



TURKISH TECHNIC



ACTIVITY
REPORT | 09



TURKISH TECHNIC INC.

ACTIVITY REPORT



'09

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TURKISH TECHNIC INC. 2009 ACTIVITY REPORT



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VISION

To be a developing, reliable and global company in the field of aviation technical services, of which the shareholders feel proud.

MISSION

To lead the aviation industry in all kinds of maintenance, repair, modification and design services of aircraft and components; in accordance with aviation regulations and standards, by ideally fulfilling the expectations of shareholders, by continually improving its competences (capabilities) with an understanding of optimum quality-price balancing and with awareness of environmental and social responsibility.

Safety and Quality Policy

1

MAINTENANCE
/FLIGHT
SAFETY AND
COSTOMER
FOCUS

To obtain the customer satisfaction by always providing reliable service and products in parallel to the expectations of the customers and taking the maintenance and flight safety as a prime concern.

2

QUALITY
MANAGEMENT
SYSTEM

To continuously increase the efficiency of Quality Management System by internalizing.

3

EFFECTIVE
MANAGEMENT

To achieve the missions of the company within the defined strategies by improving the communication, harmony and co-operation between the employees and with the awareness of responsibilities.

4

CONTINUOUS
DEVELOPMENT
AND
PRODUCTMITY

To be a continuously improving company by keeping corporate loyalty and team spirit at the highest level with planning, information and technology based approaches.

5

OCCUPATIONAL
HEALTH AND
SAFETY

To ensure absolute compliance of human and environmental factors in all activities of the company, based on the principles of occupational health and safety.



6

ENVIRONMENTAL
AWARENESS

To ensure that environmental protection and development consciousness is adopted by all employees.

7

COMPLIANCE
TO STANDARTS
AND
REGULATIONS

To get the support of all personnel to ensure absolute compliance with national and international rules and regulations and company procedures.

8

HUMAN
FACTOR

To work in accordance with the principles of human factor.

9

COOPERATION
WITH THE
QUALITY
AUDITORS

To provide the cooperation of all personnel with the quality auditors of Turkish DGCA, Turkish Technic, other authorities and operators /customers.

10

REPORTING

To encourage personnel to report maintenance related errors/incidents.



Message from Chairman



Even though year 2009 is to be remembered for the global economic crisis, as one of the leading actors of one of the most negatively affected sectors, we are happy to realise increase in our endorsement and also having signed for new investments.



Even though year 2009 is to be remembered for the global economic crisis, as one of the leading actors of one of the most negatively affected sectors, we are happy to realise increase in our endorsement and also having signed for new investments.

While leaving behind a year where we put into service Turkish Engine Center (TEC), as a first of our subsidiaries, in Istanbul Sabiha Gokcen International Airport and Ankara Esenboğa Hangar as the first of our facility out of Istanbul, continue in acquiring component capabilities with new aircraft and engine types, initiated the EASA 21 certification process with official application, recruited around 200 technicians and engineers, initiated a pre-recruitment program for new technicians and continue increasingly in support of schools, our company leaps forward in its target of being among of first choice centers with great steps and decisively.

It is estimated that global Aircraft Maintenance, Repair and Overhaul (MRO) market which exceeded 45 billion US Dollar as of 2009 will reach 63.7 billion US Dollar with an average growth of 4.4% in the next decade. By responding with on-time reflexes to the developments in this sector, Turkish Technic Inc. continues its activities in terms of its target of being one of strongest players of global MRO market.

Turkish Technic Inc. consolidated the major section of its projects under the HABOM to be established in Sabiha Gökçen International Airport and all preparations for construction tender of HABOM. With this project having an around 370.000 sqm. indoor area, 12 narrow-bodied and 3 wide-bodied aircrafts will be serviced simultaneously. The facility to be established is designed in a perfect structure covering the facility, hangar, component shops and training and social service buildings. The first section of the project that will provide an employment for over 3.000 people will contain hangars for narrow-bodied and targeted to be completed after 18 months. When project is brought into life completely, it will be the largest maintenance and repair center in the sector.

As the first subsidiary of Turkish Technic Inc. construction of Turkish Engine Center (TEC) which is founded in partnership with Pratt & Whitney co. for engine overhaul and maintenance which represents 30% of volume of MRO market is completed in 2009. With this new facility, a modern engine center, containing overtones of future, which is constructed with green building and environment-friendly concept, equipped with high levels

of labor safety and security measurements as well as flow lines suitable to the lean production techniques in order to achieve fast TAT times is provided to the service of our company and country. To be put into service in the first quarter of 2010, TEC will enable nearly 250 engines annually to be overhauled once it reaches its full capacity. In line with same vision, the construction of Esenboğa Hangar, as the first of our hangars out of Istanbul, is completed in August, 2009 and it is made ready to service with its 7.000 sqm. indoor area and 3 narrow-bodied aircraft capacity. Founded with the purpose of supporting on-site the Anadolu Jet's operations, head quartered in Ankara, this facility of us will provide service to our third party customers at the same time.

In the forthcoming period, thanks to these investments, Turkish Technic Inc. targets at development of new partnerships with successful and pioneering companies in the business areas and different MRO segments in which a synergy is believed to be created in line with our general strategies and vision.

Our Company left behind a successful financial year in 2009; as of the year-end, a net period profit of TRL 59,75 million as per SPK(Code of Capital Markets)-based financial statements and TRL 38.87 million as per V.U.K (Code of Tax Procedures)- based financial statements is earned. As a result of successful sales & marketing activities carried out in 2009, income earned from Third Party customers other than Turkish Airlines increases at a rate of 42% comparing to 2008 and constitutes 25,87% of our total net sales.

With the self-confidence based on knowledge and experience of 77 years, blossoming based on the power of a tradition of industrious tradition that achieved the development and growth, despite of, in a sector where every-changing competition conditions are survived, Turkish Technic Inc. undersigns many important successes in a short term since its establishment in 2006 and in tenacity and decisiveness of achieving important works in forthcoming period, as well.



