect (4+5)				
TOTAL(15.261.731)15.261.731 - -				

Table of Foreign Exchange Position

	Current Period					Previous Period				
	TL Value	***USD***	***Euro***	***GBP***	***Other***	***TL Value***	***USD***	***Euro***	***GBP***	***Other***
1. Trade Receivables	*138.917.193*	*81.458.507*	*6.389.947*	*934.088*		*110.299.892*	*71.677.871*	*15.243.333*	*321.393*	-
2a. Monetary Financial Assets	*179.383.051*	*117.641.888*	*548.128*	*136.741*		*59.874.575*	*50.333.827*	*661.890*	*40.308*	*2.437.057*
2b. Non-Monetary Financial Assets	-					-	-	-	-	-
3. Other	*7.197.840*	*3.643.394*	*788.460*			-	-	-	-	-
4. Current Assets Total (1+2+3)	***325.498.084***	***202.743.789***	***7.726.535***	***1.070.829***	**-**	***170.174.467***	***122.011.698***	***15.905.223***	***361.701***	***2.437.057***
5. Trade Receivables	-	-	-	-	-	-	-	-	-	-
5a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
5b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-		-	-	-	-	-	-
8. Fixed Assets Total (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	***325.498.084***	***202.743.789***	***7.726.535***	***1.070.829***	**-**	***170.174.467***	***122.011.698***	***15.905.223***	***361.701***	***2.437.057***
10. Trade Payables	*66.268.206*	*42.855.871*	*678.294*	*2.363*	-	*37.576.304*	*31.298.710*	*639.105*	*12.769*	-
11. Financial Liabilities	*314.325.118*	*207.845.744*	-	-	-	*285.215.466*	*235.795.720*	*6.188.861*	-	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-	-	-
12b. Other Non-Monetary Liabilities	*747.199*	*339.916*	*108.599*	*299*	-	-	-	-	-	-
13. Total Short Term Liabilities (10+11+12)	***381.340.523***	***531***	***786.893***	***2.662***	**-**	***322.791.770***	***267.094.430***	***6.827.966***	***12.769***	**-**
14. Trade Payables	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-	-	-

Table of Foreign Exchange Position

	Current Period					Previous Period				
	TL Value	USD	Euro	GBP	Other	TL Value	USD	Euro	GBP	Other
	TL Value	USD	Euro	GBP	Other	TL Value	USD	Euro	GBP	Other
16a. Other Monetary Liabilities	-	-	-	-	-	-	-	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-	-	-	-	-	-	-	-
17. Total Long Term Liabilities (14+15+16)	-	-	-	-	-	-	-	-	-	-
18. Total Liabilities (13+17)	381.340.523	251.041.531	786.893	2.662	-	322.791.770	267.094.430	6.827.966	12.769	-
19. Net Asset/ (Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)	-	-	-	-	-	-	-	-	-	-
19a. Total Amount of Hedged Assets	-	-	-	-	-	-	-	-	-	-
19b. Total Amount of Hedged Liabilities	-	-	-	-	-	-	-	-	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	(55.842.439)	(48.297.742)	6.939.642	1.068.167	-	(152.617.303)	(145.082.732)	9.077.257	348.932	2.437.057
21. Monetary Items Net Foreign Exchange Asset / (liability) position (1+2a+5+6a-10-11-12a-14-15-16a)	(62.293.081)	(51.601.220)	6.259.781	1.068.466	-	(152.617.303)	(145.082.732)	9.077.256	348.932	2.437.057
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	-	-	-	-	-	-	-	-	-	-
22a. The Amount of Hedged part of Foreign Exchange Assets	-	-	-	-	-	-	-	-	-	-
22b. The Amount of Hedged part of Foreign Exchange Liabilities	-	-	-	-	-	-	-	-	-	-
23. Export	637.076.448	326.892.160	114.916.882	2.746.841	-	630.187.897	283.530.182	140.804.560	1.030.002	-
24. Import	1.571.360.998	1.202.188.843	5.761.680	89.437	5.633.433	1.445.590.245	1.104.927.878	4.809.629	102.208	-

Interest Position Table

	Current PeriodPrevious Period	
Fixed Interest Financial Instruments		
Financial Assets 81.727.531 9.319.125		
Financial Liabilities(314.325.118)(285.215.466)		
Variable Interest Financial Instruments		
Financial Assets115.694.53562.508.237		
Financial Liabilities- -		

The significant part of bank deposits of Group are time deposits. All financial liabilities are short term loans.

Decrease/Increase in interest rates of loans and time deposits will cause to losses. If there is an 1% increase on TL interest rate and other variables are fixed as of December 31, 2008, profit/loss before tax and minority shares will be less with the amount of TL 1.169.030. (December 31, 2007: TL 2.133.881).

