

**AKSA AKRİLİK KİMYA SANAYİİ A.Ş.**

**Consolidated Financial Statements  
for the nine months period ended  
30 September 2009  
and  
Independent Auditors' Review Report**

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Consolidated Financial Statements  
for the nine months period ended 30 September 2009  
and  
Independent Auditors' Review Report

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Review Report	-
Consolidated Statements of Financial Position as of 30 September 2009 and 31 December 2008	1 - 2
Consolidated Statements of Comprehensive Income for the nine month periods ended 30 September 2009 and 2008	3
Consolidated Statements of Changes in Equity for the nine month periods ended 30 September 2009 and 2008	4
Consolidated Statements of Cash Flows for the nine month periods ended 30 September 2009 and 2008	5
Notes to the Consolidated Financial Statements	6 - 65

## **REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

### ***Introduction***

We have reviewed the accompanying consolidated statements of financial position of Aksa Akrilik Kimya Sanayii A.Ş. (the Parent Company) and its Subsidiaries as of 30 September 2009 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with the Turkish International Accounting / Financial Reporting Standards (TAS / TFRS) which are issued by the Turkish Accounting Standards Board (TASB) and which are in compliance with the International Accounting / Financial Reporting Standards (IAS / IFRS). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

### ***Scope of Review***

We conducted our review in accordance with independent auditing standards issued by the Capital Markets Board. The review on interim financial statements consists of making inquiries, primarily of persons responsible for the financial reporting process, and applying analytical and other review procedures. A review is substantially less in scope than an independent audit performed within the frame of independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion as a result of our review.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements do not give a true and fair view of the consolidated financial position of Aksa Akrilik Kimya Sanayii A.Ş. and its Subsidiaries as of 30 September 2009, and of its consolidated financial performance and its consolidated cash flows for the nine months period then ended in accordance with the TAS/TFRS issued by the TASB.

***Explanatory Notes***

As of 30 September 2009, the financial statements of the subsidiaries Fitco BV, Aksa Egypt Acrylic Fiber Industry S.A.E., and Akgiriřim Kimya ve Ticaret A.ř in which the Parent Company has a direct 100%, an indirect 99,14%, and a direct 58% interest, respectively, do not materially affect the consolidated financial statements, hence the subsidiaries referred to above are stated in the accompanying consolidated financial statements at cost.

Istanbul,  
10 November 2009

**Denet Bağımsız Denetim**  
**Yeminli Mali Müřavirlik A.ř.**  
Member firm of BDO International

Ömür Günel  
Partner in charge

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Consolidated Statements of Financial Position  
as of 30 September 2009 and 31 December 2008

(TL)

	<u>Notes</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
<b>ASSETS</b>			
Current Assets		625,371,854	609,076,143
Cash and Cash Equivalents	2.4	79,063,630	63,583,555
Trade Receivables			
- Other Trade Receivables	2.7	322,263,946	358,870,759
- Trade Receivables from Related Parties	2,7,25	14,739,166	25,227,694
Other Receivables	8	55,656,714	45,348,215
Inventories	2.9	116,598,891	98,778,945
Other Current Assets	15	37,049,507	17,266,975
Non-current Assets		611,828,259	519,407,632
Trade Receivables	2.7	13,919,275	12,665,408
Other Receivables	8	14,348	9,417
Financial Assets	2.5	7,999,781	7,999,781
Tangible Assets	2.10	533,768,840	454,539,216
Intangible Assets	2.11	8,856,409	3,025,618
Goodwill	2.12	5,988,651	5,988,651
Other Non-current Assets	15	41,280,955	35,179,541
<b>TOTAL ASSETS</b>		<u><u>1,237,200,113</u></u>	<u><u>1,128,483,775</u></u>

## AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Consolidated Statements of Financial Position  
as of 30 September 2009 and 31 December 2008

(TL)

	Notes	30 September 2009	31 December 2008
LIABILITIES			
Short Term Liabilities		319,910,922	266,651,181
Financial Liabilities	2.6	132,662,211	118,482,414
Trade Payables			
- Other Trade Payables	2.7	129,566,299	94,170,237
- Trade Payables to Related Parties	2,7,25	20,239,107	16,946,866
Other Liabilities	8	4,281,871	3,293,370
Taxes on Profit for the Period	2,13,23	3,928,977	8,103,146
Debt Provisions	2.13	1,719,644	3,800,167
Other Short Term Liabilities	15	27,512,813	21,854,981
Long Term Liabilities		163,627,237	148,622,441
Financial Liabilities	2.6	137,751,899	121,089,861
Provision related to			
Employee Benefits	2.14	9,296,571	9,354,382
Deferred Tax Liability	2.23	16,578,767	18,178,198
EQUITY		753,661,954	713,210,153
Parent Company Equity		739,138,419	698,351,826
Share Capital	16	185,000,000	110,000,000
Capital Adjustment Differences	16	195,174,673	255,174,673
Issue Premiums	16	43,606	43,606
Restricted Profit Reserves	16	45,866,210	42,776,591
Retained Earnings / (Accumulated Losses)	16	272,267,337	217,449,747
Net Profit/(Loss) For The Period		40,786,593	72,907,209
Non-Controlling Interest	2.16	14,523,535	14,858,327
TOTAL LIABILITIES AND EQUITY		1,237,200,113	1,128,483,775

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Consolidated Statements of Comprehensive Income  
for the nine month periods ended 30 September 2009 and 2008

(TL)

		1 January 2009 - Notes 30 September 2009	1 July 2009 - 30 September 2009	1 January 2008 - 30 September 2008	1 July 2008 - 30 September 2008
CONTINUING OPERATIONS					
Sales Income	17	657,103,584	269,062,655	700,058,426	231,419,222
Cost of Sales (-)	17	(533,285,697)	(213,478,800)	(642,350,204)	(217,862,532)
GROSS PROFIT / (LOSS)		123,817,887	55,583,855	57,708,222	13,556,690
Marketing, Sales and Distribution Expenses (-)	18	(6,853,539)	(2,230,935)	(1,356,850)	(454,418)
General Administration Expenses (-)	18	(44,496,024)	(26,935,312)	(27,041,399)	(8,762,323)
Research and Development Expenses (-)	18	(6,409,526)	(783,314)	(7,204,825)	(3,284,368)
Other Operating Income	20	20,235,147	12,633,958	8,532,613	1,364,350
Other Operating Expenses (-)	20	(28,632,595)	(8,191,999)	(3,125,498)	(697,692)
OPERATING PROFIT / (LOSS)		57,661,350	30,076,253	27,512,263	1,722,239
Financial Income	21	109,735,714	13,747,187	58,343,615	7,558,118
Financial Expenses (-)	22	(116,994,644)	(16,762,526)	(49,353,840)	(8,603,207)
CONTINUING OPERATIONS					
PROFIT/(LOSS) BEFORE TAX		50,402,420	27,060,914	36,502,038	677,150
Tax Income/(Expense) for the period	2,13,23	(10,062,400)	(7,294,572)	(7,739,410)	(704,667)
Deferred Tax Income/(Expense)	2.23	1,599,431	2,690,919	1,077,642	600,763
Continuing Operations Tax Income / (Expense)	2.23	(8,462,969)	(4,603,653)	(6,661,768)	(103,904)
CONTINUING OPERATIONS					
PROFIT/(LOSS) FOR THE PERIOD		41,939,451	22,457,261	29,840,270	573,246
PROFIT/(LOSS) FOR THE PERIOD		41,939,451	22,457,261	29,840,270	573,246
OTHER COMPREHENSIVE PROFIT/(LOSS)		-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)		41,939,451	22,457,261	29,840,270	573,246
Distribution of Profit/(Loss) for the Period					
Non-controlling Interest		1,152,858	877,879	1,389,066	299,884
Parent Company Shares		40,786,593	21,579,382	28,451,204	273,362
Distribution of Total Comprehensive Profit/(Loss)					
Non-controlling Interest		1,152,858	877,879	1,389,066	299,884
Parent Company Shares		40,786,593	21,579,382	28,451,204	273,362
Earnings/(Loss) per Share of					
the Parent Company	2.24	0.220	0.117	0.259	0.002
Earnings/(Loss) per Diluted Share of					
the Parent Company	2.24	0.220	0.117	0.154	0.001

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.  
Consolidated Statements of Changes in Equity  
for the nine month periods ended 30 September 2009 and 2008  
(TL)

		Share Capital			Restricted	Retained Earnings/	Net Profit/	Parent Company	Non-controlling	
	Notes	Share Capital	Inflation Adjustment Differences	Issue Premiums	Profit Reserves	(Accumulated Losses)	(Loss) for the Period	Equity	Interest	Total
<hr/>										
Balance as at										
1 January 2008	16	110,000,000	255,174,673	43,606	16,579,576	238,916,635	4,730,127	625,444,617	15,755,617	641,200,234
Transfer	16	-	-	-	26,197,015	(21,466,888)	(4,730,127)	-	-	-
Dividend payment	16	-	-	-	-	-	-	-	(3,206,491)	(3,206,491)
Net profit for the period	24	-	-	-	-	-	28,451,204	28,451,204	1,389,066	29,840,270
<hr/>										
Balance as at										
30 September 2008	16	110,000,000	255,174,673	43,606	42,776,591	217,449,747	28,451,204	653,895,821	13,938,192	667,834,013
<hr/>										
Balance as at										
1 January 2009		110,000,000	255,174,673	43,606	42,776,591	217,449,747	72,907,209	698,351,826	14,858,327	713,210,153
Capital increase	16	75,000,000	(60,000,000)	-	-	(15,000,000)	-	-	-	-
Transfer	16	-	-	-	-	72,907,209	(72,907,209)	-	-	-
Transfer to reserves	16	-	-	-	2,969,994	(2,969,994)	-	-	-	-
Dividend payment	16	-	-	-	-	-	-	-	(1,487,650)	(1,487,650)
Income on sale of affiliate		-	-	-	119,625	(119,625)	-	-	-	-
Net profit for the period	24	-	-	-	-	-	40,786,593	40,786,593	1,152,858	41,939,451
<hr/>										
Balance as at										
30 September 2009		185,000,000	195,174,673	43,606	45,866,210	272,267,337	40,786,593	739,138,419	14,523,535	753,661,954



**AKSA AKRİLİK KİMYA SANAYİİ A.Ş.**

**Consolidated Statements of Cash Flows**  
**for the nine month periods ended 30 September 2009 and 2008**

(TL)