Metin KILCI
Turkish Technic Inc.
Chairman



Board of Directors and Members of Audit Board



Metin Kilci
Chairman of the Board



Dr. Candan Karlıtekin
Deputy Chairman of the Board



Hamdi Topçu
Board Member



Dr. Temel Kotil
Board Member



Dr. İsmail Demir
Board Member/ General Manager

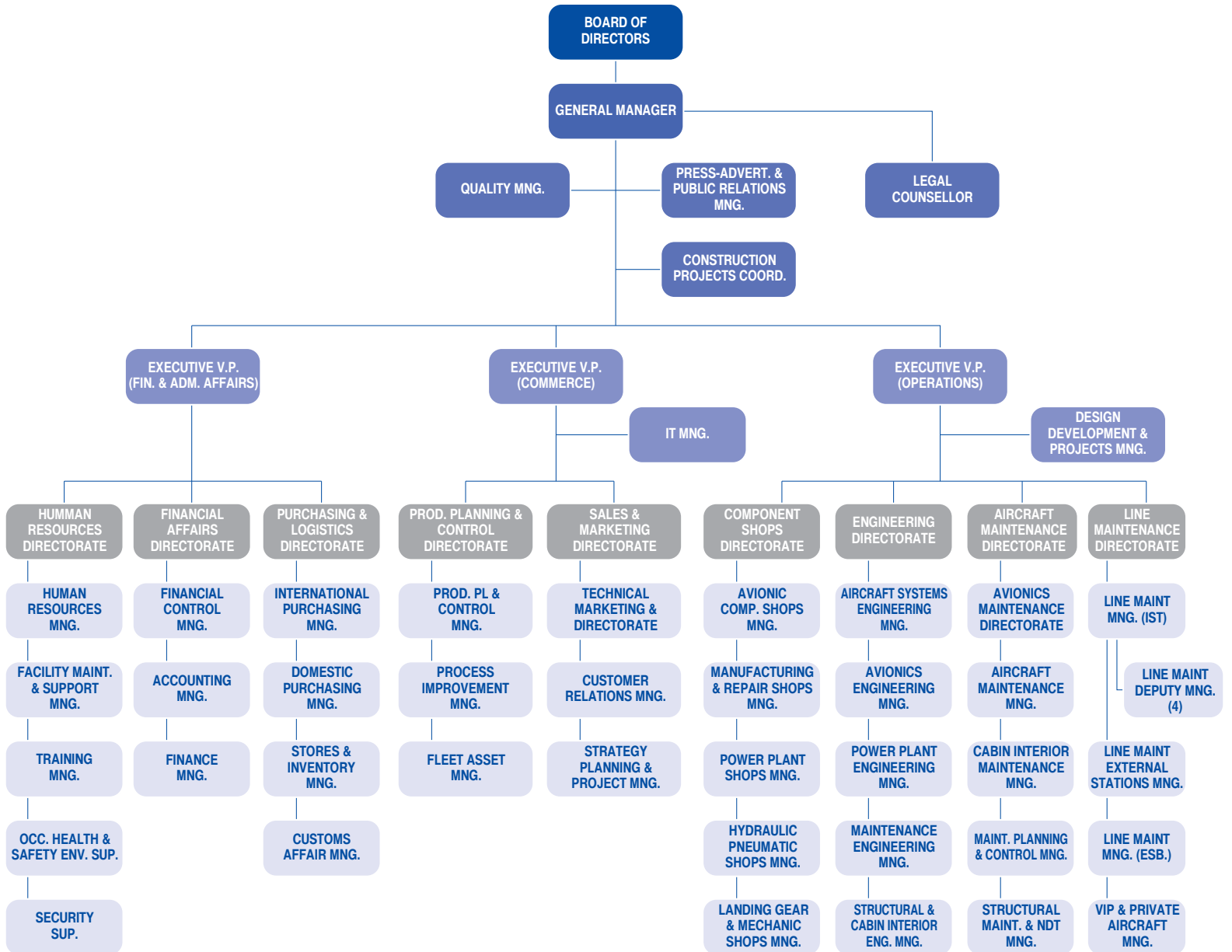


Coşkun Kılıç
Insp. Board Member



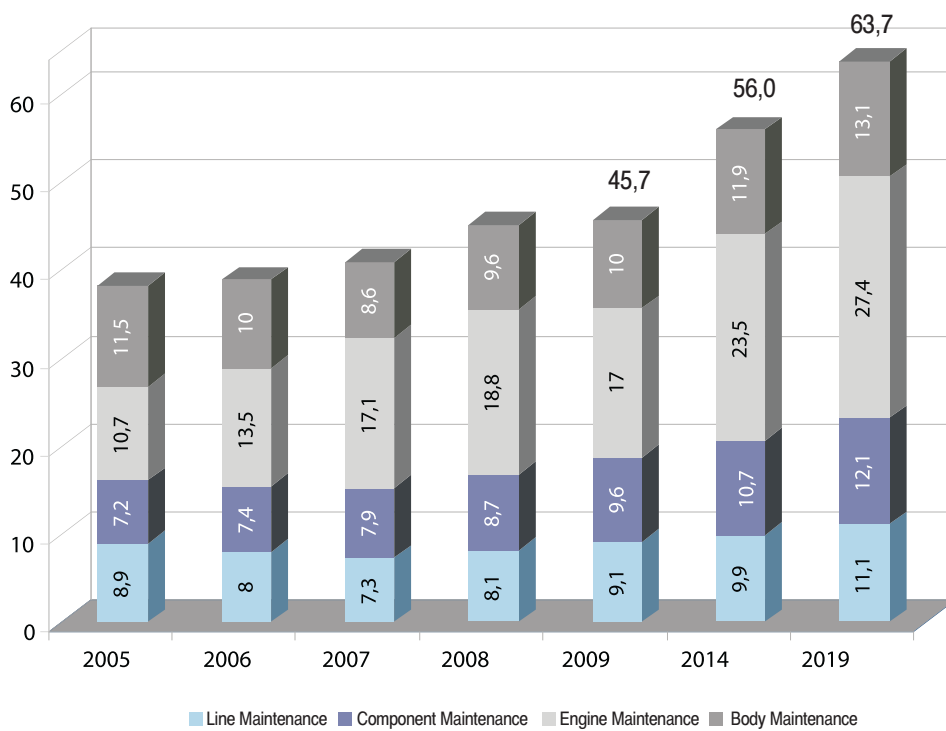
Orhan Sivrikaya
Insp. Board Member

Organization Chart

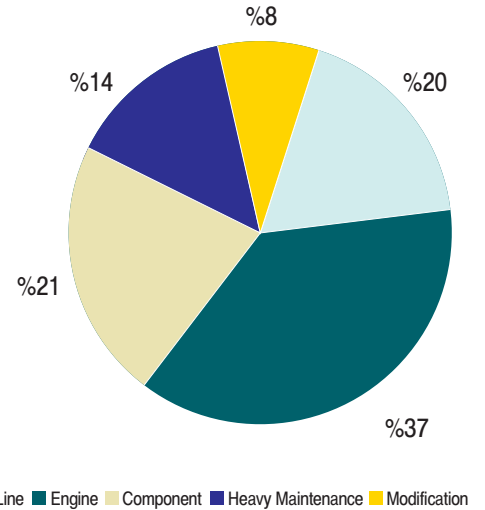


Global Maintenance, Repair & Overhaul (MRO) Market

MRO Market Volume (2005 - 2019) Billion \$



Refractive of 2009 Maintenance Segments

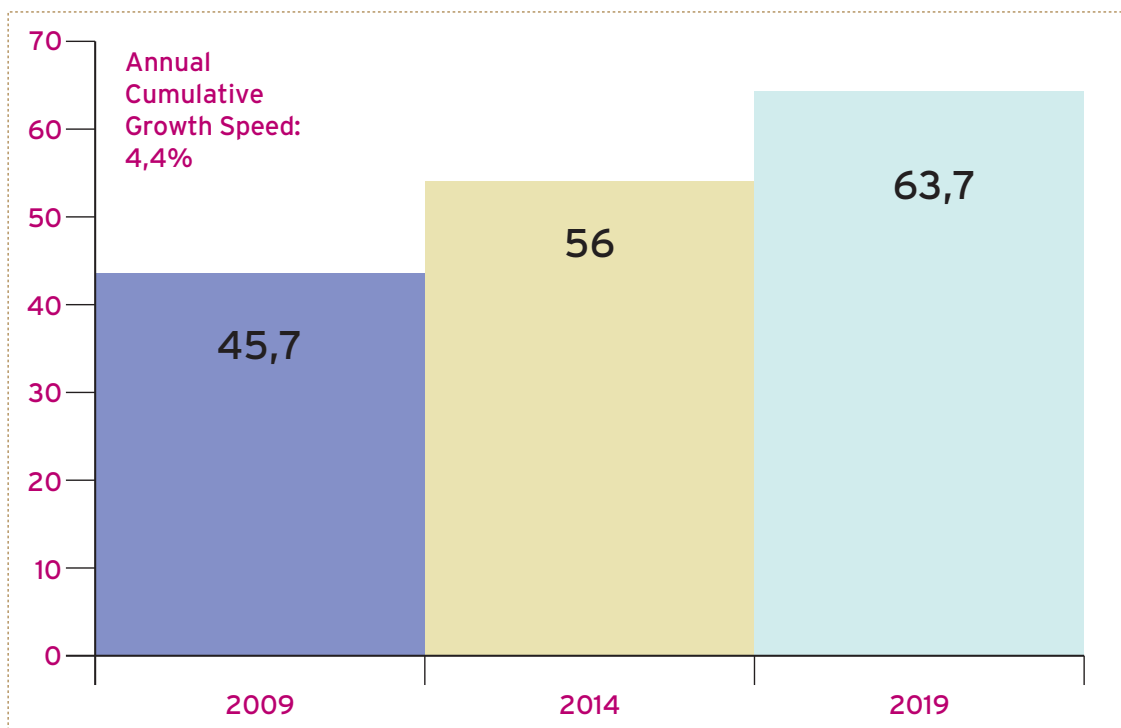


Global Maintenance, Repair & Overhaul (MRO) Market



Aviation Maintenance, Repair and Overhaul Market is a market that has a size of 45.7 Billion Dollar as of 2009.

Annual MRO Market Growth for 2009-2019 Period (Billion \$)



Market size of MRO sector is estimated to reach 63.7 Billion US Dollar with an average annual growth rate of 4.4% by the end of next 10 years.



Quality Certificate and Other Certificates



ISO9001 : 2008 QUALITY SYSTEM MANAGEMENT



ISO 14001 ENVIRONMENTAL MANAGEMENT



AS9100 QUALITY SYSTEM MANAGEMENT



OHSAS 18001 LABOR HEALTH AND SAFETY MANAGEMENT



SHGM MAINTENANCE AUTHORITY CERTIFICATE



FAA MAINTENANCE OVERHAUL CERTIFICATE (TQKY144F)



EASA PART-145 CONFIRMATION CERTIFICATE

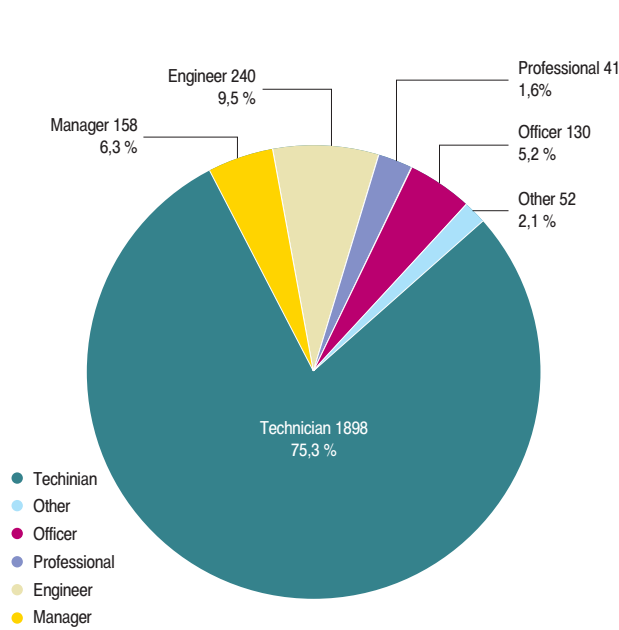


OXYGEN AND FILLING SHOP APPROVAL CERTIFICATE (DOT CFR 49)

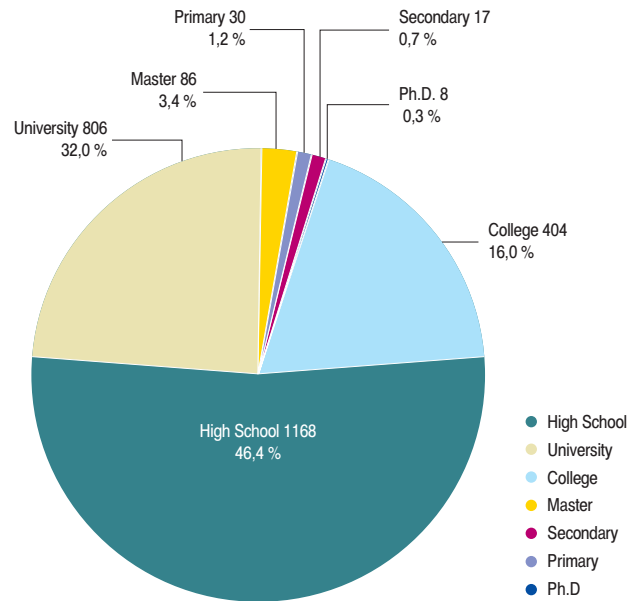
Employee Profile

- As of 31.12.2009, total personnel number of Turkish Technic Inc. is 2519. Average age of employees is 35.8 and average employment term is 10.8 year in the company.
- In 2009, average number of personnel is 2565 and personnel turnover rate is 8.76%.