If there is an 1% decrease on TL interest rate and other variables are fixed as of December 31, 2008, profit/ loss before tax and minority shares will be more with the amount of TL 1.169.030. (December 31, 2008 : TL

(e) Analysis Related to Other Risks

Risks Related to Financial Instruments, Stocks Etc.

Group has no stocks or similar marketable securities evaluated by fair value in the current period.

(f) Credit Risk Management

Possessing financial instruments has the risk of other party's inexecution of liabilites resulting from agre-ement. Group's payment collection risk mostly arise from trade receivables. Trade receivables must be assessed in accordance with corporate policies and procedures for making net value of trade receivables after provision of doubtful receivables are classified. (Note 10)

Following statement indicates maturity allocation of Group's non-derivative financial liabilities.

CREDIT RISKS INCURRED IN RESPECT OF FINANCIAL INSTRUMENT TYPES

Current Period	Receivables						
	Trade Receivables		Other Receivables				
	Related	Other	Related	Other	Notes	Bank Deposits	Notes
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	*42.536.871*	*136.804.719*	-	*26.179.598*		*197.422.064*	
- The part of maximum risk secured by guarantee etc.	-	*8.557.573*	-	-	22	-	22
A. Net book value of financial assets which are undue or which did not decline in value (2)	***42.536.871***	***136.804.719***	**-**	***26.179.598***	***10-11***	***197.422.064***	***6***
B. Book value of financial assets of which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)					***10-11***		***6***
C. Net book value of assets, overdue but did not decline in value. (6)							
- The part secured by guarantee etc.					***10-11***		***6***
D. Net book values of assets declined in value	**-**	**-**	**-**	**-**		**-**	
- Overdue (gross book value)	-	*3.681.197*	-	-	***10-11***	-	***6***
- Decline in value (-)		*(3.681.197)*			***10-11***		***6***
- The part of net value secured by guarantee etc.					***10-11***		***6***
- Undue (gross book value)	-	-	-	-	***10-11***	-	***6***
- Decline in value (-)	-	-			***10-11***		***6***
- The part of net value secured by guarantee etc.	-	-			***10-11***		***6***
E. Elements containing credit risk off the balance sheet (5)		**-**					

Previous Period	*Receivables*						
	Trade Receivables		*Other Receivables*				
	Related	*Other*	*Related*	*Other*	*Notes*	*Bank Deposits*	*Notes*
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E) (1)	*5.171.488*	*175.973.941*	-	*34.497.391*		*71.827.362*	
- The part of maximum risk secured by guarantee etc.							
A. Net book value of financial assets which are undue or which did not decline in value (2)	***5.171.488***	***175.973.941***	**-**	***34.497.391***	***10-11***	***71.827.362***	***6***
B. Book value of financial assets of which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value (3)					***10-11***		***6***
C. Net book value of assets, overdue but did not decline in value. (6)							
- The part secured by guarantee etc.					***10-11***		***6***
D. Net book values of assets declined in value	**-**	**-**	**-**	**-**		**-**	
- Overdue (gross book value)	-	*3.528.309*	-	-	***10-11***	-	***6***
- Decline in value (-)		*(3.528.309)*		-	***10-11***		***6***
- The part of net value secured by guarantee etc.		-			***10-11***		***6***
- Undue (gross book value)	-	-	-	-	***10-11***	-	***6***
- Decline in value (-)	-	-	-	-	***10-11***	-	***6***
- The part of net value secured by guarantee etc.	-	-	-	-	***10-11***	-	***6***
E. Elements containing credit risk off the balance sheet (5)							

(g) Liquidity Risk Management

Group manages liquidity risk by matching maturities of assets and liabilities with regular control of cash flows and providing permanence in adequate funds and reserves

Liquidity Risk Statements

Liquidity risk management involves having adequate cash, and power of offsetting fund resources with adequate loan.

Risk of funding current and future possible loan requirements should be managed by providing permanent access to adequate and quality loan providers.

Following statement indicates maturity allocation of Group's derivative and non-derivative financial liabilities.

December 31, 2008

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	Months	Years	More than 5 Years
Non-derivative Financial Liabilities						
Loans	*314.325.118*	*321.715.009*	*97.291.556*	*224.423.453*	*-*	*-*
Issued debt instrument	*-*	*-*	*-*	*-*	*-*	*-*
Financial Lease Liabilities	*-*	*-*	*-*	*-*	*-*	*-*
Trade Payables	*70.720.433*	*71.142.057*	*71.142.057*	*-*	*-*	*-*
Related Parties	*-*	*-*	*-*	*-*	*-*	*-*
Other	*70.720.433*	*71.142.057*	*71.142.057*	*-*	*-*	*-*
Other Payables	*3.600.860*	*3.600.860*	*3.600.860*	*-*	*-*	*-*
Related Parties	*94.495*	*94.495*	*94.495*	*-*	*-*	*-*
Other	*3.506.365*	*3.506.365*	*3.506.365*	*-*	*-*	*-*