	Notes	30 September 2009	30 September 2008
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit (+) / loss (-) before tax		50,402,420	36,502,038
<i>Adjustments:</i>			
Depreciation (+)	19	37,455,297	26,510,488
Provision for employee benefits	13.14	2,851	351,998
Inventory provision	9	(2,698,447)	-
Debt provisions	13	(2,141,185)	34,492
Rediscount income, net	21.22	(2,280,388)	2,369,291
Provision for doubtful trade receivables, net		17,363,159	-
Income from marketable securities or long term investments (-)	21	(1,972,394)	(2,467,108)
(Profit) / loss on sales of fixed assets	20	982	(315,121)
Interest expense (+)		4,115,737	2,494,107
<b>Income Before Working Capital Changes (+)</b>		<b>100,248,032</b>	<b>65,480,185</b>
Increase (-) / decrease (+) in trade receivables	7	30,485,406	(81,448,021)
Increase (-) / decrease (+) in inventories	9	(13,902,903)	4,285,234
Increase (-) / decrease (+) in other receivables	8	(10,313,430)	(4,276,416)
Increase (-) / decrease (+) in other assets	15	(19,782,532)	(15,688,738)
Increase (+) / decrease (-) in trade payables	7	38,961,600	39,579,696
Increase (+) / decrease (-) in other payables	8	988,501	(307,054)
Increase (+) / decrease (-) in other liabilities	15	5,657,832	12,326,979
Interest payments (-)		(1,729,480)	(1,165,411)
Tax payments (-)	13	(14,236,569)	(7,416,485)
<b>Net cash provided from operating activities</b>		<b>116,376,457</b>	<b>11,369,969</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase (-) / decrease (+) in financial assets, net	5	-	63,582
Tangible asset acquisition (-)	10	(117,151,918)	(89,307,466)
Intangible asset acquisition (-)	11	(6,583,677)	(167,221)
Cash inflows from disposal of tangible and intangible assets(+)	10.11	305	1,315,469
Increase (-) / decrease (+) in other non-current assets	15	(6,101,414)	(17,464,953)
Collected interests (+)	21	1,972,394	2,467,108
<b>Net cash flows provided from investing activities</b>		<b>(127,864,310)</b>	<b>(103,093,481)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash inflows / (outflows) related to short and long term liabilities	6	28,455,578	88,128,845
Effect of change in non-controlling interest		(1,487,650)	(3,206,491)
<b>Net cash flows provided from financing activities</b>		<b>26,967,928</b>	<b>84,922,354</b>
Increase/(decrease) in cash and cash equivalents		15,480,075	(6,801,158)
Cash and cash equivalents at the beginning of the period	2.4	63,583,555	59,673,800
Cash and cash equivalents at the end of the period	2.4	<u>79,063,630</u>	<u>52,872,642</u>

# AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

## Notes to the Interim Consolidated Financial Statements for the nine months period ended 30 September 2009

### 1. Organization and Principal Activities

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

<u>Parent Company:</u>	<u>Sector</u>
Aksa Akrilik Kimya Sanayii A.Ş. - Turkey	Chemistry and Energy

#### Subsidiaries:

Ak-Pa Tekstil İhracat Pazarlama A.Ş. – Turkey *	Marketing
Ak-Tops Tekstil Sanayi A.Ş. – Turkey *	Textile
Fitco BV – the Netherlands **	Investment
Aksa Egypt Acrylic Fiber Industry SAE – Egypt **	Textile
Akgirişim Kimya ve Ticaret A.Ş. - Turkey **	Chemistry

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

\*\* Stated in the consolidated financial statements at cost.

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

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

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

As of 30 September 2009 and 31 December 2008, the shareholding structure of the Parent Company is as follows:

<u>Name</u>	<u>30 September 2009 Shareholding</u>	<u>31 December 2008 Shareholding</u>
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58%	39,58%
Emniyet Tic. ve San. A.Ş.	18,72%	18,72%
Other*	<u>41,70%</u>	<u>41,70%</u>
	<u>100,00%</u>	<u>100,00%</u>

\* Represents shareholdings of less than 10%.

As of 30 September 2009, the average number of employees is 967 (31 December 2008 – 902).

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements

i. Basis of Presentation:

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

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

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

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

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

The Company's financial statements prepared at 30 September 2009 in accordance with the Communiqué XI/29 are approved at 10 November 2009 by the Company management to be submitted to the Board of Directors.

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

## AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

### Notes to the Interim Consolidated Financial Statements for the nine months period ended 30 September 2009

#### 2. Presentation of the Financial Statements (continued)

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

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

##### iii. Consolidation Principles:

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
<u>Subsidiaries</u>		
Ak-Pa Tekstil İhracat Pazarlama A.Ş. (1)	13,47%	13,47%
Ak-Tops Tekstil San. A.Ş. (1)	60,00%	60,00%
Fitco BV (2)	100,00%	100,00%
Aksa Egypt Acrylic Fiber Industry SAE (2)(3)	99,14%	99,14%
Akgirişim Kimya ve Ticaret A.Ş. (2)	58,00%	58,00%

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

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

(3) Indirect subsidiary.

	<u>30 September 2009</u>	<u>31 December 2008</u>
<u>Affiliates</u>		

Ak-Han Bakım Yönt. Serv. Hizm.  
Güven. Malz. A.Ş. \*

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\* Sold on 16 July 2008. As it has immaterial effect on the consolidated financial statements as of 30 September 2008 and 31 December 2007, it is stated in the said financial statements at cost.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

iii. Consolidation Principles (continued):

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

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

Full Consolidation Method :

- All balance sheet items except for the paid in capital of the Parent Company and its subsidiaries and their equities at the acquisition date are added, and inter-company balances are eliminated.
- The Parent Company's interest in the subsidiaries is set off against the Long Term Financial Assets account of the Parent Company and the Share Capital accounts of the Subsidiaries.
- As of the acquisition date, the Parent Company's shareholding in its subsidiaries is set off against the portion of share capital it owns in the subsidiary's equity for one time only. The equity of the subsidiary at the acquisition date should be drawn up according to the market value of the subsidiary's net assets at that date. The difference that appears in favor of the recorded value is recognized as positive goodwill in the consolidated balance sheet as a separate item and that which appears against the recorded value is recognized as negative goodwill in the statement of income. The Parent Company has taken over at a total price of TL 16.250.000,00 the participation shares of TL 1.000.000 nominal value representing 50% of the share capital of Aktops Tekstil Sanayi A.Ş., a company under the ownership of Akkök Sanayi Yatırım ve Geliştirme A.Ş., with a share capital of TL 2.000.000 which is directly related to the Parent Company's principal activities and which makes exclusive custom manufacturing for the Parent Company and whose share transfer fee has been determined by the Valuation Report submitted by İş Yatırım Menkul Değerler A.Ş. as of 8 June 2007.
- As the cost of acquired subsidiary is higher than the value of shares stated among equities in the balance sheets prepared in accordance with TAS/TFRS at the acquisition dates of the subsidiaries, a total positive goodwill of TL 5.988.651 has been created (Note 12). In the event of any value decrease related to the goodwill amount, it is reflected to the statement of income. A value decrease test is performed at the same date of each year in order to determine if there is any value decrease in the goodwill.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

iii. Consolidation Principles (continued):

Full Consolidation Method (continued):

- Minority interests are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as “Non-controlling Interests” in the consolidated balance sheet and in the statement of income, as an item separated from the Parent Company’s equity share.
- The purchase and sales among the Parent Company and its Subsidiaries and the profit and losses arising from these transactions are eliminated in the consolidated statement of income. Profit and losses arising from the purchase or sale of marketable securities, inventories, tangible and intangible assets, long term financial assets and other assets among the consolidated group companies are also eliminated.

iv. Adjustments:

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

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

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

Consolidated statements of financial position as of 30 September 2009 and 31 December 2008 and notes to these statements as well as the consolidated statements of comprehensive income, equity, and cash flows for the nine month periods ended 30 September 2009 and 2008 have been presented comparatively. In order to comply with the presentation of the current period financial statements, the comparative information is reclassified when deemed necessary.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

vi. Offsetting:

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

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

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

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

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

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

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

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

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

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

- TFRS 1 – “First-Time Adoption of International Financial Reporting Standards”
- TFRS 3 – “Business Combinations”

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

(viii) The New and Revised Turkish Accounting / Financial Reporting Standards (continued):

- TAS 28 – “Investments in Associates”
- TAS 31 – “Interests in Joint Ventures”
- TFRS Comment 17 – “Distribution of Non-Cash Assets to Owners”

ix. Significant Accounting Policies and Valuation Procedures Applied:

(a) Financial Instruments:

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

i. Cash and Cash Equivalents

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

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

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

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

Fair Value

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

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

ii. Trade Receivables

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

Fair Value

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



Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(a) Financial Instruments (continued):

iii. Related Parties

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

iv. Trade Payables

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

Fair Value

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

v. Short and Long Term Bank Loans

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

Fair Value

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

vi. Financial Derivative Instruments

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(b) Inventories:

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

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

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

(c) Financial Investments :

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

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

(d) Tangible Assets:

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(d) Tangible Assets (continued):

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

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

(e) Intangible Assets:

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

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

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

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

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(g) Assets and Liabilities in Foreign Currency:

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

(h) Impairment of Assets:

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

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

(i) Deferred Taxes:

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

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

(j) Income Taxes:

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(j) Income Taxes (continued):

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

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

With respect to the article 298 (bis) of the Tax Law amended by Law 5024, the inflation adjustment application which started in 2004 has ended as the increase in the wholesale price indices for the last 36 months and the last 12 months ended March 2005 are below 100% and 10%, respectively. Also, in the 2009 and 2008 accounting periods, the criteria of 100% and 10% have not been realized simultaneously in the Producers Price Index and for that reason no inflation adjustment has been applied.

As of 30 September 2009 and 31 December 2008, income tax provisions have been made in accordance with the prevailing tax legislation.

(k) Employee Benefits:

Under Turkish Labour Law Article 25/II, the Company is required to pay termination indemnities to each employee who completes one year of service and whose employment is terminated upon causes that qualify the employee to receive termination indemnity, is called up for military service, leaves within one year after marriage (women only), and to those employees who retire or die. The amount payable consists of one month's salary for each year of service. This entitlement is limited to TL 2.365,16 in respect of each year of service as of 30 September 2009 (31 December 2008– TL 2.173,19).

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(k) Employee Benefits (continued):

- In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the current salaries and wages or the value of the termination indemnity upper limit determined by the Labour Law for 30 September 2009 to remain constant for restatement purposes, and later on, this value is reduced by the actual discount rate of 6,26% (31 December 2008 – 6,26%) calculated upon the assumption that the expected annual inflation rate will be 5,4% (31 December 2008 – 5,4%) and the expected discount rate will be 12% (31 December 2008 - 12%) which represents the proposed average interest rate per annum of the government bonds, in order to determine the current net value of the termination indemnity liability at the balance sheet date.

As of 30 September 2009 and 31 December 2008 assumptions used in calculating termination indemnity are as follows:

	<u>30 September 2009</u>	<u>31 December 2008</u>
Discount rate	6,26 %	6,26 %
The ratio of the number of employees who have gained the right to receive termination indemnity in the prior years to the total number of employees	100 %	100 %

(l) Revenues and Expenses:

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

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

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(m) Earnings/(Loss) Per Share:

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

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

(n) Accounting Estimates:

During the preparation of financial statements in accordance with the TAS/TFRS, the Management discloses the balance sheet value of the assets and liabilities stated in the financial statements as of the balance sheet date and explanations regarding off balance sheet liabilities, and to provide assumptions that might affect the totals of income and expense realized during the period. However, actual results may vary from these results.