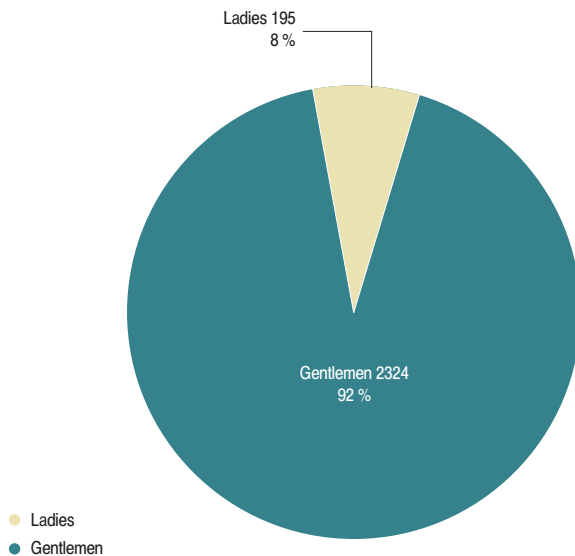
EMPLOYEE TITLES DISTRIBUTION



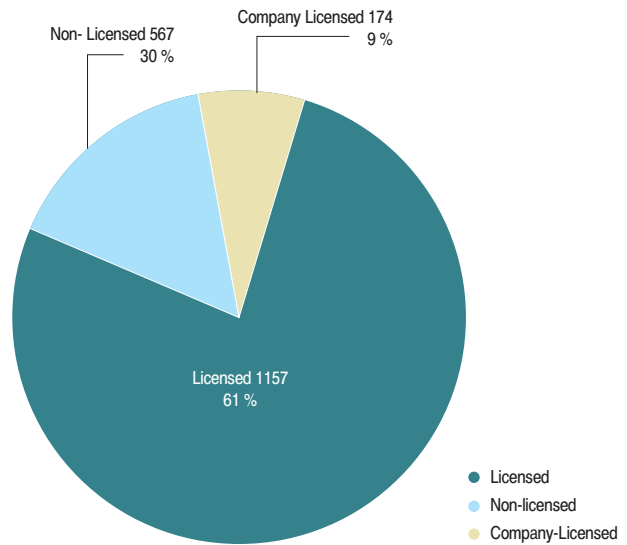
EMPLOYEE EDUCATION STATUS



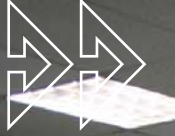
EMPLOYEE LADIES/GENTLEMEN RATIO



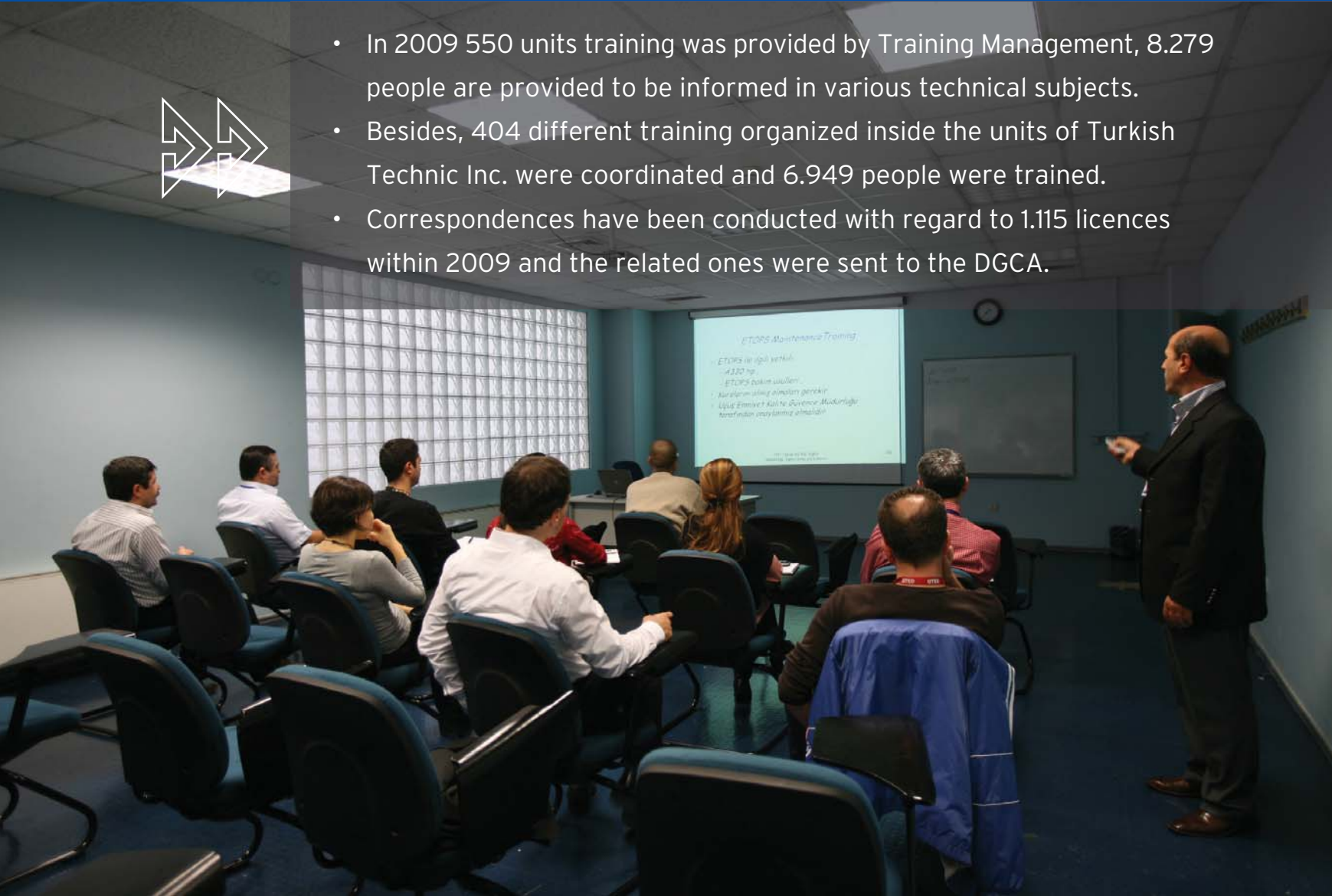
TECHNICIAN DISTRIBUTION AS TO LICENSE



Training in Turkish Technic Inc.



- In 2009 550 units training was provided by Training Management, 8.279 people are provided to be informed in various technical subjects.
- Besides, 404 different training organized inside the units of Turkish Technic Inc. were coordinated and 6.949 people were trained.
- Correspondences have been conducted with regard to 1.115 licences within 2009 and the related ones were sent to the DGCA.



	NAME OF TRAINING	UNITS OF TRAINING	TOTAL ATTENDANTS	MAN HOUR
TRAINING PROVIDED BY TRAINING MANAGEMENT	OJT TRAININGS	91	558	3.659
	CLASS TRAINING	510	7.721	5.670
TRAININGS PROVIDED BY TURKISH TECHNIC INC. ORGANIZATION	ALL TRAININGS	404	6.949	5.038
TRAINING OUTSIDE TURKISH TECHNIC INC. ORGANIZED BY TRAINING MNGT.	TRAINING OF TRAINING DIRECTORATE	100	1.229	4.331
	OUTSOURCED TRAININGS	72	996	3.467
TOTAL	ALL TRAININGS	1.177	17.453	22.165

Hangar - I

56 m. x 178 m. x 18 m. (length x width x height)

35.000 sqm. confined area

- Landing Gears
- Brake
- Paint
- NDT
- Engine, APU and Fuel Oil Systems
- Structural Overhaul, Cabin
- Machine, Covering and Welding
- Hydraulics, Mechanics and Pneumatics
- Oxygen and Filling
- Avionics



Capacity that can serve 2 Wide, 3 Narrow Body simultaneously.

Hangar - II

85 m. x 160 m. x 26 m. (length x width x height)

75.000 sqm. confined area

- Aircraft Revision Electronics and Electric
- Aircraft Painting
- Structural Overhaul, Composite
- Cabin
- Seat
- Cabin Textile
- Warehouse

Capacity that can serve 3 Wide, 4 Narrow Body simultaneously.



VIP Aircraft Hangar and Other Facilities



1.500 sqm. closed area

Capacity that can provide 2 Business Jet, 5 units airplane below 5.700 kg. the capacity to conduct both maintenance and repair services at the same time.

Other Facilities >> 14.000 sqm. closed area



- Engine Test Cell
- Hangar Equipment
- Temporary Shops Building
- Battery, Cargo Equipment, Galley, Emergency Equipment, Nitrogen Shop
- Pneumatic Building
- Treatment Building
- Explosive Substances Warehouse
- Power Generator
- Rubber Rim Shop



Base Maintenance and Line Maintenance Capabilities

Maintenance Capabilities - AIRBUS

	Line Maintenance	Base Maintenance
A300B2/C2/C4/F4	√	√
A300-600	√	√
A310-200/300	√	√
A318 Series	√	
A319/A320/A321	√	√
A330 Series	√	√
A340 Series	√	√

Maintenance Capabilities - BOEING

	Line Maintenance	Base Maintenance
B707-120/-320	√	
B727-200	√	
B737-200	√	
B737-300/400/500	√	√
B737-600/700/800/900	√	√
B747-400	√	
B757-200	√	
B767-200/-300	√	
B777-200/-300	√	

Maintenance Capabilities - OTHERS

	Line Maintenance	Base Maintenance
MD 80 Series	√	
Bae RJ-70/-85-100	√	√
BAe146QT	√	
Gulfstream G-IV-GV-SP	√	√
CESSNA 172	√	√
Diamond DA 42	√	√



Engine and APU Maintenance Capabilities



Engine Maintenance Capabilities

- CFMI CFM56-3 series
- CFMI CFM56-5C series
- CFMI CFM56-7B
- General Electric CF6-80 series
- Honeywell LF507-1F
- V2500

APU Maintenance Capabilities

- Sundstrand APS 2000 series (HS Licensed Maintenance Center)
- Sundstrand APS 3200 series (HS Licensed Maintenance Center)
- Honeywell GTCP131-9B
- Honeywell GTCP85-129H
- Honeywell GTCP85-98C/ CK / DHF
- Honeywell GTCP331-250F / H

Engine and APU Maintenance Capacity



Engine Shop and
Test Center

Yearly 80 maintenance
on average

APU Shop and
Test Center

Yearly 70 maintenance
on average



Landing Gear and Component Maintenance Capabilities

Landing Gear Maintenance Capabilities

- B737 Classic Landing Gear
- B737 NG Landing Gear
- A300B4- A310 Landing Gear
- A310-200/-300 Landing Gear
- A320 Family Landing Gear
- A340 Nose Landing Gear
- BAe RJ-70/-85/-100

Component Maintenance Capabilities

- Radio and Equipments,
- Hydraulics Components,
- Breakings,
- Rims,
- Pneumatics Components,
- Mechanical Components,

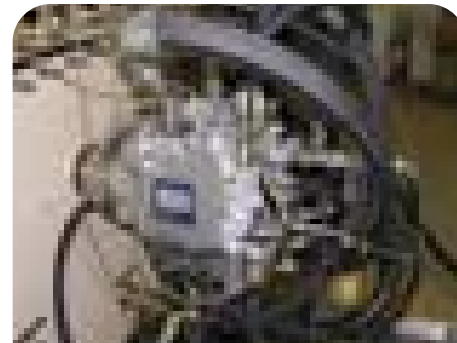
Wide-range component overhaul capability with more than 7.000 Airbus and Boeing parts.



Other Maintenance Capabilities

CFMI CFM56-7B HMU Licensed Maintenance Station

Licensed Maintenance Station for CFM56-7B **Honeywell** HMU's (Hydro Mechanical Unit)



Avionics Maintenance

Wide-range capability with ATE, Sperry, ATEC5000, ATEC 6 series.



Licensed Wing Tip Assembly Center

BOEING 737 (NG) Wing Tip Licensed Assembly Center.



Painting Activities

Complete painting capabilities for all aircraft models with Telescopic and Mobile Platforms.



Specialized Services

D1 Non-Destructive Test (Liquid leakage test, ultrasonic test, vortex currents test, magnetic particle test, radiographic roentgen test).



Other Overhaul Capabilities and Activities



» Interior Cabin

A system is developed to subcontract all fleet seat covers to domestic companies which are authorized as Subcontractor and in this respect sewing of seat covers for 40 aircrafts have been subcontracted in 2009.