December 31, 2007

Expected Terms	Book Value	Cash Outflows Total As Per the Agreement	Less than 3 Months	Months	Years	More than 5 Years
Non-derivative Financial Liabilities						
Loans	*285.215.466*	*292.383.517*	*80.429.152*	*211.954.365*	*-*	*-*
Issued debt instrument	*-*	*-*	*-*	*-*	*-*	*-*
Financial Lease Liabilities	*-*	*-*	*-*	*-*	*-*	*-*
Trade Payables	*42.499.792*	*42.551.124*	*42.551.124*	*-*	*-*	*-*
Related Parties	*-*	*-*				
Other	*42.499.792*	*42.551.124*	*42.551.124*	*-*	*-*	*-*
Other Payables	*9.202.147*	*9.202.147*	*9.202.147*	*-*	*-*	*-*
Related Parties	*125.252*	*125.252*	*125.252*	*-*	*-*	*-*
Other	*9.076.895*	*9.076.895*	*9.076.895*	*-*	*-*	*-*

39. FINANCIAL INSTRUMENTS (DECLARATIONS WITHIN THE CONTEXT OF FAIR VALUE AND HEDGING)

Group claims that book values of financial instruments reflect fair values.

Objectives of Financial Risk Management

Company's department of Finance is responsible for adequate access to financial market and managing financial risks arising from operational activities of Company. Financial risks of operation contain market risk (currency rate risk, fair value of interest risk and price risk), loan risk, liquidity risk and cash flow interest rate risk.
In order to decrease the effect of risk and avoiding financial risk, Company uses forward foreign currency transaction agreements as a financial instrument. Company has no speculative aimed financial instruments (included derivative financial instruments) and no operating activity of trading speculative aimed financial instruments.

40. EVENTS AFTER BALANCE SHEET DATE

None.

41. OTHER ISSUES

None.

PROPOSAL FOR PROFIT DISTRIBUTION

On one hand, in order to maintain the healthy financial structure of the company against the adverse effects of the global economic and financial crisis and on the other hand, considering the fact that in the event that the first dividend amount is l ess than 5% of the paid in share capital, it is not available for distribution, under the Capital Markets Legislation and in accord ance with the 25th Article of the Articles of Incorporation, concerning the distribution of the profit from the operations of 200 included in the consolidated balance sheet for the period in the manner indicated in the following table, we propose that afte r the legal reserve is appropriated from the profit of TL621.890,00, the remaining profit in the amount of TL499.819,05 should be reserved as Extraordinary Reserves and not distributed.

Respectfully yours,
Board of Directors

SARKUYSAN ELEKTROLİTİK BAKIR SANAYİ ve TİCARET A.Ş.

PROFIT DISTRIBUTION STATEMENT FOR 2008

1. Paid-up Capital 50.000.000,00
2. Total Reserves (According to legal records) 5.785.919,63
Privileges with respect to profit distribution as per the Articles of Incorporation None

ACCORDING

TO CAPITAL ACCORDING TO
MARKETS LEGAL
LEGISLATION RECORDS

3. PROFIT FOR THE YEAR 621.890,00 2.441.418,98
4. Taxes to be paid (-) - -
Corporation tax (-) - -
Provision for deferred tax (+) - -
5. NET PROFIT FOR THE YEAR (Excluding Minority Interest) 621.890,00 2.441.418,98
6. Loss from previous years (-) - -
7. First legal reserves (-) 122.070,95 122.070,95
8. NET DISTRIBUTABLE PROFIT FOR THE YEAR 499.819,05 2.319.348,03
9. Donations (+) 1.263.648,00
10. Net distributable profit including donations as calculation basis for first dividends 1.763.467,05
11. First dividend to shareholders -
In cash -
Bonus share -
Total -
12. Dividends to preferred shareholders -
13. Dividends to directors -
14. Dividends to founder shareholders -
15. Second dividend to shareholders -
16. Second legal reserves (-) -
17. Statutory reserves - -
18. Special reserves - -
19. EXTRAORDINARY RESERVES 499.819,05 2.319.348,03
20. Other Distributable Funds - -
- Profit from previous period
- Extraordinary reserves -
- Other distributable reserves as per law and Articles of Incorporation -

INFORMATION ON DISTRIBUTABLE DIVIDEND

INFORMATION ON DIVIDEND PER SHARE

	TOTAL DIVIDEND AMOUNT (TL)	DIVIDEND PER SHARE OF TL 1 PAR VALUE	
		AMOUNT (TL)	RATE (%)
GROSS			
NET			

RATIO OF NET DISTRIBUTABLE PROFIT TO THE NET PROFIT INCLUDING DONATIONS

TOTAL DIVIDENDS TO SHAREHOLDERS (TL)	RATIO OF NET DISTRIBUTABLE PROFIT TO THE NET PROFIT INCLUDING DONATIONS