(o) Events After the Reporting Period:

If the Parent Company and its subsidiaries receive information after the reporting period about conditions that existed at the reporting period, it updates disclosures that relate to those conditions, in the light of the new information. If non-adjusting events after the reporting period are material, the Parent Company and its subsidiary discloses them in the related period.

(p) Conditional Assets and Liabilities:

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

(r) Borrowing Costs:

Borrowing costs are recognized as expense. Borrowing costs related to the qualifying assets are included directly in the cost of the related qualifying asset. Upon completion of the necessary operations to make the qualifying asset ready for use or sale, the capitalization of the borrowing costs are discontinued. As of 30 September 2009, the borrowing costs amounting to TL (580.135) directly related to the investments in progress are deducted from the cost of the related asset (31 December 2008 – TL 24.667.878)(Note 10).

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

2. Presentation of the Financial Statements (continued)

ix. Significant Accounting Policies and Valuation Procedures Applied (continued):

(s) Segment Reporting:

For the nine months period ended 30 September 2009 and the year ended 31 December 2008, the operating activities of the Parent Company and its subsidiaries are classified under three sectors, namely, chemistry, textile and marketing.

(t) Government Incentives and Grants:

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

3. Segment Reporting

As of 30 September 2009, segment reporting consists of the following (TL):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
<b>ASSETS</b>					
Current Assets	586.576.144	9.692.076	120.367.050	(91.263.416)	625.371.854
Cash and Cash Equivalents	74.569.133	786.964	3.707.533	-	79.063.630
Trade Receivables					
- Other Trade Receivables	236.588.956	189.355	85.485.635	-	322.263.946
- Due from Related Parties	92.911.022	5.411.303	7.226.814	(90.809.973)	14.739.166
Other Receivables	32.508.798	801.891	22.346.025	-	55.656.714
Inventories	113.574.889	2.107.092	1.370.353	( 453.443)	116.598.891
Other Current Assets	36.423.346	395.471	230.690	-	37.049.507
Non-current Assets	609.088.211	14.200.324	2.581.997	(14.042.273)	611.828.259
Trade Receivables	13.919.275	-	-	-	13.919.275
Other Receivables	9.417	4.931	-	-	14.348
Financial Assets	27.138.270	39.361	39.388	(19.217.238)	7.999.781
Tangible Assets	520.569.702	11.475.785	2.537.039	( 813.686)	533.768.840
Intangible Assets	6.170.592	2.680.247	5.570	-	8.856.409
Goodwill	-	-	-	5.988.651	5.988.651
Other Non-current Assets	<u>41.280.955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41.280.955</u>
<b>TOTAL ASSETS</b>	<u>1.195.664.355</u>	<u>23.892.400</u>	<u>122.949.047</u>	<u>(105.305.689)</u>	<u>1.237.200.113</u>

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



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

3. Segment Reporting (continued)

As of 30 September 2009, segment reporting consists of the following (TL) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
<b>LIABILITIES</b>					
Short Term Liabilities	293.868.608	1.874.855	115.023.079	( 90.855.620)	319.910.922
Financial Debts	109.952.226	4.503	22.705.482	-	132.662.211
Trade Payables					
- Other Trade Payables	127.386.042	450.376	1.729.881	-	129.566.299
- Due to Related Parties	20.561.017	394.334	90.139.376	( 90.855.620)	20.239.107
Other Payables	3.740.580	279.094	262.197	-	4.281.871
Taxes Payable on Profit for the Current Period	3.413.812	384.850	130.315	-	3.928.977
Debt Provisions	1.492.720	226.924	-	-	1.719.644
Other Short Term Liabilities	27.322.211	134.774	55.828	-	27.512.813
Long Term Liabilities	161.268.986	2.144.395	295.414	( 81.558)	163.627.237
Financial Debts	137.751.899	-	-	-	137.751.899
Provision for					
Employee Benefits	7.352.854	1.553.438	390.279	-	9.296.571
Deferred Tax Liability	16.164.233	590.957	( 94.865)	( 81.558)	16.578.767
<b>EQUITY</b>	740.526.761	19.873.150	7.630.554	( 14.368.511)	753.661.954
Parent Company Equity	740.526.761	19.873.150	7.630.554	( 28.892.046)	739.138.419
Paid-in Capital	380.174.674	8.465.590	17.440.373	(221.080.637)	185.000.000
Inflation Adjustment on Share Capital	-	-	-	195.174.673	195.174.673
Issue Premiums	1.669.549	-	-	( 1.625.943)	43.606
Restricted Profit Reserves	107.423.078	10.616.750	2.585.771	( 74.759.389)	45.866.210
Retained Earnings / (Accumulated Losses)	209.079.498	( 729.625)	(13.025.064)	76.942.528	272.267.337
Net Profit / (Loss) for the Period	42.179.962	1.520.435	629.474	( 3.543.278)	40.786.593
Non-controlling Interests	-	-	-	14.523.535	14.523.535
<b>TOTAL LIABILITIES AND EQUITY</b>	1.195.664.355	23.892.400	122.949.047	(105.305.689)	1.237.200.113

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

3. Segment Reporting (continued)

As of 30 September 2009, segment reporting consists of the following (TL) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
CONTINUING ACTIVITIES					
Sales Income (net)	627.516.870	21.659.396	296.081.283	(288.153.965)	657.103.584
Cost of Sales (-)	(515.552.933)	(17.296.146)	(291.442.808)	291.006.190	(533.285.697)
GROSS PROFIT/(LOSS)	111.963.937	4.363.250	4.638.475	2.852.225	123.817.887
Marketing, Sales and Distribution Expenses (-)	( 6.362.138)	-	( 491.401)	-	( 6.853.539)
General Administration Expenses (-)	(38.683.204)	(1.961.106)	( 3.851.889)	175	(44.496.024)
Research and Development Expenses (-)	( 6.433.239)	-	-	23.713	( 6.409.526)
Other Operating Income	19.488.652	316.168	484.892	( 54.565)	20.235.147
Other Operating Expenses(-)	(30.942.280)	( 977.829)	( 34)	3.287.548	(28.632.595)
OPERATING PROFIT / (LOSS)	49.031.728	1.740.483	780.043	6.109.096	57.661.350
Financial Income	94.035.157	146.801	24.141.556	(8.587.800)	109.735.714
Financial Expenses (-)	(92.913.562)	( 302)	(24.129.327)	48.547	(116.994.644)
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX	50.153.323	1.886.982	792.272	(2.430.157)	50.402.420
Tax Income/(Expense) for the Period	( 9.122.817)	( 795.757)	(143.826)	-	(10.062.400)
Deferred Tax Income / (Expense)	1.149.456	429.210	( 18.972)	39.737	1.599.431
Tax Income/(Expense) Related to Continuing Activities	( 7.973.361)	( 366.547)	(162.798)	39.737	(8.462.969)
PROFIT/(LOSS) FOR THE PERIOD ON CONTINUING ACTIVITIES	42.179.962	1.520.435	629.474	(2.390.420)	41.939.451
PROFIT/(LOSS) FOR THE PERIOD	42.179.962	1.520.435	629.474	(2.390.420)	41.939.451
OTHER COMPREHENSIVE PROFIT/(LOSS)	-	-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)	42.179.962	1.520.435	629.474	(2.390.420)	41.939.451

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

3. Segment Reporting (continued)

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

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

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

3. Segment Reporting (continued)

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

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

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

3. Segment Reporting (continued)

As of 30 September 2008, segment reporting consists of the following (TL) (continued):

	Chemistry *	Textile	Marketing	Classification and Elimination	Total
CONTINUING ACTIVITIES					
Sales Income (net)	682.508.169	22.282.195	265.516.727	(270.248.665)	700.058.426
Cost of Sales (-)	(616.873.718)	(19.187.295)	(267.051.292)	260.762.101	(642.350.204)
GROSS PROFIT / (LOSS)	65.634.451	3.094.900	( 1.534.565)	( 9.486.564)	57.708.222
Marketing, Sales and Distribution Expenses (-)	( 4.280.427)	-	-	2.923.577	( 1.356.850)
General Administration Expenses (-)	( 20.667.338)	( 1.903.708)	( 4.133.746)	( 336.607)	( 27.041.399)
Research and Development Expenses (-)	( 7.232.837)	-	-	28.012	( 7.204.825)
Other Operating Income	7.416.365	565.833	610.572	( 60.157)	8.532.613
Other Operating Expenses(-)	( 6.620.454)	( 81.166)	( 301.798)	3.877.920	( 3.125.498)
OPERATING PROFIT / (LOSS)	34.249.760	1.675.859	( 5.359.537)	( 3.053.819)	27.512.263
Financial Income	69.301.694	556.381	6.713.194	( 18.227.654)	58.343.615
Financial Expenses (-)	( 67.504.666)	( 71.800)	( 357.360)	18.579.986	( 49.353.840)
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES BEFORE TAX	36.046.788	2.160.440	996.297	( 2.701.487)	36.502.038
Tax Income/(Expense) for the Period	( 6.880.565)	( 675.736)	( 183.109)	-	( 7.739.410)
Deferred Tax Income / (Expense)	820.240	212.126	7.723	37.553	1.077.642
Tax Income/(Expense) Related to Operating Activities	( 6.060.325)	( 463.610)	( 175.386)	37.553	( 6.661.768)
PROFIT/(LOSS) FOR THE PERIOD ON CONTINUING ACTIVITIES	29.986.463	1.696.830	820.911	( 2.663.934)	29.840.270
PROFIT/(LOSS) FOR THE PERIOD	29.986.463	1.696.830	820.911	( 2.663.934)	29.840.270
OTHER COMPREHENSIVE PROFIT/(LOSS)	-	-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)	29.986.463	1.696.830	820.911	( 2.663.934)	29.840.270

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

3. Segment Reporting (continued)

Distribution of depreciation expenses per segments stated in the statement of comprehensive income for the nine months period ended 30 September 2009 is as follows (TL):

	<u>Chemistry*</u>	<u>Textile</u>	<u>Marketing</u>	<u>Total</u>
Tangible Assets	34.573.329	2.023.722	105.359	36.702.410
Intangible Assets	<u>584.071</u>	<u>164.736</u>	<u>4.079</u>	<u>752.886</u>
Total depreciation for the current year	<u>35.157.400</u>	<u>2.188.458</u>	<u>109.438</u>	<u>37.455.296</u>

Distribution of depreciation expenses per segments stated in the statement of comprehensive income for the nine months period ended 30 September 2008 is as follows (TL):

	<u>Chemistry*</u>	<u>Textile</u>	<u>Marketing</u>	<u>Total</u>
Tangible Assets	24.129.347	1.959.686	119.622	26.208.655
Intangible Assets	<u>134.109</u>	<u>161.604</u>	<u>6.120</u>	<u>301.833</u>
Total depreciation for the current year	<u>24.263.456</u>	<u>2.121.290</u>	<u>125.742</u>	<u>26.510.488</u>

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

4. Cash and Cash Equivalents

Cash and cash equivalents consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Cash	177.434	134.711
Banks (Note 26 (i))	70.221.430	43.545.402
- TL demand deposit	3.172.759	1.968.990
- Foreign currency demand deposit	5.306.105	4.891.818
- TL time deposit *	37.230.961	11.358.136
- Foreign currency time deposit **	24.511.605	25.326.458
Cheques received	<u>8.664.766</u>	<u>19.903.442</u>
Total	<u>79.063.630</u>	<u>63.583.555</u>

\* As of 30 September 2009 the interest rate on TL time deposit accounts varies between 7,25% and 10,25% (31 December 2008 – 16,55% - 16,65%).