The project for having the components used in interior cabins of which consumption amount is high and is difficult to procure produced by companies having JAR 21 certificate is brought into life. Costs are decreased at a rate of 15% to 25.

As a result of R&D works, design works of tools which increase operational convenience, time saving and efficiency are being conducted. Applications brought into life: Seat Lifting Apparatus, A330/A340 B/C Seat Handling Tool.



» Autoclave

Autoclave is made to be produced by ASC company for USD 503.120 and delivered to our company on January 11, 2010.

Autoclave Shop construction where Autoclave will be seated is being continued, as of the end of March, commission of Autoclave is planned.



International Customers



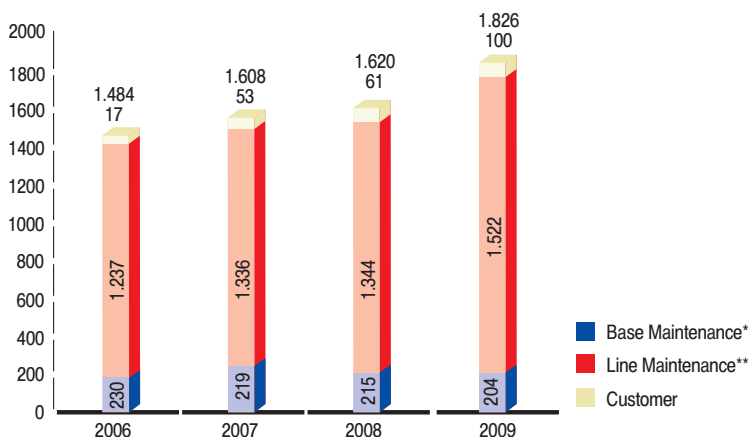
Domestic Customers



Total Number of Aircraft Maintenance



The maintenance numbers of 2009 floated at the same levels in parallel with 2008. Despite of the increasing aircraft number, the arrangements in maintenance intervals are effective on the closeness of the number.



* “Base Maintenance” means aircraft maintenance that aircraft stayed in the hangar for maintenance for several days or weeks according to maintenance type.

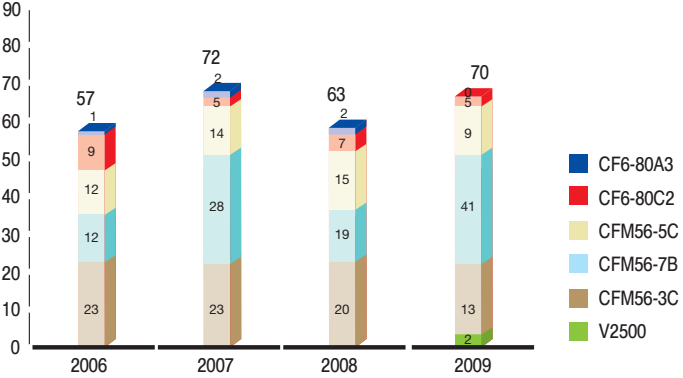
** “Line Maintenance” means maintenances that are included in short term maintenance plan and performed outside of the hangar in time intervals allowed by tariff in shift working order.



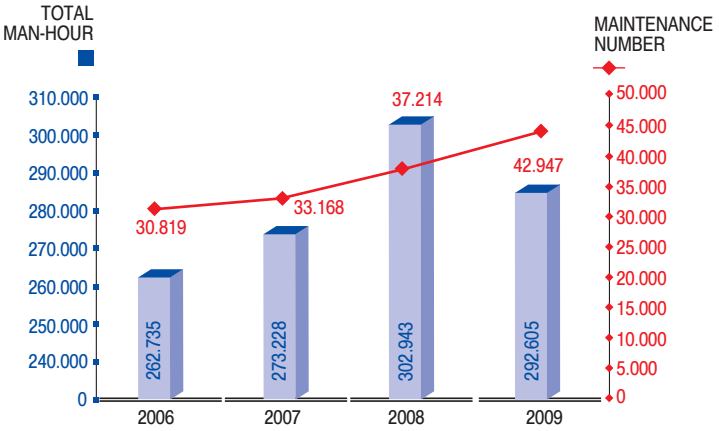
Yearly Total Numbers of Engine Maintenance

	CFM56-3C	CFM56-7B	CFM56-5C	CF6-80C2	CF6-80A3	V2500	TOTAL
2006	23	12	12	9	1	0	57
2007	23	28	14	5	2	0	72
2008	20	19	15	7	2	0	63
2009	13	41	9	5	0	2	70

“Shop Visit – SV” numbers of engines includes “Performance Restoration”, “Hot section inspection/restoration – HSIR” and shop visits in maintenance types.



Yearly Total Number of Component Maintenance (Man-Hour)



Exhibitions/Conferences participated by Turkish Technic Inc.

In order to introduce our company and market our products/services, 5 exhibitions/conference at abroad are participated.



Middle East, MRO Exhibition / Dubai 21-22 January 2009

“ Having participated with a 9 sqm. booth area in 2009 in the event, now we participated in the event with a stand area of 18 sqm. and several meetings are held with either producers in the sector or current customers or prospects.”



**Africa MRO Conference, Addis Ababa
23-24 March 2009**

"Having participated for the second time and as an event sponsor, in the exhibition and conference, Altuğ Sökeli, Technical Marketing and Sales Manager, as a spokesman, presented information about our structure and activities to introduce our company."

**Russia and CIS MRO Conference / Moscow
22-24 June 2009**

"Different than last year, we participated as an Event Sponsor, in the event works are carried out for introducing overhaul capabilities and activities of our company."

**Europe, MRO Exhibition / Hamburg
23-24 September 2009**

"In the event organized in a different European City every year and bringing overhaul and maintenance companies together, our company showed up as a Gold Sponsor with its 36 sqm. booth area and meetings are held with many companies."



Dubai Air Show / Dubai 15-19 November 2009

"Just as in 2007, Airshow 2009 event in Dubai is participated with a 100 sqm. booth and some meetings are held with various companies being active in the sector."



» ESENBOĞA HANGAR

Started its construction in 2008, Ankara Esenboğa Hangar is completed in August, 2009 and made ready to service with its 7.000 sqm. indoor area and 3 narrow bodied aircraft capacity. The dimension of hangar is 103 m. x 53 m., internal ceiling height of hangar is 17.20 m. and hangar door height is 13.60 m. Total indoor area of facility including Administration Building, Transformer-Power Station Unit and Water Tank is around 7.000 sqm. and hangar site is 5.244 sqm.

Dr slot of the hangar which can house 3 narrow-bodied aircraft simultaneously is reserved for line maintenance services such as 1 unit A and/or L that can be made every night. It is projected that in the same slot, line maintenance service to the unscheduled customer aircrafts, defective aircrafts and VIP aircrafts. Other 2 slots will provide opportunity to carry out heavy maintenance services at C level of aircrafts of Turkish Airlines and Anadolu Jet as well as customer aircrafts. Moreover, in these two slots landing gears replacement, engine replacements and aircraft painting activities can be performed.



Turkish Technic Inc. holds a number investment decision and adopted a strategy establishing partnerships which will provide know-how and technology transfers into our country by partnering with producers. In this direction, the construction of Turkish Engine Center (TEC) established in the partnership of Pratt&Whitney co. and as a first subsidiary of Turkish Technic Inc. is completed in 2009. In partnership of Turkish Technic Inc. and Pratt& Whitney, with this new facility, a modern engine center, containing overtones of future, which is constructed with green building concept, environment-friendly, equipped with high levels of safety measurements as well as flow lines suitable to lean production techniques in order to achieve fast TAT times is provided to service of our company and country. To be put into service in the first quarter of 2010, TEC will enable nearly 250 engines annually to be overhauled once it reaches its full capacity. TEC is constructed over an area of 25.000 sqm. on a total land of 10 hectares.



HABOM

MAINTENANCE REPAIR and OVERHAUL CENTER

Turkish Technic Inc. consolidated the major section of its projects under the HABOM and all preparations for construction tender of HABOM. With this project having an around 370.000 sqm. indoor area, 12 narrow-bodied and 3 wide-bodied aircrafts will be serviced simultaneously. The facility to be established is designed in a perfect structure covering the facility, hangar, component shops and training and social service buildings. When project is brought into life, it will be the largest maintenance and repair center in the sector. When project is commissioned with its full capacity, an employment of over 3.000 people will be sustained. It is planned to be tendered for construction in the first quarter of 2010 and subsequently start its construction. The first leg of the project will cover the narrow-bodied aircraft maintenance hangars and it is targeted to be completed after 18 months.

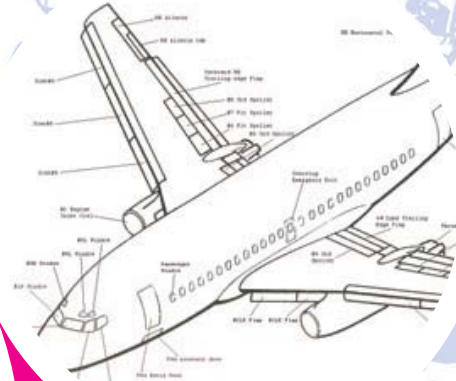


Engineering Activities

Engineering Works for New Aircraft Purchase Program of Turkish Airlines

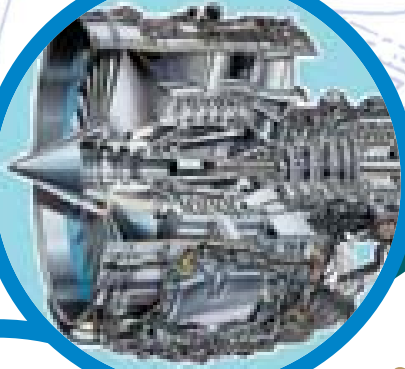
In the process of selection and configuration identification of Wide and Narrow bodied aircrafts, the necessary technical activities are realized in cooperation and coordination with Turkish Airlines Technical Directorate. In this scope, below activities are carried out;

- Technical Comparison of Candidate aircraft types,
- Configuration identification for selected aircraft types:
- Comparison of candidate engine types and agreement evaluation for selected engines,
- For the system and components such as Flight Entertainment System, seat and galley of which responsibility is assumed by purchaser, preparation of technical specifications, receiving offer, technical assessment and comparison, agreement assessment, participation in design meetings and project management,
- Technical assessment, receiving offers and agreement evaluation works for other system and components with multiple choices.



Assembly of Winglet to the B737-800 Aircrafts

Necessary work packages are prepared for winglet applications realized in a total of 24 aircrafts, of which 22 is without provision and 2 is with provision and coordination and engineering support is provided.



V2500 Engine Maintenance and Test Capability Acquisition

In the work of capability acquisition of V2500 engine, which is full performance overhauling is made for the first time and test capability acquisition work, engineering support is provided to the shop.