\*\* As of 30 September 2009, the interest rates on USD time deposit accounts vary between 2,50% and 2,75%. The interest rate on Euro time deposit accounts is 0,75% (31 December 2008 - USD 3,00 % - Euro 7,00 %).

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

5. Financial Assets

Financial assets consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Subsidiaries;		
Aksa Egypt Acrylic Fiber Industry SAE	78.695	78.695
Fitco BV	7.863.032	7.863.032
Akgirişim Kimya ve Ticaret A.Ş.	58.000	58.000
Other long term financial assets	<u>54</u>	<u>54</u>
Total	<u>7.999.781</u>	<u>7.999.781</u>

6. Financial Liabilities

Financial liabilities consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Short term bank loans	131.487.644	117.676.634
Principal payments of long term bank loans and related interests	<u>1.174.567</u>	<u>805.780</u>
Short term financial liabilities	132.662.211	118.482.414
Long term financial liabilities	<u>137.751.899</u>	<u>121.089.861</u>
Total financial liabilities (Note 26 (ii))	<u>270.414.110</u>	<u>239.572.275</u>

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

As of 30 September 2009, the interest rate on short term TL loans varies between 9% and 12%; the interest rate on USD loans varies between 0,90 % and 5,47% ( 31 December 2008 –TL loans: 14,50% - 17%; USD loans: 2,71% - 10,52%).

As of 30 September 2009, the interest rate on long term USD bank loans vary between 2,21% and 2,67% ( 31 December 2008 – USD loans: 4,02% - 5,63%).

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

7. Trade Receivables and Payables

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Customers	157.338.923	136.111.961
Notes receivable and post-dated cheques	166.557.110	225.175.376
Rediscount on receivables (-)	( 1.632.087)	( 2.416.578)
Doubtful trade receivables (Note 26(i))	19.611.028	2.247.869
Provision for doubtful trade receivables (-) (Note 26(i))	( 19.611.028)	( 2.247.869)
Total other trade receivables *	<u>322.263.946</u>	<u>358.870.759</u>
Trade receivables from related parties	14.891.071	25.424.800
Rediscount (-)	( 151.905)	( 197.106)
Trade receivables from related parties (Notes 25 and 26(i))	<u>14.739.166</u>	<u>25.227.694</u>
Total short term trade receivables	<u>337.003.112</u>	<u>384.098.453</u>

Changes in provisions for doubtful trade receivables as of 30 September 2009 and 31 December 2008 are set out in the table below (TL):

	<u>30 September 2009</u>	<u>31 December 2008</u>
Opening balance	2.247.869	1.412.641
Provisions (Note 18)	<u>17.363.159</u>	<u>835.228</u>
Closing balance	<u>19.611.028</u>	<u>2.247.869</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Notes receivable and post-dated cheques	14.236.180	14.159.712
Rediscount on receivables (-)	( 316.905)	( 1.494.304)
Total long term trade receivables *	<u>13.919.275</u>	<u>12.665.408</u>

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



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

7. Trade Receivables and Payables (continued)

Trade payables consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Suppliers	130.573.038	95.601.186
Rediscount on payables (-)	( <u>1.006.739</u> )	( <u>1.430.949</u> )
Other trade payables	<u>129.566.299</u>	<u>94.170.237</u>
Trade payables to related parties	20.936.614	16.946.866
Rediscount (-)	( <u>697.507</u> )	<u>-</u>
Trade payables to related parties (Note 25)	<u>20.239.107</u>	<u>16.946.866</u>
Total trade payables (Note 26 (ii))	<u>149.805.406</u>	<u>111.117.103</u>

8. Other Receivables and Payables

Other receivables consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Other receivables	32.305.799	27.415.045
Due from personnel	356.213	193.158
Deposits and guarantees given	<u>135.625</u>	<u>59.255</u>
Other receivables *	<u>32.797.637</u>	<u>27.667.458</u>
Other receivables from related parties (Note 25 and Note 26 (i))	<u>22.859.077</u>	<u>17.680.757</u>
Total other receivables (Note 26 (i))	<u>55.656.714</u>	<u>45.348.215</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Deposits and guarantees given *	<u>14.348</u>	<u>9.417</u>

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

8. Other Receivables and Payables (continued)

Other payables consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Taxes, duties and other withholdings payable	2.458.553	1.879.354
Social security premiums payable	1.782.968	1.378.191
Due to personnel	16.099	16.203
Other miscellaneous debts	20.410	15.776
Deposits and guarantees received	<u>1.036</u>	<u>1.036</u>
Other payables	<u>4.279.066</u>	<u>3.290.560</u>
Other payables to related parties (Note 25)	<u>2.805</u>	<u>2.810</u>
Total other payables (Note 26 (ii))	<u>4.281.871</u>	<u>3.293.370</u>

9. Inventories

Inventories consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Raw materials and supplies	80.742.958	64.934.273
Semi-finished goods	14.298.227	9.419.137
Finished goods	20.019.119	26.663.522
Trade goods	1.370.351	460.460
Other inventories	168.236	-
Allowance for diminution In value of inventories (-) (Note 20)	<u>-</u>	<u>( 2.698.447)</u>
	<u>116.598.891</u>	<u>98.778.945</u>

As of 30 September 2009 and 31 December 2008, changes in allowance for diminution in value of inventories in the respective periods are set out below (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Opening balance	2.698.447	-
Provisions no longer required (-) (Note 20)	(2.698.447)	-
Provisions	<u>-</u>	<u>2.698.447</u>
Closing balance	<u>-</u>	<u>2.698.447</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

10. Tangible Assets

Tangible assets consist of the following (TL) :

As of 30 September 2009;

Cost	Opening 1 January 2009	Additions	Transfers	Capitalized Finance Cost	Disposals	Closing 30 September 2009
Land	59.187.145	-	-	-	-	59.187.145
Land improvements	34.899.461	6.124	456.087	-	-	35.361.672
Buildings	100.328.805	13.475	6.770.121	-	-	107.112.401
Machinery and equipment	625.757.439	12.813.530	101.352.264	-	( 5.523)	739.917.710
Motor vehicles	881.609	422.946	-	-	-	1.304.555
Furniture and fixtures	14.055.668	323.076	-	-	(23.453)	14.355.291
Other tangible assets	9.219	-	-	-	-	9.219
Investments in progress	57.024.162	104.176.217	(108.601.787)	( 580.135)	-	52.018.457
Sub total	892.143.508	117.755.368	( 23.315)	( 580.135)	(28.976)	1.009.266.450
Accumulated depreciation (-)						
Land improvements	( 24.426.683)	( 1.063.483)	-	-	-	( 25.490.166)
Buildings	( 29.171.481)	( 1.592.197)	-	-	-	( 30.763.678)
Machinery and equipment	(371.636.476)	(34.747.354)	-	-	5.523	(406.378.307)
Motor vehicles	( 803.309)	( 31.017)	-	-	-	( 834.326)
Furniture and fixtures	( 11.557.211)	( 486.869)	-	-	22.166	( 12.021.914)
Other tangible assets	( 9.132)	( 87)	-	-	-	( 9.219)
Sub total	(437.604.292)	(37.921.007)	-	-	27.689	(475.497.610)
Net Book Value	454.539.216	79.834.361	(23.315)	( 580.135)	( 1.287)	533.768.840

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

10. Tangible Assets (continued)

Tangible assets consist of the following (TL) (continued) :

As of 31 December 2008;

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

11. Intangible Assets

Intangible assets consist of the following (TL) :

As of 30 September 2009;

Cost ;	Opening 1 January 2009	Additions	Transfers and Disposals	Closing 30 September 2009
Rights	1.469.043	-	-	1.469.043
Intangible assets at development phase	-	6.554.703	-	6.554.703
Special costs	5.921.626	-	23.315	5.944.941
Other intangible assets	1.376.044	5.659	-	1.381.703
Sub total	8.766.713	6.560.362	23.315	15.350.390
Accumulated amortisation (-)				
Rights	(1.448.486)	( 11.324)	-	(1.459.810)
Intangible assets at development phase	-	( 474.455)	-	( 474.455)
Special costs	(3.094.869)	( 163.270)	-	(3.258.139)
Other intangible assets	(1.197.740)	( 103.837)	-	(1.301.577)
Sub total	(5.741.095)	( 752.886)	-	(6.493.981)
Net Book Value	3.025.618	5.807.476	23.315	8.856.409

As of 31 December 2008;

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

12. Goodwill

Goodwill consists of the following (TL) :

As of 30 September 2009;

	Opening 1 January 2009	Additions	Disposals	Closing 30 September 2009
Ak-Tops Tekstil Sanayi A.Ş.	5.988.651	-	-	5.988.651
	<u>5.988.651</u>	<u>-</u>	<u>-</u>	<u>5.988.651</u>

As of 31 December 2008;

	Opening 1 January 2008	Additions	Disposals	Closing 31 December 2008
Ak-Tops Tekstil Sanayi A.Ş.	5.988.651	-	-	5.988.651
	<u>5.988.651</u>	<u>-</u>	<u>-</u>	<u>5.988.651</u>

13. Provisions, Contingent Assets and Liabilities

Debt provisions consist of the following (TL) :

	30 September 2009	31 December 2008
Provision for litigation	725.781	734.420
Provision for unused leaves	993.863	933.201
Provision for contingent loss related to derivative instruments (Note 27)	-	2.059.724
Provisions for other debts and expenses	-	72.822
	<u>1.719.644</u>	<u>3.800.167</u>

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

	30 September 2009	31 December 2008
Current period tax provision (Note 23)	10.062.400	15.750.109
Prepaid taxes and funds (-)	<u>( 6.133.423)</u>	<u>( 7.646.963)</u>
	<u>3.928.977</u>	<u>8.103.146</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

13. Provisions, Contingent Assets and Liabilities (continued)

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

- a) As of 30 September 2009, contingent liabilities consisting of guarantees given amount to TL 56.246.004, USD 119.483.546 and EURO 722.280 (31 December 2008 – TL 70.619.984, USD 99.456.596, and EURO 1.108.800).
- b) As of 30 September 2009 and 31 December 2008, guarantees received consist of the following (TL):

	<u>30 September 2009</u>	<u>31 December 2008</u>
Guarantees received for trade receivables	162.244.878	194.050.991
Guarantees received from suppliers	<u>7.276.109</u>	<u>3.030.150</u>
	<u>169.520.987</u>	<u>197.081.141</u>

- c) As of 30 September 2009 the ongoing litigation commenced by the Parent Company and its Subsidiaries against third parties amount to TL 1.276.824 and USD 357.584 (31 December 2008 – TL 1.276.824 and USD 357.584).
- d) As of 30 September 2009, the ongoing litigation commenced by third parties against the Parent Company and its subsidiaries amounts to TL 330.698 (31 December 2008 – TL 309.598).