Project Management in Cabin Configuration Modifications

In some interior cabin configuration modifications made on some aircrafts in Turkish Airlines fleet, Project Management is realized in preparation of engineering publications issued by EASA certified design organizations as well as in the subsequent replacement applications carried in the company, engineering support is provided.



Maintenance Optimization Works for A330 and A340 Fleets

Relevant maintenance schedules are revised by increasing the A maintenance interval from 600 FH to 800 FH, S maintenance interval from 5 years to 6 years for Turkish Airlines A330 and A340 aircrafts.

Transferring the Component Maintenance Documents to "Technical Document System"

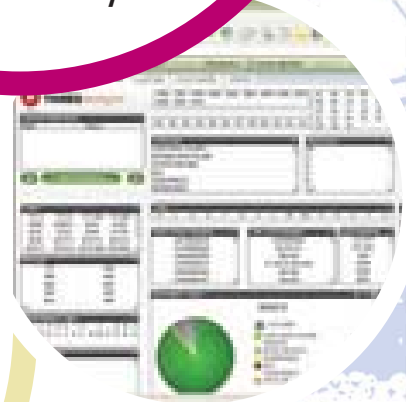
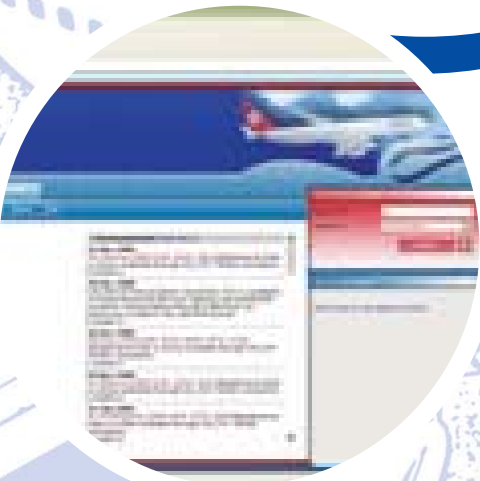
The work of transferring all component maintenance documents into Technical Document System (TDS) in electronic format is completed in 2009.

Electronic Archive

Maintenance records of 9.500 Job Orders opened for 144 aircrafts in the Turkish Airlines and AMPL and CML pages of around 200.000 units of these aircrafts are archived electronically.

LINEDOCS - ONLINE Document Access System

Maintenance Documents used by Turkish Airlines line stations are transfer to the online system so-called LINEDOCS managed over a server and it is brought into life at a rate of 60% in foreign stations and 80% in local stations.



Hydraulic - Pneumatic Shops Management

CAPABILITY:

A total of 55 new components are added to the capability list of Hydraulic Shop in 2009. This will continue increasingly during 2010 together with new benches. A total of 33 new components (11 of which is Sanitary) are added to the capability list of Pneumatic Shop in 2009. With new Air Cycle Machine test bench, capability acquisitions will continue.

In 2009 capability works of 6 new components in Slide Shop and 41 new components in Oxygen Tube Filling Shop is completed.

ACTIVITY:

Hydraulic Shop:

A total of 20 personnel including 1 supervisor, 1 engineer and 18 technicians work.

2008-2009 Production Figures:

2008 Component Figure: Total 2128; including 1510 for THY, 618 for Customers

2009 Component Figure: Total 2204; including 1695 for THY, 509 for Customers

Projects Completed in 2009:

- Extension of Hydraulic test room.
- Determination and completion of infrastructure works of new servo valve and Hydraulic test benches purchased from TESTEK company.
- Acquisition of A320NG IDGs into capability.

Projects Targeted in 2010:

- Arrival of Servo valve and Hydraulic test benches in March 2010, commissioning of benches together with company officers and acquisition of servo valves which exist at a number of 30 and above in an aircraft on average into capability.
- Continue capability works of B777 components (in particular IDG, Hydraulic Pumps and other components).
- Works for New Engine Oil Pump test bench.

Pneumatic Shop:

A total of 16 personnel including 1 supervisor, 15 technicians work.

2008-2009 Production Figures:

2008 Component Figure: Total 2822; including 2345 for THY, 477 for Customers

2009 Component Figure: Total 3069; including 2687 for THY, 382 for Customers

Projects Completed in 2009:

- Establishment of Sanitary Shop – Carrying out maintenance of all Waste system (38 chp) components in Sanitary Shop by labeling under 96 (Sanitary Shop) code which was previously done in KAB.
- 162 part number is available and capability acquisition of 64& of them.

Projects Targeted in 2010:

- Hot holder specifications required for testing the bleed system components of A330 aircrafts are completed in 2009 and offers for bench purchase are being received from local and foreign companies.
- Replenishment of hot air component holder available in the Pneumatic Shop and heater addition will be completed in 2010.
- Tender of ACM test bench which will be important for capability acquisitions of customer components and extending shop capability and its construction is completed and its installation will be completed in April 2010. Thus, the test of Air Cycle Machine components of B737-800, A310, A319, A320, A321, A340, A330 aircrafts can be conducted.

Emergency Slide Shop:

A total of 18 personnel including 1 supervisor, 8 technicians work.

2008-2009 Production Figures:

2008 Component Figure: Total 404; including 309 for THY, 95 for Customers

2009 Component Figure: Total 382; including 328 for THY, 54 for Customers

Projects Completed in 2009:

- Heating/Cooling (-20/+100°C) oven is made to be produced.

Oxygen Tube Filling Shop:

10 technicians work.

2008-2009 Production Figures:

2008 Component Figure: Total 7249; including 6392 for THY, 857 for Customers

2009 Component Figure: Total 7499; including 6876 for THY, 623 for Customers



Tire, Rim & Brake Shop;

CAPABILITY:

In the tire, rim & brake Shop, all components of aircrafts of THY including the B777 aircrafts included to the fleet in 2009 and all other customers are acquired to the capability.

ACTIVITY:

Tire, Rim & Brake Shop:

A total of 49 personnel including 1 supervisor, 1 engineer, 33 technicians and 14 janitors work.

2009 Production Figures Tire:

2009 Component Figure: Total 9810; including 6172 for THY, 3638 for Customers

2009 Production Figures Brake:

2009 Component Figure: Total 1357; including 911 for THY, 446 for Customers

Projects Completed in 2009:

- Tire Shop is shifted to the single part flow type production system.
- In TBO processes, dye unit is established in order to carry out it in the Shop.
- In TBO processes, MPI unite bench is acquired to the brake shop in order to carry out it in the Shop

Projects Targeted in 2010:

- Shift the Brake Shop to the single part flow type production system. The production starts on 14.01.2010.
- Commissioning the sand-blasting bench and technician recruitment.
- Commissioning of MPI bench after purchase of Demagnetizer
- Training of 3 certified NDT technicians.
- Affiliating the Nitrogen Shop to the Chieftainship of Tire, Rim & Brake Shop.

Mechanic Shop:

CAPABILITY:

A total of 48 new components are added to the capability list of Mechanic Shop in 2009. This will continue increasingly during 2010 together with new works.

A total of 15 new components are added to the capability list of Electro-mechanic Shop in 2009. This will continue increasingly during 2010 together with new works.

ACTIVITY:

The personnel allocation of Shops under the Mechanic Shop Chieftainship are as follows:

Shop	Personel	Total
Mechanic Shop	1 chief, 1 engineer, 9 technician	11
Electro-mechanic Sh	9 technicians	9
Cargo Comp. Sh	5 technicians, 2 contracted	7
Galley Comp. Sh	2 technicians, 1 contracted	3
Nitrogen Filling Sh.	2 technicians	2

2008-2009 Production Figures:

Mechanic Shop:

2008 Component Figure: Total 2599; including 1997 for THY, 602 for Customers

2009 Component Figure: Total 2014; including 1601 for THY, 413 for Customers

Electro-mechanic Shop:

2008 Component Figure: Total 1089; including 943 for THY, 146 for Customers

2009 Component Figure: Total 1537; including 1390 for THY, 147 for Customers

Cargo Components Shop:

2008 Component Figure: 2069 for THY

2009 Component Figure: 1933 for THY

Galley Components Shop:

2008 Component Figure: 5824 for THY

2009 Component Figure: 5886 for THY

Projects Completed in 2009:

- Extension of Mechanic Shop
- Commissioning of new heating oven.
- Determination and completion of infrastructure works of new oil cooler test benches purchased from TESTEK company.

Projects Targeted in 2010:

- Commissioning of Oil Cooler test bench in March 2010, together with company officers.
- Continuing of capability works of especially B777 and A320 components.
- Commissioning of TE Flap Transmission test bench and acquisition of relevant components to the capability.
- Necessary works for new linear-rotary test bench
- Necessary works for purchasing new nitrogen filing device
- Necessary works for purchasing new nitrogen filing car.



Avionics Component Shops Management

CAPABILITY:

In the avionics component shops, a total of 186 new components including 169 as single release and 17 as dual release are added into capability list by increasing at a rate of 1.1% in 2009, comparing with 2008.

ACTIVITY:

TOOLS SHOP

Currently 1 supervisor, 1 Engineer, 2 Head technicians, 11 Technicians work in Tools Shop.

2008-2009 Production Figures of Tools Shop:

2008 Component Production Figures: Total 1914; including 1381 for THY, 533 for Customers

2009 Component Production Figures: Total 2923; including 2359 for THY, 564 for Customers

Projects Completed in 2009:

- Manual Tests of Altimeter and Air Speed Indicators, which is tested with ADT, are shift to the semi-automatic test with new softwares purchased and developed by us.
- The modernization of the shop is completed in February 2009.

Projects Targeted in 2010:

- With the project executed with Design Development and Projects Directorate, works for universal tester to "Tachometer Generators production development will be carried out in the shop with the components of our shop.
- As a result of works carried out with Magnetic Group of TUBITAK UME; "Works for Helmhaus Coif production and conducting test of "Standby Compass" will be carried out in the shop.

ELECTRIC AND BATTERY SHOPS

Currently, 2 Engineers, 2 Chief technicians, 17 Technicians, 2 janitors work in the electric and battery shops.

2008-2009 Production Figures of Electric Shop:

2008 Component Production Figures: Total 2320; including 2158 for THY, 162 for Customers

2009 Component Production Figures: Total 3213; including 3083 for THY, 130 for Customers

2008-2009 Production Figures of Battery Shop:

2008 Component Production Figures: Total 848; including 693 for THY, 155 for Customers

2009 Component Production Figures: Total 1671; including 1030 for THY, 153 for Customers

Projects Completed in 2009:

- A310 and A320 APU generators are acquired into the test capability.
- Shop Layout Workshop is completed and Battery Shop is relocated in Electricity Shop.

Projects Targeted in 2010:

- Acquisition of A310, A320 and Boeing 737-800 APU generators to the repair and overhaul capability.
- Acquisition of A330 and 340 APU generators into capability.
- Acquisition of new generation ignition systems by purchasing new test system from Unison company.
- Acquisition of Boeing 777 galley components and Main Batteries into capability scope.
- With the training outsourced from Technofan company, all Extraction Fans used in A340 aircrafts and Brake Cooling Fans used in A320 aircrafts of this company will be added into the capability list.



Avionics Component Shops Management

CALIBRATION SHOP

Projects Completed in 2009:

- A system is established where test and calibration devices of external stations are followed up by one unit, together with Aircraft Maintenance Directorate.
- Calibration Follow up System is revised, calibration call lists are transferred to the Tames Analyzer Software and therefore calibration follow-ups are activated and made easy.
- With the calibration at the different scopes received from Tubitak National Meteorology Institute, knowledge base is extended. In 2010, scheduled trainings will continue.

Projects Targeted in 2010:

- Producing the calibration labels by means of thermal printing method and developing their designs.
- Work for analysis and improvement of time losses experienced in the local/foreign calibration repair delivery process.

ATE SHOP

Currently 1 supervisor, 1 Engineer, 2 Head technicians, 10 Technicians work in ATE Shop.

2008-2009 Production Figures of ATE Shop:

2008 Component Production Figures: Total 1052; including 889 for THY, 163 for Customers
2009 Component Production Figures: Total 1671; including 1487 for THY, 184 for Customers

Projects Completed in 2009:

- Modes of 23 units DMC are completed.

Projects Targeted in 2010:

- Acquisition of components tested in ATEC's of B777 into the capability.
- Acquisition of components of A330 that are not in our capability into capability.

RADIO SHOP

Currently 1 supervisor, 1 Engineer, 3 Head technicians, 12 Technicians work in Radio Shop.

2008-2009 Production Figures:

2008 THY Component Production Figures: Total 2540; including 2306 for THY, 234 for Customers
2009 THY Component Production Figures: Total 4363; including 4001 for THY, 363 for Customers

Projects Completed in 2009:

- HF Antenna Coupler, HF Transceiver, Panasonic IFE MPES, Panasonic IFE 3000i, Audio Control Panel capability projects.
- Quantum line, PWS RADAR TRANSCEIVER, EGPWC projects.
- Becoming Artex ELT test and programming center.

Projects Targeted in 2010:

- Acquisition of MMR Multimode Receivers in entire fleet into the capability.
- Acquisition of Rockwell Collins's Radio Altimeter Transceiver components into the capability.



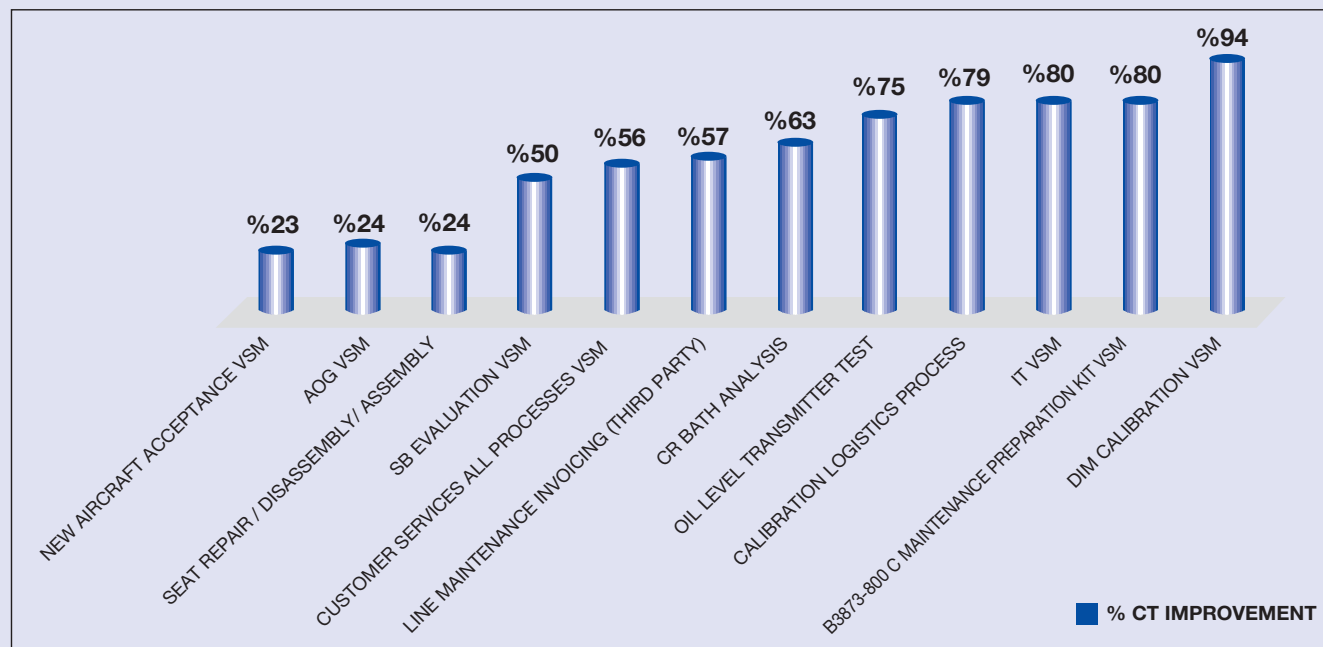
Process Improvement Management

In 2009, below workshops are realized in Process Improvement Management;

- One 3P
- 10 AIW (Accelerated Improvement Workshop)
- Two VA (Value Analyses)
- 16 VSM (Value Stream Mapping)
- Workshops were carried out.

The CT (Cycle Time) recoveries sustained by workshops realized in 2009 are illustrated in below chart;

% CT (CYCLE TIME) IMPROVEMENT - 2009

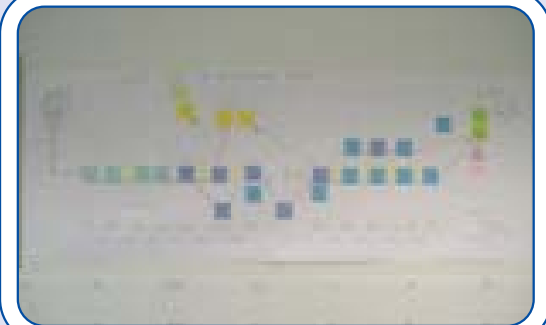


SAMPLE WORK: SB EVALUATION PROCESS VSM

Current Status



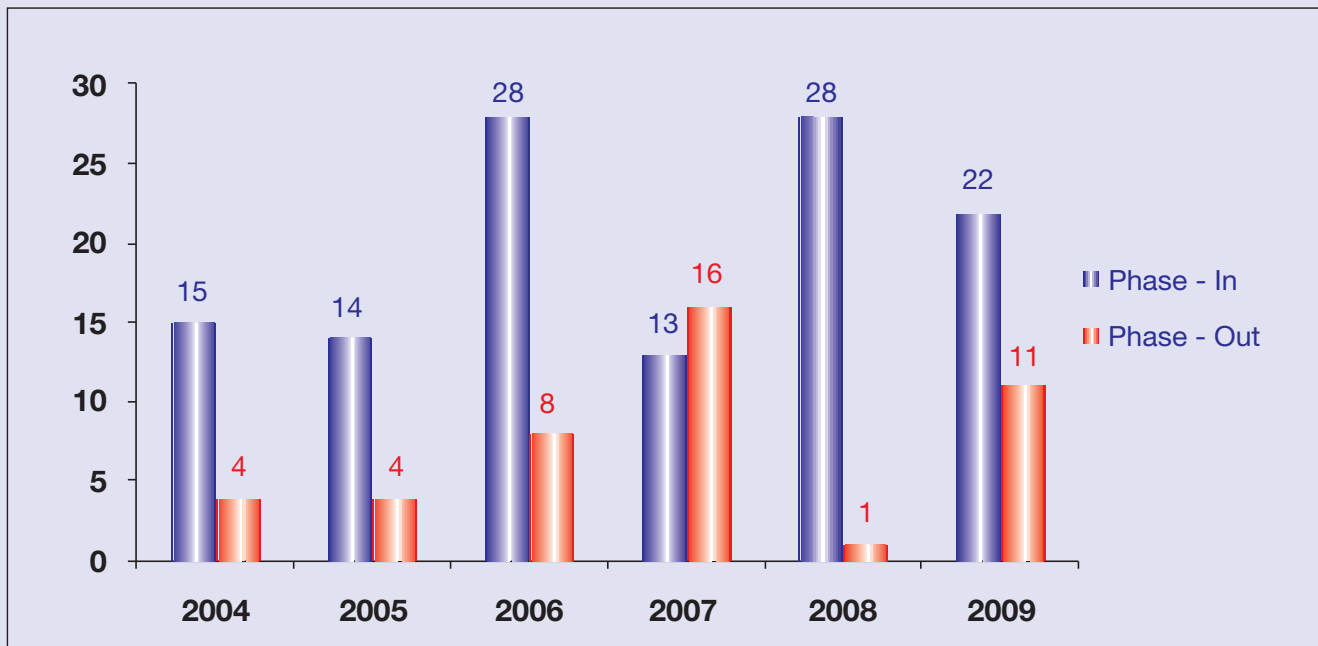
Future Status



Fleet Asset Management

The number of phase in and phase out Turkish Airlines aircrafts as per years under the coordination of Fleet Management Directorate are provided in the below chart;

FLEET MANAGEMENT DIRECTORATE



TOTAL SUPPORT SERVICES PROVIDED TO THE OTHER OPERATORS WITH THE TOTAL CARE COORDINATION IN 2009 BY TURKISH TECHNIC INC.

AIRLINE	AIRCRAFT TYPE	NUMBER OF AIRCRAFTS	SERVICE	A MAINTENANCE NUMBER 2009
AIR AFGHAN AIRLINES	A310	2	ENGINEERING	6 (ADDITIONALLY 4 B MAINTENANCE IS REALIZED IN ISTANBUL)
			LINE MAINTENANCE	
			COMPONENT POOL SERVICES	
IRAQI AIRWAYS	B737-700	2	ENGINEERING	8
			LINE MAINTENANCE	
			COMPONENT POOL SERVICES	
PAMIR AIRLINES	B737-400	3	ENGINEERING	-----
SOMON AIRLINES	B737-800	2	ENGINEERING/LINE MAINTENANCE	12
			TIRE, RIM AND BRAKE	



FINANCIAL INFORMATION
& AUDIT REPORTS



Financial Outlook

Turkish Airlines constantly growing in 2009, and a growing fleet of Turkish Airlines clients outside of the maintenance needs, increase productivity and process improvements by making the year 2009 has provided financial data to perform very well.