Changes in provision for litigation as of 30 September 2009 and 31 December 2008 are set out below (TL):

	<u>30 September 2009</u>	<u>31 December 2008</u>
Opening balance	734.420	2.844.992
Provisions no longer required (-) (Note 20)	( 77.942)	(2.394.167)
Provisions made	<u>69.303</u>	<u>283.595</u>
Closing balance	<u>725.781</u>	<u>734.420</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

14. Employee Benefits

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Opening balance	9.354.382	9.592.710
Provisions made (Note 18)	206.749	189.983
Provisions no longer required (-) (Note 20)	( 264.560)	( 428.311)
Closing balance	<u>9.296.571</u>	<u>9.354.382</u>

15. Other Assets and Liabilities

Other current assets consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Order advances given for inventories	5.429.171	1.163.612
Other VAT	17.294.857	10.833.914
Deferred VAT	10.964.639	3.591.061
Prepaid taxes and funds	-	95.382
Personnel advances	1.865.491	1.248.922
Expenses related to future months	1.347.411	297.831
Job advances	<u>147.938</u>	<u>36.253</u>
	<u>37.049.507</u>	<u>17.266.975</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Order advances given for tangible assets	<u>41.280.955</u>	<u>35.179.541</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Other VAT	17.294.856	10.833.914
Expense accruals	132.195	153.544
Income related to future months	-	630.000
Order advances received	<u>10.085.762</u>	<u>10.237.523</u>
	<u>27.512.813</u>	<u>21.854.981</u>



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

16. Equity

(a) Share Capital:

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

<u>Name</u>	<u>30 September 2009</u>		<u>31 December 2008</u>	
	<u>Shareholding</u>	<u>Nominal Value</u>	<u>Shareholding</u>	<u>Nominal Value</u>
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	39,58%	73.223.000	39,58%	43.546.625
Emniyet Tic. ve San. A.Ş.	18,72%	34.632.000	18,72%	20.596.070
Other *	41,70%	<u>77.145.000</u>	41,70%	<u>45.857.305</u>
		<u>185.000.000</u>		<u>110.000.000</u>
Capital adjustment differences		<u>195.174.673</u>		<u>255.174.673</u>
Total adjusted capital		<u>380.174.673</u>		<u>365.174.673</u>

\* Represents shareholding of less than 10%.

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

(b) Restricted Profit Reserves:

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Legal reserves	19.549.570	16.579.576
Profit on sales of investments	<u>26.316.640</u>	<u>26.197.015</u>
	<u>45.866.210</u>	<u>42.776.591</u>

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 200916. Equity (continued)

## (b) Restricted Profit Reserves (continued):

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

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

## (c) Retained Earnings /(Accumulated Losses)

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Retained earnings	217.449.747	238.916.635
2007 profit transfer	-	4.730.127
2008 profit transfer	72.907.209	-
Capital increase	( 15.000.000)	-
Transfer to reserves	( 2.969.994)	-
Profit on sales of investments	( 119.625)	( 26.197.015)
	<u>272.267.337</u>	<u>217.449.747</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Retained earnings/(Accumulated losses)	75.690.769	21.170.548
Extraordinary reserves	56.768.988	56.768.988
Differences arising from inflation adjustment in equity	138.677.573	138.677.573
Legal reserves of subsidiaries	1.076.375	779.006
Extraordinary reserves of subsidiaries	<u>53.632</u>	<u>53.632</u>
	<u>272.267.337</u>	<u>217.449.747</u>

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

16. Equity (continued)

(c) Retained Earnings/(Accumulated Losses) (continued)

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Inflation adjustment in extraordinary reserves	5.323.651	5.323.651
Inflation adjustment in legal reserves	110.092.166	110.092.166
Inflation adjustment in share premium	<u>23.261.756</u>	<u>23.261.756</u>
	<u>138.677.573</u>	<u>138.677.573</u>

Inflation adjustment differences may be used in bonus issue and offsetting losses. Furthermore, inflation adjustment differences arising from reserves bearing no record that disables profit distribution may be used in profit distribution.

(d) Non-controlling Interests

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Share capital	18.468.486	18.468.486
Legal reserves	6.636.771	6.339.405
Extraordinary reserves	192.101	192.101
Retained earnings/(accumulated losses)	(11.926.681)	(12.450.866)
Profit/(loss) for the period	<u>1.152.858</u>	<u>2.309.201</u>
	<u>14.523.535</u>	<u>14.858.327</u>

17. Sales and Cost of Sales

Sales income consists of the following (TL) :

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Domestic sales *	386.734.576	169.456.431	436.559.962	151.198.316
Exports	284.995.427	106.659.101	285.824.565	87.544.115
Other sales	1.779.929	416.744	-	( 278.842)
Sales returns (-)	( 3.241.780)	( 2.139.514)	( 2.333.171)	( 626.237)
Sales discounts (-)	( 6.932)	( 6.139)	( 59)	( 59)
Other deductions (-)	<u>( 13.157.636)</u>	<u>( 5.323.968)</u>	<u>( 19.992.871)</u>	<u>( 6.418.071)</u>
	<u>657.103.584</u>	<u>269.062.655</u>	<u>700.058.426</u>	<u>231.419.222</u>

The electricity sales and steam sales included in the domestic sales for the nine month period ended 30 September 2009 amounts to TL 24.335.641, and TL 5.491.447, respectively (30 September 2008 – None).

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

17. Sales and Cost of Sales (continued)

Cost of sales consist of the following (TL) :

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Cost of finished goods sold *	492.231.165	198.523.546	592.090.702	201.485.566
Cost of trade goods sold	25.192.136	10.550.727	28.576.401	9.092.574
Cost of services sold	14.087.839	4.022.523	18.982.418	6.451.000
Cost of other sales	<u>1.774.557</u>	<u>382.004</u>	<u>2.700.683</u>	<u>833.392</u>
	<u>533.285.697</u>	<u>213.478.800</u>	<u>642.350.204</u>	<u>217.862.532</u>

The sales cost of electricity and steam included in the cost of finished goods sold during the nine month period ended 30 September 2009 amounts to TL 13.704.458, and TL 5.391.549, respectively (30 September 2008 – None).

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

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Raw materials and supplies	362.027.660	147.729.842	476.116.505	161.980.817
Depreciation expense	16.958.494	8.458.366	20.535.840	7.105.665
Overhead	94.937.410	34.705.846	78.710.381	27.637.520
Labour cost	<u>18.307.601</u>	<u>7.629.492</u>	<u>16.727.976</u>	<u>4.761.564</u>
	<u>492.231.165</u>	<u>198.523.546</u>	<u>592.090.702</u>	<u>201.485.566</u>

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

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

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Marketing, sales and distribution expenses	6.853.539	2.230.935	1.356.850	454.418
Research and development expenses	6.409.526	783.314	7.204.825	3.284.368
General administration expenses	<u>44.496.024</u>	<u>26.935.312</u>	<u>27.041.399</u>	<u>8.762.323</u>
	<u>57.759.089</u>	<u>29.949.561</u>	<u>35.603.074</u>	<u>12.501.109</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

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

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

Marketing, sales and distribution expenses:

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Personnel expenses (Note 19)	1.689.386	563.187	879.271	339.424
Sampling expenses	77.593	(24.525)	65.271	9.555
Transportation and rent expenses	15.182	2.456	94.202	17.605
Travel expenses	222.128	107.621	93.988	23.240
Rent expenses	98.512	43.676	57.806	19.433
Depreciation (Note 19)	25.463	16.430	23.460	6.615
Fair and exhibition expenses	104.750	43.044	-	-
Communication expenses	12.139	4.192	8.412	4.787
Advertisement, press and promotion expenses	8.857	3.205	1.702	( 3.974)
Exports expenses	4.353.829	1.306.820	-	-
Other expenses	<u>245.700</u>	<u>164.829</u>	<u>132.738</u>	<u>37.733</u>
	<u>6.853.539</u>	<u>2.230.935</u>	<u>1.356.850</u>	<u>454.418</u>

Research and development expenses:

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Personnel expenses (Note 19)	1.674.414	8.319	3.113.260	1.202.333
Depreciation (Note 19)	2.444.466	685.272	3.018.596	1.699.666
Subcontractor expenses	146.492	5.389	297.159	106.571
Maintenance, repair and cleaning expenses	107.380	4.793	194.731	62.165
Auxiliary material expenses	1.538.378	5.984	195.317	76.976
Other outsourced benefits and services	126.236	922	91.860	32.872
Other expenses	<u>372.160</u>	<u>72.635</u>	<u>293.902</u>	<u>103.785</u>
	<u>6.409.526</u>	<u>783.314</u>	<u>7.204.825</u>	<u>3.284.368</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

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

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

General administration expenses:

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Personnel expenses	11.066.882	3.613.973	11.150.380	3.336.375
Communication expenses	287.638	91.861	447.491	138.617
Consultancy expenses	3.883.734	1.677.099	3.863.257	1.081.650
Social expenses	1.063.200	460.898	2.165.481	868.036
Depreciation(Note 19)	521.962	257.993	801.098	250.211
Office expenses	472.569	171.312	295.287	99.401
Insurance expenses	277.957	92.719	342.471	199.987
Rent expenses	602.333	197.122	489.733	161.779
Miscellaneous tax expenses	358.906	174.339	155.540	12.022
Travel expenses	606.839	196.379	637.142	190.033
Advertisement expenses	33.491	13.136	38.590	16.006
Disallowable expenses	1.122.663	492.835	1.634.194	660.359
IT service expenses	2.427.480	758.079	1.251.968	495.415
Other outsourced benefits and services	751.863	299.486	818.893	199.757
Maintenance, repair, and cleaning expenses	784.843	275.664	704.835	224.114
Contribution to common costs	203.834	62.395	464.790	170.781
Court and notary expenses	143.475	17.626	38.450	16.547
Provisions for termination indemnity (Notes 14 and 19)	206.749	( 9.218)	665.139	661.299
Provisions for leaves (Note 19)	75.702	( 151.996)	329.131	( 182.916)
Environmental expenses	395.369	152.872	-	-
Subcontractor expenses	522.172	223.484	106.652	39.087
Provision for doubtful receivables (Note 7)	17.363.159	17.363.159	-	-
Other expenses	<u>1.323.204</u>	<u>504.095</u>	<u>640.877</u>	<u>123.763</u>
	<u>44.496.024</u>	<u>26.935.312</u>	<u>27.041.399</u>	<u>8.762.323</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

19. Expenses by Nature

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

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Cost of finished goods sold (Note 17)	16.958.494	8.458.366	20.535.840	7.105.665
Cost of services sold	2.183.347	737.039	2.113.246	679.863
Cost of other sales	3.625	1.362	18.248	3.099
Marketing and sales expenses (Note 18)	25.463	16.430	23.460	6.615
Research and development expenses (Note 18)	2.444.466	685.272	3.018.596	1.699.666
General administration expenses (Note 18)	521.962	257.993	801.098	250.211
Idle section expenses	12.859.018	2.485.090	-	-
Intangible assets at development phase	1.043.893	-	-	-
Other expenses	1.415.028	1.415.028	-	-
Inventory depreciation	<u>1.218.597</u>	<u>511.760</u>	<u>1.803.857</u>	<u>203.620</u>
	<u>38.673.893</u>	<u>14.568.340</u>	<u>28.314.345</u>	<u>9.948.739</u>
Depreciation	37.921.007	14.128.120	28.012.512	9.847.067
Amortisation	<u>752.886</u>	<u>440.220</u>	<u>301.833</u>	<u>101.672</u>
	<u>38.673.893</u>	<u>14.568.340</u>	<u>28.314.345</u>	<u>9.948.739</u>

Employee benefits consist of the following (TL) :

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Overhead	22.673.089	9.163.202	22.309.539	7.316.458
Research and development expenses (Note 18)	1.674.414	8.319	3.113.260	1.202.333
Marketing and sales expenses (Note 18)	1.689.386	563.187	879.271	339.424
General administration expenses	11.349.333	3.452.759	12.144.650	3.814.758
Other expenses	199.858	199.858	-	-
Idle section expenses	<u>2.259.208</u>	<u>278.413</u>	<u>-</u>	<u>-</u>
	<u>39.845.288</u>	<u>13.665.738</u>	<u>38.446.720</u>	<u>12.672.973</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

19. Expenses by Nature (continued)

Employee benefits consist of the following (TL) (continued):

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Wages and salaries	33.338.327	11.263.119	31.686.261	10.095.131
Catering and transportation	2.128.978	772.707	1.991.226	678.574
Social benefits	4.095.532	1.791.126	3.774.963	1.420.885
Provision for termination indemnity and leaves	<u>282.451</u>	<u>( 161.214)</u>	<u>994.270</u>	<u>478.383</u>
	<u>39.845.288</u>	<u>13.665.738</u>	<u>38.446.720</u>	<u>12.672.973</u>

20. Other Operating Income and Expenses

Other operating income consists of the following (TL):

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Inventory provision no longer required (Note 9)	2.698.447	-	-	-
Provision for litigation no longer required (Note 13)	77.942	-	-	-
Provision for termination indemnity no longer required (Note 14)	264.560	107.583	293.662	( 10.748)
Provision for leaves no longer required	15.043	15.043	-	-
Profit on sale of affiliates	-	-	295.663	295.663
Profit on sale of fixed assets	-	-	320.429	87.082
R&D incentive premium income *	10.080.806	10.080.806	1.666.520	-
Maturity difference income	3.623.865	1.537.085	2.720.158	409.076
Other income and profits	<u>3.474.484</u>	<u>893.441</u>	<u>3.236.181</u>	<u>583.277</u>
	<u>20.235.147</u>	<u>12.633.958</u>	<u>8.532.613</u>	<u>1.364.350</u>

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



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

20. Other Operating Income and Expenses (continued)

Other operating expenses consist of the following (TL) :

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Commission expenses	5.601.335	2.262.022	2.046.871	744.203
Idle section expenses	15.549.834	2.920.286	-	-
Prior period expenses and losses	269.964	-	5.988	-
Loss on sale of fixed assets	982	-	5.308	3.630
Other expenses and losses	3.948.432 *	301.653	1.067.331	( 50.141)
Start up expenses	<u>3.262.048</u>	<u>2.708.038</u>	<u>-</u>	<u>-</u>
	<u>28.632.595</u>	<u>8.191.999</u>	<u>3.125.498</u>	<u>697.692</u>

\* TL 3.903.923 of the stated total comprises of the expenditures related to the culture center constructed in Yalova.

21. Financial Income

Financial income consists of the following (TL) :

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Foreign exchange gains	101.951.086	11.937.763	49.023.440	6.672.006
Profit on sale of marketable securities	-	-	40.055	40.055
Rediscount interest income	5.812.234	879.664	6.813.012	199.113
Interest income	<u>1.972.394</u>	<u>929.760</u>	<u>2.467.108</u>	<u>646.944</u>
	<u>109.735.714</u>	<u>13.747.187</u>	<u>58.343.615</u>	<u>7.558.118</u>

22. Financial Expenses

Financial expenses consist of the following (TL) :

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Foreign exchange losses	109.294.355	15.322.913	37.203.724	6.508.958
Rediscount interest expenses	3.531.846	( 806.616)	9.182.298	1.020.230
Borrowing expenses	<u>4.168.443</u>	<u>2.246.229</u>	<u>2.967.818</u>	<u>1.074.019</u>
	<u>116.994.644</u>	<u>16.762.526</u>	<u>49.353.840</u>	<u>8.603.207</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

23. Tax Assets and Liabilities

a) Corporation Tax;

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

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

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Current period				
Corporation Tax	(10.062.400)	(7.294.572)	(7.739.410)	(704.667)
Deferred tax				
income / (expense)	<u>1.599.431</u>	<u>2.690.919</u>	<u>1.077.642</u>	<u>600.763</u>
Total tax				
income / (expense)	<u>( 8.462.969)</u>	<u>(4.603.653)</u>	<u>(6.661.768)</u>	<u>(103.904)</u>

Calculation of the current period corporation tax stated is summarized in the following (TL):

	30 September 2009	31 December 2008	30 September 2008
Per statutory books	49.729.740	88.522.294	42.212.720
Disallowable			
expenses	5.681.721	6.905.176	9.037.384
Tax exempt income	( 3.084.771)	(13.055.728)	( 8.989.321)
Subsidiary earnings	( 2.014.690)	( 2.271.384)	( 2.271.384)
R&D incentive used	-	( 1.349.811)	( 1.292.348)
Loss deduction	<u>-</u>	<u>-</u>	<u>-</u>
Sub total	<u>50.312.000</u>	<u>78.750.547</u>	<u>38.697.051</u>
Tax rate (%)	20	20	20
Tax provision (Note 13)	<u>10.062.400</u>	<u>15.750.109</u>	<u>7.739.410</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

23. Tax Assets and Liabilities (continued)

b) Deferred Tax Assets and Liabilities;

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

	<u>Temporary Differences</u>		<u>Deferred Tax Asset/Liability</u>	
	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
Adjustment of rediscount on receivables	1.227.517	2.699.002	245.503	539.800
Provision for termination indemnity	9.296.571	9.354.382	1.859.314	1.870.876
Provision for leaves	993.863	933.201	198.773	186.640
Inventory provision	-	1.416.879	-	283.376
Provision for litigation	69.809	300.521	13.962	60.104
Provision for contingent losses related to derivative instruments	-	2.059.724	-	411.945
Loan discount adjustment	477.909	25.607	95.582	5.121
Expense accrual	2.088	2.088	418	418
Provision for doubtful trade receivables	17.363.159	-	3.472.631	-
Transactions related to consolidation	407.790	209.109	81.558	41.822
Deferred tax asset	29.838.706	17.000.513	5.967.741	3.400.102
Net difference between the book values of tangible/intangible assets and their tax bases	(111.028.302)	(106.460.552)	(22.205.660)	(21.292.110)
Adjustment of rediscount on payables	( 1.704.240)	( 1.430.949)	( 340.848)	( 286.190)
Deferred tax liability	(112.732.542)	(107.891.501)	(22.546.508)	(21.578.300)
Deferred Tax Asset/(Liability), Net	( 82.893.836)	( 90.890.988)	(16.578.767)	(18.178.198)

Deferred Tax Income / (Expense) (TL):

	<u>30 September 2009</u>	<u>30 September 2008</u>
Current period deferred tax asset/(liability)	(16.578.767)	(16.184.709)
Reversal of prior period deferred tax (liability)/asset	<u>18.178.198</u>	<u>17.262.351</u>
Deferred tax income/(expense)	<u>1.599.431</u>	<u>1.077.642</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

24. Earnings/(Loss) per Share

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

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Profit / (loss) for the period (TL)	40.786.593	21.579.382	28.451.204	273.362
Weighted average number of ordinary shares *	185.000.000	185.000.000	110.000.000	110.000.000
Weighted average number of revised ordinary shares *	185.000.000	185.000.000	185.000.000	185.000.000
Parent Company earnings per share (TL)	0,220	0,117	0,259	0,002
Parent Company earnings per diluted share (TL)	0,220	0,117	0,154	0,001

\* Per share of TL 1 nominal value

25. Related Party Disclosures

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Ak-Al Tekstil Sanayii A.Ş.	10.854.720	6.080.848
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	104.143	2.593.565
Akiş Gayrimenkul Yatırımı A.Ş.	604	55
Akport Tekirdağ Liman İşletmeleri A.Ş.	25.537	34.647
Akmeitem Poliüretan Sanayi ve Ticaret A.Ş.	-	10.760
Aksa Egypt Acrylic Fiber Industry SAE	3.906.067	16.704.925
Rediscount on receivables (-)	( 151.905)	( 197.106)
Total (Note 7)	<u>14.739.166</u>	<u>25.227.694</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.*	13.721.164	12.929.738
Akport Tekirdağ Liman İşletmeleri A.Ş.*	4.446.000	-
Aksa Egypt Acrylic Fiber Industry SAE	7.982	8.104
Akmeitem Poliüretan Sanayi ve Ticaret A.Ş.*	4.156.457	4.609.104
Akkim Kimya San. ve Tic. A.Ş.	-	3.000
Other receivables from related parties	<u>527.474</u>	<u>130.811</u>
Total (Note 8)	<u>22.859.077</u>	<u>17.680.757</u>

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

25. Related Party Disclosures (continued)

Trade payables to related parties consist of the following (TL) :

	<u>30 September 2009</u>	<u>31 December 2008</u>
Akkim Kimya San. ve Tic. A.Ş.	7.414.990	6.751.214
Akenerji Elektrik Üretim A.Ş.	11.339.012	9.055.200
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	1.324.016	427.064
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	332.799	250.090
Dinkal Sigorta Acenteliği A.Ş.	27.379	90.496
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	31.720	190.767
Akmetem Poliüretan Sanayi ve Ticaret A.Ş.	397.634	-
Ak-Han Bakım Yönt. Serv.		
Hizm. Güven. Malz. A.Ş.	69.064	182.035
Rediscount on receivables (-)	( <u>697.507</u> )	<u>-</u>
Total (Note 7)	<u>20.239.107</u>	<u>16.946.866</u>