In 2009, the company left behind a successful financial year end of the period, according to the CMB based financial statements; net profits were TRY 59.75 million. 20.25% increase compared to 2008 while total assets, net sales also grew at a rate of 14.77%. Our operating profit margin of 10.33%, and our net profit margin ratio was 8.53%. Our company's strong balance sheet structure is also preserved in 2009; our assets have been financed with resources at a rate of 81.25%.

In 2009, TPL (VUK) based financial statements, according to TRY 38.87 million net profit was obtained. According to the year 2008, our total assets increased by 21.57%, our net profit margin ratio increased by 91.27%.

Conducted in 2009 as a result of successful sales and marketing activities, Turkish Airlines for our clients outside of the revenue in 2008 increased by 42% compared to 25.87% of our total net sales has created.

Aircraft engine manufacturing, maintenance and repair of the world's leading companies, Pratt & Whitney Company, CFM56 and V2500 engines for the maintenance and repair services for issuance, 49% share of affiliates we, 8.645.000 TRY, with a capital "Pratt&Whitney Turkish Airlines Technic Aircraft Engine Maintenance Center" in 2009 and in February 2010 with the increase, capital has been increased to 135.010.000 TRY. Increase in capital commitments have been fulfilled by the partners.

In 2009 to operate the night of the City except the first, our facility, the Ankara Esenboğa Airport Aircraft Maintenance Hangar at the same time three pieces of narrow-body aircraft to serve in the equity of our face be made, and 7.000 sqm. closed area has.

Sabiha Gökçen International Airport which will have a total area of 362.404 sqm. HABOM (Aviation Maintenance, Repair and Modification Center) Hangars auctions took place, the center was planned to be operational in 2011, partly.

Profitability through economies of scale as part of the concept, which is unique to the sector total care concept Turkish Technic Inc. successfully implemented by, and important strides in 2010, this framework is aimed at.



Financial Rates

LIQUIDITY RATIOS	2009	2008
CURRENT RATIO	4.79	4,96
ACID-TEST RATIO	1.82	1,80
CASH RATIO	0.25	0,61
SALES PROFITABILITY RATIOS	2009	2008
GROSS PROFIT MARGIN	13.54	8.15
EARNINGS BEFORE INTEREST AND TAXES (EBIT) MARGIN	6.31	1.77
PERIOD PROFIT MARGIN	7.34	4.55
NET PROFIT MARGIN	5.53	3.30
EBITDA PROFIT MARGIN	22.36	18.11
BALANCE SHEET PROFITABILITY RATIOS	2009	2008
RATE OF RETURN	11.13	3.29
ASSETS PROFITABILITY	8.82	2.83
RECEIVABLES TURNOVER RATES AND DURATIONS	2009	2008
TRADE RECEIVABLES TURNOVER RATE	5.27	7.54
TRADE RECEIVABLES COLLECTION DURATION	69	48
ASSET - EQUITY CAPITAL TURNOVER RATES	2009	2008
ASSET TURNOVER RATE	1.33	1.42
FIXED ASSETS TURNOVER RATE	9.86	19.51
CURRENT ASSETS TURNOVER RATE	1.54	1.53
EQUITY CAPITAL TURNOVER RATE	1.76	1.86
FINANCIAL STRUCTURE RATIOS- EQUITY CAPITAL	2009	2008
EQUITY CAPITAL / TOTAL LIABILITIES	76	76
SHARE OF EQUITY CAPITAL ALLOCATED AS NET OPERATING CAPITAL	84	82
DEBT/EQUITY CAPITAL RATIO	32	31



Financial Statements in compliance with Uniform Chart of Accounts

BALANCE SHEET	DECEMBER 2009	DECEMBER 2008
ASSETS		
I- CURRENT ASSETS		
A- LIQUID ASSETS	24.097.804	49.406.059
1- Cash	-	-
2- Checks on Hand	1.523.432	3.327.060
3- Banks	22.574.372	46.078.999
B- SECURITIES		
C- TRADE RECEIVABLES	133.507.519	81.867.960
1- Buyers	133.393.798	81.647.699
4- Deposits and Guarantees Issued	4.810	1.951
5- Other Trade Receivables	108.911	218.310
6- Doubtful Trade Receivables	1.215.792	38.916
7- Provision for Doubtful Trade Receivables (-)	(1.215.792)	(38.916)
D- OTHER RECEIVABLES	2.361.931	6.391.024
1- Receivables from Shareholders	116.457	5.219
2- Receivables from Participations	-	-
4- Receivables from Personnel	5.663	5.987
5- Other Miscellaneous Receivables	2.239.811	6.379.819
7- Doubtful Other Receivables	18.846	24.939
8- Provision for Other Doubtful Trade Receivables (-)	(18.846)	(24.939)
E- STOCKS	282.979.067	255.894.407
1- Raw Material and Supplies	278.302.412	249.996.466
4- Merchandise	339.415	-
5- Other Stocks	548.495	1.257.068
7- Advances Issued	3.788.745	4.640.873
F- CONSTRUCTION & REPAIR COSTS SPREAD OVER THE YEARS	-	-
G- SHORT-TERM PREPAID EXPENSES AND ACCRUED INCOME	2.680.128	4.866.733
1- Prepaid Expenses for the Following Months	839.688	532.519
2- Accrued Income	1.840.440	4.334.214
H- OTHER CURRENT ASSETS	10.390.264	3.800.403
1- Deferred VAT	-	275.568
2- Deductible VAT	-	-
3- Other VAT	-	-
4- Prepaid Taxes and Funds	10.320.847	3.487.876
5- Work Advances	-	-
6- Personnel Advances	69.417	36.959
TOTAL CURRENT ASSETS	456.016.713	402.226.586



Financial Statements in compliance with Uniform Chart of Accounts

BALANCE SHEET	DECEMBER 2009	DECEMBER 2008
ASSETS		
II- FIXED ASSETS		
A- TRADE RECEIVABLES	-	-
B- OTHER RECEIVABLES	-	-
C- FIXED FINANCIAL ASSETS	25.591.477	4.236.050
3- Participations	25.591.477	4.236.050
D- TANGIBLE FIXED ASSETS	31.672.099	24.662.808
4- Facility, Machine and Equipments	55.184.845	48.899.610
5- Vehicles	4.053.173	3.821.833
6- Fixtures	6.115.437	4.641.161
7- Other Tangible Fixed Assets	1.029.999	883.647
8- Accumulated Amortization (-)	(41.866.963)	(38.920.885)
9- Construction in Progress	4.100.123	5.058.945
10- Advances Issued	3.055.485	278.498
E- INTANGIBLE FIXED ASSETS	13.915.296	2.302.693
1- Rights	865.985	515.666
5- Special Costs	18.994.897	2.978.522
7- Accumulated Amortization (-)	(5.945.586)	(1.191.496)
F - ASSETS SUBJECT TO AMORTIZATION	-	-
G- LONG-TERM PREPAID EXPENSES AND ACCRUED INCOME	135.349	338.835
1- Prepaid Expenses for the Following Years	135.349	338.835
H- OTHER FIXED ASSETS	-	-
TOTAL FIXED ASSETS	71.314.221	31.540.386
TOTAL ASSETS	527.330.934	433.766.973



Financial Statements in compliance with Uniform Chart of Accounts

BALANCE SHEET	DECEMBER 2009	DECEMBER 2008
LIABILITIES		
I- SHORT TERM LIABILITIES		
A- FINANCIAL LIABILITIES	40.451	55.649
7- Other Financial Liabilities	40.451	55.649
B- TRADE LIABILITIES	49.891.841	45.764.979
1 - Sellers	47.958.335	45.131.385
4- Deposits and Guarantees Received	17.543	25.981
5- Other Trade Liabilities	1.915.963	607.613
C- OTHER LIABILITIES	6.278.925	4.986.938
1- Payables to Shareholders	5.654.773	4.806.431
4- Payables to Personnel	580.677	134.219
6- Other Miscellaneous Liabilities	43.475	46.288
D- ADVANCES RECEIVED	2.612.813	1.035.086
E- CONSTRUCTION AND REPAIR BILLINGS SPREAD OVER YEARS	-	-
F- TAXES AND FUNDS PAYABLES AND OTHER LIABILITIES	14.084.030	13.093.505
1- Taxes and Funds Payables	9.888.081	9.227.069
2- Social Security Premiums Payable	4.187.464	3.859.598
4- Other Liabilities	8.485	6.838
G- PROVISIONS FOR LIABILITIES AND EXPENSES	14.195.361	8.644.092
1- Period Income Tax and Other Legal Liabilities Provisions	12.740.391	7.673.685
2- Prepaid Tax and Other Liabilities on Current Year Profit (-)	-	-
3- Provision for Severance Pay	1.454.970	970.407
H- SHORT-TERM PREPAID INCOME AND ACCRUED EXPENSES	8.034.573	7.546.735
1- Income Relating to Future Months	-	330.729
2- Accrued Expenses	8.034.573	7.216.006
TOTAL SHORT-TERM LIABILITIES	95.137.994	81.126.984



Financial Statements in compliance with Uniform Chart of Accounts

BALANCE SHEET	DECEMBER 2009	DECEMBER 2008
LIABILITIES		
II- LONG TERM LIABILITIES		
A- FINANCIAL LIABILITIES	-	23.069
5- Other Financial Liabilities	-	23.069
B- TRADE LIABILITIES	-	-
C- OTHER LIABILITIES	-	-
D- ADVANCES RECEIVED	-	-
E- PROVISIONS FOR LIABILITIES AND EXPENSES	33.341.203	22.306.466
1- Provisions for Severance Pay	33.341.203	22.306.466
E- LONG-TERM PREPAID INCOME AND ACCRUED EXPENSES	-	-
G OTHER LONG TERM LIABILITIES	-	-
TOTAL LONG TERM LIABILITIES	33.341.203	22.329.535
III- EQUITY CAPITAL		
A- PAID CAPITAL	318.000.000	288.324.696
1- Capital	318.000.000	318.000.000
2- Unpaid Capital (-)	-	(29.675.304)
3- Capital Correction Positive Difference	-	-
B- CAPITAL RESERVES	-	-
C- PROFIT RESERVES	41.985.758	21.666.229
1- Legal Reserves	2.099.288	1.083.311
3- Extraordinary Reserves	39.886.471	20.582.917
D- ACCUMULATED EARNINGS	-	-
E- ACCUMULATED LOSSES (-)	-	-
E- NET PROFIT (LOSS) OF THE PERIOD	38.865.979	20.319.530
TOTAL EQUITY CAPITAL	398.851.738	330.310.454
TOTAL LIABILITIES (RESOURCES)	527.330.934	433.766.973