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

	<u>30 September 2009</u>	<u>31 December 2008</u>
Due to shareholders (Note 8)	<u>2.805</u>	<u>2.810</u>

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

25. Related Party Disclosures (continued)

Sales to related parties for the nine month interim periods ended 30 September 2009 and 2008 consist of the following (TL) :

	<u>1 January 2009- 30 September 2009</u>	<u>1 July 2009- 30 September 2009</u>	<u>1 January 2008- 30 September 2008</u>	<u>1 July 2008- 30 September 2008</u>
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	605.151	100.734	2.476.698	810.505
Ak-Al Tekstil Sanayii A.Ş.	17.904.127	7.154.053	21.196.294	6.917.640
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	290.287	149.489	364.619	257.691
Akkim Kimya San. ve Tic. A.Ş.	15.560.634	8.560.813	4.232.521	1.624.838
Akenerji Elektrik Üretim A.Ş.	1.247.037	46.899	2.480.488	566.416
Akport Tekirdağ Liman İşletmeleri A.Ş.	74.136	27.711	29.618	14.332
Ak-Han Bakım Yönt. Serv.Hizm. Güven. Malz. A.Ş.	7.200	2.400	7.592	2.400
Dinkal Sigorta Acenteliği A.Ş.	21.072	7.361	20.804	6.844
Akiş Gayrimenkul Yatırımı A.Ş.	1.674	1.396	32.792	10.805
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	25.972	8.188	49.448	11.110
Akmerkez Lokantacılık Gıda Sanayi ve Tic. A.Ş.	-	-	796	128
Akmeitem Poliüretan Sanayi ve Tic. A.Ş.	39.103	16.968	7.957	2.816
Other	<u>36.501</u>	<u>9.155</u>	<u>97.575</u>	<u>25.254</u>
	<u>35.812.894</u>	<u>16.085.167</u>	<u>30.997.202</u>	<u>10.250.779</u>

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

25. Related Party Disclosures (continued)

Purchases from related parties for the nine month interim periods ended 30 September 2009 and 2008 consist of the following (TL) :

	1 January 2009- 30 September 2009	1 July 2009- 30 September 2009	1 January 2008- 30 September 2008	1 July 2008- 30 September 2008
Ak-Han Bakım Yönt. Serv.Hizm. Güven. Malz. A.Ş.	418.751	122.208	535.755	187.310
Aksu İplik Dokuma ve Boya Apre Fabrikaları T.A.Ş.	15.120	11.530	103.406	10.672
Dinkal Sigorta Acenteliği A.Ş.	1.606.916	439.071	959.714	93.677
Akkim Kimya San. ve Tic. A.Ş.	44.047.016	15.175.451	47.188.706	15.965.166
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	4.281.330	1.963.857	5.344.922	2.677.714
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	615.441	406.838	1.134.379	478.583
Ak-Al Tekstil Sanayii A.Ş.	545.408	428.606	1.177.062	186.282
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	2.889.226	782.590	1.699.013	657.125
Akmetem Poliüretan Sanayi ve Ticaret A.Ş.	-	-	70.981	17.237
Akport Tekirdağ Liman İşletmeleri A.Ş.	-	-	-	( 2.207)
Akenerji Elektrik Üretim A.Ş.	<u>52.874.142</u>	<u>48.647</u>	<u>71.530.636</u>	<u>26.081.064</u>
	<u>107.293.350</u>	<u>19.378.798</u>	<u>129.744.574</u>	<u>46.352.623</u>

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

As of 30 September 2009, guarantees received from related parties amount to TL 5.225.922 (31 December 2008 – TL 1.478.573).

As of 30 September 2009, remuneration provided to top executives such as the CEO and members of the Board of Directors amount to TL 3.411.435 (30 September 2008 – TL 3.121.960).

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments

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

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

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

i. Credit Risk

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



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

i. Credit Risk (continued)

The following table displays information regarding the terms overrun and warranty structure of the receivables and the cash and cash equivalents of the Parent Company and its subsidiaries as of 30 September 2009 (TL):

Current Period	Receivables				Bank Deposits	Derivative Instruments	Other <sup>1</sup>
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
Maximum credit risk incurred as of 30 September 2009 (A+B+C+D+E) <sup>2</sup> (Notes 4, 7 and 8)	14.739.166	336.183.221	22.859.077	32.811.985	70.221.430	-	8.842.200
- Part of maximum risk taken under guarantee through collaterals <sup>3</sup>	3.810.530	158.320.414	-	-	-	-	113.934
A. Net book value of financial assets that are neither overdue nor impaired	14.640.445	308.252.877	22.851.321	32.811.985	70.221.430	-	8.724.220
B. Book value of financial assets whose conditions are revised, and which otherwise would be considered as overdue or impaired.	-	14.676.419	-	-	-	-	-
- Portion taken under guarantee through collaterals	-	350.722	-	-	-	-	-
C. Net book value of overdue assets that are not impaired	98.721	13.253.925	7.756	-	-	-	117.980
- Portion taken under guarantee through collaterals	97.541	8.116.023	-	-	-	-	113.934
D. Net book values of impaired assets	-	-	-	-	-	-	-
- Overdue (gross book value) (Note 7)	-	19.611.028	-	-	-	-	-
- Impairment (-) (Note 7)	-	(19.611.028)	-	-	-	-	-
- Part of the net value taken under guarantee through collaterals	-	14.899.189	-	-	-	-	-
- Not overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Part of the net value taken under guarantee through collaterals	-	-	-	-	-	-	-
E. Elements involving derecognized credit risk	-	-	-	-	-	-	-

<sup>1</sup> Consists of cash balances and cheques received as stated in the cash and cash equivalents.

<sup>2</sup> In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

<sup>3</sup> Consists of collaterals, guarantee letters received, customer cheques and notes, treasury bonds, direct debiting system limits, Eximbank limits, factoring limits, letter of credit, and mortgages.

<sup>4</sup> The cheques and notes in swap stated in trade receivables amount to TL 136.524, and the cheques and notes in swap stated as Other amount to TL 8.383.842.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

i. Credit Risk (continued)

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

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

<sup>1</sup> Consists of cash balances and cheques received as stated in the cash and cash equivalents.

<sup>2</sup> In determining the amount of credit risk to be incurred, factors that increase credit reliability, i.e. the guarantees received, are not taken into consideration.

<sup>3</sup> Consists of collaterals, guarantee letters received, customer cheques and notes, treasury bonds, direct debiting system limits, Eximbank limits, factoring limits, letter of credit, and mortgages.

<sup>4</sup> The cheques and notes in swap stated in trade receivables amount to TL 42.984, and the cheques and notes in swap stated as Other amount to TL 1.165.604.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

i. Credit Risk (continued)

As of 30 September 2009, aging of assets past due but not impaired is as follows (TL):

	<u>Receivables</u>		<u>Other</u>
	<u>Trade Receivables</u>	<u>Other Receivables</u>	<u>(Cash and Cash Equivalents)</u>
1-30 days overrun	10.020.899*	-	67.000
1-3 months overrun	1.502.339	-	35.730
3-12 months overrun	539.446	-	15.250
1-5 years overrun	1.289.962	7.756	-
More than 5 years overrun	-	-	-
Total	13.352.646	7.756	117.980**
Portion taken under guarantee through collaterals(-)	(8.213.564)	-	(113.934)

\* A portion of TL 9.622.757 has been collected subsequent to the reporting date.

\*\* As portion of TL 117.980 has been collected subsequent to the reporting date.

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

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

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

ii. Liquidity Risk

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

As of 30 September 2009, the external guarantee letters given by the Parent Company as collateral for trade payables related to raw material purchases amount to USD 85.465.546 (31 December 2008 – USD 54.966.596) and the guarantee letters amount to USD 31.000.000 (31 December 2008 – USD 44.472.000). As of 30 September 2009 and 31 December 2008, the guarantee letters given to customs administrations amount to TL 8.832.846 and TL 9.263.902, respectively.

As of 30 September 2009 and 31 December 2008, the Company's liquid assets (current assets – inventories) exceed its short term payables by TL 188.862.041 and TL 243.646.017, respectively.

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

ii. Liquidity Risk (continued)

As of 30 September 2009, the maturity distribution of the financial liabilities of the Parent Company and its subsidiaries are as follows (TL):

<u>Maturities per Contract</u>	<u>Book Value</u>	<u>Total Cash Outflows as per The Contract (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>3-12 months (II)</u>	<u>1-5 years (III)</u>	<u>More than 5 years (IV)</u>
<u>Non-derivative financial liabilities</u>	<u>325.252.487</u>	<u>333.652.512</u>	<u>157.541.540</u>	<u>46.203.444</u>	<u>129.907.528</u>	-
Bank loans (Note 6)	270.414.110	278.228.914	102.117.942	46.203.444	129.907.528	-
Trade payables (Note 7)	54.838.377	55.423.598	55.423.598	-	-	-
<u>Expected Maturities</u>	<u>Book Value</u>	<u>Total cash outflows on expected maturities (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>3-12 months (II)</u>	<u>1-5 years (III)</u>	<u>More than 5 years (IV)</u>
<u>Non-derivative financial liabilities</u>	<u>99.248.900</u>	<u>100.367.925</u>	<u>75.738.683</u>	<u>18.955.642</u>	<u>5.673.600</u>	-
Trade payables (Note 7)	94.967.029	96.086.054	71.456.812	18.955.642	5.673.600	-
Other payables (Note 8)	4.281.871	4.281.871	4.281.871	-	-	-
<u>Maturities per Contract</u>	<u>Book Value</u>	<u>Total cash outflows on expected maturities (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>3-12 months (II)</u>	<u>1-5 years (III)</u>	<u>More than 5 years (IV)</u>
Derivative financial liabilities (net)	-	( 4.842.784)	(454.483)	(1.062.424)	(3.325.877)	-
Derivative cash inflows *	-	5.451.557	532.058	1.173.425	3.746.074	-
Derivative cash outflows *	-	(10.294.341)	(986.541)	(2.235.849)	(7.071.951)	-

\* The fair values of derivative operations are used in the calculation of derivative cash inflows and outflows. Estimated Libor interest rate at 30 September 2009 is taken as basis in interest swap operations.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

ii. Liquidity Risk (continued)

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

<u>Maturities per Contract</u>	<u>Book Value</u>	<u>Total Cash Outflows as per The Contract (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>3-12 months (II)</u>	<u>1-5 years (III)</u>	<u>More than 5 years (IV)</u>
<u>Non-derivative financial liabilities</u>	<u>326.121.687</u>	<u>344.960.223</u>	<u>163.784.803</u>	<u>46.324.238</u>	<u>134.851.182</u>	-
<u>Bank loans (Note 6)</u>	<u>239.572.275</u>	<u>257.305.615</u>	<u>81.841.633</u>	<u>40.612.800</u>	<u>134.851.182</u>	-
<u>Trade payables (Note 7)</u>	<u>86.549.412</u>	<u>87.654.608</u>	<u>81.943.170</u>	<u>5.711.438</u>	-	-
<u>Expected Maturities</u>	<u>Book Value</u>	<u>Total cash outflows on expected maturities (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>3-12 months (II)</u>	<u>1-5 years (III)</u>	<u>More than 5 years (IV)</u>
<u>Non-derivative financial liabilities</u>	<u>27.861.061</u>	<u>28.186.814</u>	<u>28.186.814</u>	-	-	-
<u>Trade payables (Note 7)</u>	<u>24.567.691</u>	<u>24.893.444</u>	<u>24.893.444</u>	-	-	-
<u>Other payables (Note 8)</u>	<u>3.293.370</u>	<u>3.293.370</u>	<u>3.293.370</u>	-	-	-
<u>Maturities per Contract</u>	<u>Book Value</u>	<u>Total cash outflows on expected maturities (I+II+III+IV)</u>	<u>Less than 3 months (I)</u>	<u>3-12 months (II)</u>	<u>1-5 years (III)</u>	<u>More than 5 years (IV)</u>
<u>Derivative financial liabilities (net)</u>	-	<u>(6.765.479)</u>	<u>( 670.986)</u>	<u>( 2.641.403)</u>	<u>(3.453.090)</u>	-
<u>Derivative cash inflows *</u>	-	<u>20.548.763</u>	<u>7.042.050</u>	<u>11.520.817</u>	<u>1.985.896</u>	-
<u>Derivative cash outflows *</u>	-	<u>(27.314.242)</u>	<u>(7.713.036)</u>	<u>(14.162.220)</u>	<u>(5.438.986)</u>	-

\* The fair values of derivative operations are used in the calculation of derivative cash inflows and outflows. The six-month Libor interest rate at 31 December 2008 is taken into account in interest swap operations, and the foreign currency buying rate issued by the Turkish Central Bank on 31 December 2008 is used in forward transactions.

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

iii. Interest Rate Risk

Interest risk arises from the probable effect of changes in interest rates on the financial statements. Long term interest swap agreements have been made in order to avoid interest risk on long term investment loans used by the Parent Company. 6 months Libor rate is taken into account in the measurement of fair values of these transactions as of 30 September 2009. The swap transactions made by the Parent Company for hedging interest risk as of 30 September 2009 and 31 December 2008 are as follows:

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

The interest position as of 30 September 2009 and 31 December 2008 is set out in the table below (TL):

		<u>30 September 2009</u>	<u>31 December 2008</u>
Financial instruments with fixed interest			
Financial assets	Time deposits	61.742.566	36.684.594
Financial liabilities	Bank loans	241.575.972	114.745.899
		<u>30 September 2009</u>	<u>31 December 2008</u>
Financial instruments with variable interest			
Financial liabilities	Bank loans	26.293.776	124.826.376

As of 30 September 2009, if the variable interest rate on USD loans were higher / lower by 0,5% with all other variables remaining constant, the profit/(loss) before tax would have been lower/higher by TL 100 due to change in interest expenses (31 December 2008 – TL 22.623) and the total assets would have been higher/lower by TL 266.174 due to capitalized finance cost (31 December 2008 – TL 938.450).

iv. Foreign Currency Risk

The Company's foreign currency balances arising from operating, investment and financial activities are disclosed in the table below. Foreign currency risk is monitored through continuous analysis of foreign currency receivables and payables. The net foreign currency surplus of the Parent Company and its subsidiaries as of 30 September 2009 amounts to TL 149.988.709 (31 December 2008 – TL 154.561.599 foreign currency surplus).

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

iv. Foreign Currency Risk (continued)

The foreign currency position as of 30 September 2009 and 31 December 2008 is set out in the table below:

	30 September 2009							31 December 2008					
	TL Equivalent (Functional currency)	USD	Euro	SEK	GBP	CHF	JPY	TL Equivalent (Functional currency)	USD	Euro	SEK	GBP	CHF
1. Trade Receivables	414.106.920	196.948.457	56.579.784	-	-	-	-	365.552.177	221.255.836	14.455.800	-	-	-
2a. Monetary Financial Assets (including Cash and Banks)	39.966.052	26.504.960	310.408	1.820	6.262	-	-	49.713.134	31.838.179	724.093	1.883	6.272	-
2b. Non-monetary Financial Assets	1.167.241	255.373	362.417	-	-	4.098	-	7.765.786	5.089.372	32.291	-	-	-
3. Other	4.451.907	3.003.548	300	-	-	-	-	912.576	562.270	29.081	-	-	-
4. Current Assets (1+2+3)	459.692.120	226.712.338	57.252.909	1.820	6.262	4.098	-	423.943.673	258.745.657	15.241.265	1.883	6.272	-
5. Trade Receivables	15.280.127	10.310.477	-	-	-	-	-	13.115.765	8.672.727	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	37.778.361	25.260.982	147.275	-	-	11.800	400.000	27.979.910	16.681.319	1.285.852	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Non-current Assets (5+6+7)	53.058.488	35.571.459	147.275	-	-	11.800	400.000	41.095.675	25.354.046	1.285.852	-	-	-
9. Total Assets (4+8)	512.750.608	262.283.797	57.400.184	1.820	6.262	15.898	400.000	465.039.348	284.099.703	16.527.117	1.883	6.272	-
10. Trade Payables	115.696.621	73.201.539	3.329.958	-	-	12.775	-	88.452.490	58.413.541	53.107	-	-	-
11. Financial Liabilities	109.313.378	73.760.714	-	-	-	-	-	100.935.398	66.742.973	-	-	-	-
12a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Short Term Liabilities (10+11+12)	225.009.999	146.962.253	3.329.958	-	-	12.775	-	189.387.888	125.156.514	53.107	-	-	-
14. Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	137.751.900	92.950.000	-	-	-	-	-	121.089.861	80.070.000	-	-	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
17. Long Term Liabilities (14+15+16)	137.751.900	92.950.000	-	-	-	-	-	121.089.861	80.070.000	-	-	-	-
18. Total Liabilities (13+17)	362.761.899	239.912.253	3.329.958	-	-	12.775	-	310.477.749	205.226.514	53.107	-	-	-
19. Net Asset / (Liability) Position of Derecognized Derivative Instruments in Foreign Currency (19a-19b)	-	-	-	-	-	-	-	-	-	-	-	-	-
19a. Derecognized derivative instruments in foreign currency of asset type	-	-	-	-	-	-	-	-	-	-	-	-	-
19b. Derecognized derivative instruments in foreign currency of liability type	-	-	-	-	-	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (9-18+19)	149.988.709	22.371.544	54.070.226	1.820	6.262	3.123	400.000	154.561.599	78.873.189	16.474.010	1.883	6.272	-
21. Monetary Items Net Foreign Currency Asset / (Liability) Position (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	106.591.200	(6.148.359)	53.560.234	1.820	6.262	(12.775)	-	117.903.327	56.540.228	15.126.786	1.883	6.272	-
22. Total Fair Value of Financial Instruments used in Foreign Currency Hedging	-	-	-	-	-	-	-	( 2.059.724)	-	-	-	-	-
23. Hedged Portion of Foreign Currency Assets	-	-	-	-	-	-	-	19.902.174	11.780.000	975.000	-	-	-
24. Hedged Portion of Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
25. Exports*	284.960.461	182.573.594	-	-	-	-	-	356.984.739	279.212.067	-	-	-	-
26. Imports*	306.785.425	195.082.685	476.433	-	-	-	-	437.571.537	345.182.582	555.702	-	-	53.016

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



AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

iv. Foreign Currency Risk (continued)

Foreign currency sensitivity analysis as of 30 September 2009 is set out in the table below (TL) :

	Profit/Loss		Equity	
	Value increase in foreign currency	Loss in value of foreign currency	Value increase in foreign currency	
<u>1-Net Assets/Liabilities in USD</u>	9.680.902	( 9.680.902)	-	-
<u>2- Portion prevented from USD risk (-)</u>	-	-	-	-
<u>3- USD Net Effect (1+2)</u>	9.680.902	( 9.680.902)	-	-
<u>4- Net Assets/Liabilities in Euro</u>	11.680.791	(11.680.791)	-	-
<u>5- Portion prevented from Euro risk(-)</u>	-	-	-	-
<u>6- Euro Net Effect (4+5)</u>	11.680.791	(11.680.791)	-	-
<u>7- Net Assets/Liabilities in other currencies</u>	2.617	( 2.617)	-	-
<u>8- Part prevented from other currency risks (-)</u>	-	-	-	-
<u>9-Net Effect of Assets in Other Currencies (7+8)</u>	2.617	( 2.617)	-	-
<u>TOTAL (3+6+9)</u>	21.364.310	(21.364.310)	-	-

As of 30 September 2009, if the currency of the USD loans used in financing investments were to gain/lose value by 10% against the Turkish Lira with all other variables remaining constant, the total assets would be higher/lower by TL 6.365.439 due to the capitalized finance cost (31 December 2008 – TL 12.108.986).

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

26. Nature and Extent of Risk Arising from Financial Instruments (continued)

iv. Foreign Currency Risk (continued)

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

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

27. Financial Instruments

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

AKSA AKRİLİK KİMYA SANAYİİ A.Ş.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

27. Financial Instruments (continued)

For hedging purposes against foreign currency risk, the Parent Company has made American knock out reverse participant forward transactions, and there are no forward contracts as of 30 September 2009. The current value of the outstanding forward contract as of 31 December 2008 have been calculated by referring to internal pricing models and the unrealized foreign exchange losses amounting to TL 2.059.724 (Note 13) have been recognized in the statement of comprehensive income (31 December 2008 – TL 2.059.724). As of 31 December 2008, the amount, maturity, calculated expense accruals of the forward contracts are as follows:

31 December 2008:

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

28. Events After the Reporting Period

Pursuant to the unanimous resolution made at the meeting of the Board of Directors of Akpa Tekstil İhracat Pazarlama A.Ş. (a subsidiary) held on 21 October 2009, the 3<sup>rd</sup> type stocks of the dividends amounting to TL 1.482.546,24 resolved to be distributed among shareholders at the Ordinary General Meeting of 14 April 2009 in relation to 2008 operations will be paid against the “2008 dividend” coupons after legal withholdings are deducted, starting at 6 November 2009.

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

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

- a) Insurance total on assets as of 30 September 2009 amounts to TL 37.634.154 and USD 194.877.715 (31 December 2008 – TL 24.482.948 and USD 240.746.823).
- b) The writing of the Parent Company dated 30 April 2009 addressed to the Istanbul Stock Exchange is as follows:

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

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

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

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

Notes to the Interim Consolidated Financial Statements  
for the nine months period ended 30 September 2009

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

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

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

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

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

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