Financial Statements in compliance with Uniform Chart of Accounts

INCOME TABLE	DECEMBER 2009	DECEMBER 2008
A- GROSS SALES	716.398.043	644.521.963
1- Domestic Sales	631.876.568	553.954.013
2- Overseas Sales	68.055.567	67.185.506
3- Other Incomes	16.465.909	23.382.443
B- SALES DISCOUNT (-)	(13.500.421)	(29.302.681)
1- Sales Returns (-)	(13.114.792)	(29.302.681)
2- Sales Discounts (-)	(331.505)	-
3- Other Discounts (-)	(54.124)	-
C- NET SALES	702.897.622	615.219.281
D- COST OF SALES (-)	(607.753.200)	(565.109.506)
2- Cost of Commodity Sales (-)	(23.520.734)	(44.823.883)
3- Cost of Service Sales (-)	(584.232.466)	(520.285.623)
GROSS PROFIT OR LOSS	95.144.422	50.109.775
E- OPERATING EXPENSES	(50.761.326)	(39.236.240)
2- Marketing, Sale and Distribution Expenses (-)	(5.284.558)	(3.802.984)
3- General Management Expenses (-)	(45.476.768)	(35.433.256)
OPERATING PROFIT OR LOSS	44.383.096	10.873.536
F- OTHER OPERATING ORDINARY INCOME AND PROFITS	62.521.084	88.234.651
3- Interest Income	4.051.439	3.650.571
4- Commission Income	222.078	216.532
5- Terminated Provisions	7.870.534	136.042
7- Profit from Foreign Currencies	38.999.592	73.545.650
10- Other Operating Ordinary Income and Profits	11.377.441	10.685.857
G- OTHER OPERATING ORDINARY EXPENSE AND LOSSES (-)	(55.488.933)	(66.977.980)
1- Commission Expenses (-)	(13.149)	(7.927)
2- Provision Expenses (-)	(9.555.499)	(4.148)
4- Loss from Foreign Currencies (-)	(37.292.700)	(57.529.477)
6- Other Ordinary Expenses and Losses (-)	(8.627.585)	(9.436.428)
H- FINANCING EXPENSES (-)	(13.374)	(12.920)
1- Short Term Borrowing Expenses (-)	(13.374)	(12.920)
ORDINARY PROFIT OR LOSS	51.401.874	32.117.287
I- EXTRAORDINARY INCOME AND PROFITS	7.930.436	6.653.344
1- Income and Profits of the Previous Period	2.914.098	5.296.092
2- Other Extraordinary Income and Profits	5.016.338	1.357.252
J- EXTRAORDINARY EXPENSE AND LOSSES (-)	(7.725.940)	(10.777.416)
1- Idle Capacity Expenses and Losses (-)	(4.679)	(7.926)
2- Expenses and Losses of the Previous Period (-)	(4.064.291)	(10.443.607)
3- Other Extraordinary Expenses and Losses (-)	(3.656.970)	(325.883)
PROFIT OR LOSS FOR THE PERIOD	51.606.370	27.993.215
K- PERIOD PROFIT TAX AND OTHER LEGAL LIABILITY PROV (-)	(12.740.391)	(7.673.685)
NET PROFIT OR NET LOSS FOR THE PERIOD	38.865.979	20.319.530



TÜRK HAVA YOLLARI TEKNİK



DENETİM KURULU RAPORU

TÜRK HAVA YOLLARI TEKNİK ANONİM ŞİRKETİ
GENEL KURUL BAŞKANLIĞINA

ŞİRKETİN

-ÜNVANI	: TÜRK HAVA YOLLARI TEKNİK A.Ş
-MERKEZİ	: İSTANBUL
-ÖDENMİŞ SERMAYESİ	: 318.000.000.-TL
-FAALİYET KONUSU	: UÇAK BAKIM ONARIM HİZMETİ

DENETİM KURULU ÜYELERİNİN ADI , GÖREV SÜRELERİ, ORTAK VEYA ŞİRKET PERSONELİ OLUP OLMADIKLARI	: Coşkun KILIÇ (07.05.2009- Devam ediyor) : Orhan SİVRİKAYA (07.05.2009- Devam ediyor)
	Denetçiler pay sahibi veya şirket personeli değildirler.

İŞTİRAK EDİLEN YÖNETİM KURULU TOPLANTI SAYISI	: Yönetim kurulu toplantılarının tamamına iştirak edilmiştir.
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ŞİRKET HESAPLARI İLE DEFTERLER VE BELGELER ÜZERİNDE YAPILAN İNCELEMELER	: Şirketin 2009 yılı yasal defter kayıtları ile hazırladığı mizan, bilanço ve gelir tabloları incelenmiştir.Kayıt ve belgeler üzerinde sondaj usulü ile yaptığımız tetkiklerde, yapılan işlem ve muhasebe kayıtlarının yasalara, Şirket Yönetmeliklerine ve Yönetim Kurulu Kararlarına uygun olduğu görülmüştür.
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TÜRK TİCARET KANUNUNUN 353'ÜNCÜ MADDESİNİN (3) VE (4) NUMARALI BENTLERİ GEREĞİNCE YAPILAN SAYIM VE İNCELEMELER	: Genel Müdürlük merkez kasası ve örnekleme yoluyla kıymetli evrak sayımları yapılmış, mevcutların kayıtlarla mutabık olduğu görülmüştür.
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İNTİKAL EDİLEN ŞİKAYET VE YOLSUZLUKLAR VE BUNLAR HAKKINDA YAPILAN İŞLEMLER	: 2009 Yılı içerisinde Ortaklardan tarafımıza ihbar veya şikayet intikal etmemiştir. Şirketin çalışmasına ve uygulamalarına yönelik tarafımıza ulaşan müşteri şikayetleri, ilgili idari birimlere gönderilerek çözüm üretilmesi sağlanmıştır.
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TÜRK HAVA YOLLARI TEKNİK



SONUÇ

: Türk Hava Yolları Teknik A.Ş'nin 01/01/2009-31/12/2009 dönemi hesap ve işlemlerini Türk Ticaret Kanunu , Şirketin Ana Sözleşmesi ve diğer mevzuat ile genel kabul görmüş muhasebe ilke ve standartlarına göre incelemiş bulunmaktayız.

Görüşümüze göre; içeriğini benimsediğimiz ekli

- 31.12.2009 tarihi itibariyle düzenlenmiş bilanço, şirketin anılan tarihteki mali durumunu,
- 01.01.2009-31.12.2009 Dönemine ait gelir tablosu, anılan döneme ait faaliyet sonuçlarını, gerçeğe uygun ve doğru olarak yansıtmaktadır.

Bu bakımdan, bilanço ve gelir tablosunun onaylanmasını ve Yönetim Kurulunun ibra edilmesini Genel Kurulun tasvibine arz ederiz.

DENETİM KURULU ÜYELERİ

Coşkun KILIÇ

Orhan SİVRİKAYA

Deloitte

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Convenience Translation of Review Report and Financial Statements Originally Issued in Turkish

AUDITOR'S REPORT

To The Board of Directors of
Türk Hava Yolları Teknik A.Ş.

We have audited the accompanying financial statements of Türk Hava Yolları Teknik A.Ş. ("the Company") which comprise the balance sheet as at 31 December 2009 and the statements of comprehensive income, statement of changes in equity and cash flow statement for the year then ended and summary of significant accounting policies and other explanatory notes. The financial statements of the Company as of 31 December 2008 were audited by another auditor whose report dated 19 March 2009, expressed unqualified opinion on those statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting standards issued by Capital Markets Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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



Deloitte

Opinion

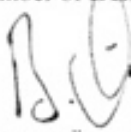
In our opinion, the financial statements present fairly, in all material respects, the financial position of Türk Hava Yolları Teknik A.Ş. as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting standards issued by the Capital Markets Board.

Without qualifying our opinion, we would like to draw your attention to the following matter:

As discussed in Note 2.4, the Company has restated its 2008 financial statements. We also audited the adjustments described in Note 2.4 that were applied to restate the 2008 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Istanbul, 1 April 2010

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



Berkman Özata
Partner

Turkish Technic Inc. Balance Sheet As Of 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Notes	Current Period 31.12.2009	Restated Previous Period 31.12.2008	Restated Previous Period 31.12.2007
Current Assets		459.574.561	407.965.602	377.501.471
Cash and Cash Equivalents	6	22.574.372	46.078.999	38.657.984
Trade Receivables	10,37	121.007.306	72.299.531	57.956.090
<i>Related Party Trade Receivables</i>		<i>84.712.110</i>	<i>49.096.193</i>	<i>48.609.900</i>
<i>Other Trade Receivables</i>		<i>36.295.196</i>	<i>23.203.338</i>	<i>9.346.190</i>
Other Receivables	11,37	2.382.322	6.390.354	2.010.866
Inventories	13	307.072.271	273.318.800	273.381.000
Other Current Assets	26	6.538.290	9.877.918	5.495.531
Non-current Assets		75.326.948	36.837.046	23.528.218
Investments Accounted for Using the Equity Method	16	22.421.794	3.765.565	-
Tangible Assets	18	49.125.563	30.165.471	19.942.642
Intangible Assets	19	588.757	413.310	67.100
Deferred Tax Assets	35	-	1.986.322	3.193.154
Other Non-current Assets	26	3.190.834	506.378	325.322
TOTAL ASSETS		534.901.509	444.802.648	401.029.689



Turkish Technic Inc. Balance Sheet As Of 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

LIABILITIES	Notes	Current Period 31.12.2009	Restated Previous Period 31.12.2008	Restated Previous Period 31.12.2007
Current Liabilities		81.705.010	85.741.932	82.770.102
Financial debt	8	40.451	55.649	-
Trade payables	10,37	49.782.220	51.554.956	58.032.178
<i>Related Party Trade Payables</i>		<i>19.639.083</i>	<i>19.187.273</i>	<i>16.526.582</i>
<i>Other Trade Payables</i>		<i>30.143.137</i>	<i>32.367.683</i>	<i>41.505.596</i>
Other payables	11,37	21.433.691	19.088.385	13.488.972
Current tax liabilities	35	2.419.544	4.185.809	2.059.488
Provisions	22	98.545	97.950	394.186
Employee benefit obligations	24	7.156.135	9.286.701	3.241.698
Other current liabilities	26	774.424	1.472.482	5.553.580
Non-Current Liabilities		18.600.903	13.899.236	7.274.178
Financial debt	9	-	23.069	-
Provision for retirement pay liability	24	18.363.932	13.876.167	7.274.178
Deferred tax liability	35	236.971	-	-
SHAREHOLDERS' EQUITY				
Equity Attributable to Shareholders of Parent	27	434.595.596	345.161.480	310.985.409
Share capital		318.000.000	288.324.696	288.324.696
Restricted profit reserves		2.099.288	1.083.311	1.055.200
Retained Earnings		54.737.496	21.577.402	27.324.514
Net Profit/(Loss) for the Year		59.758.812	34.176.071	(5.719.001)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		534.901.509	444.802.648	401.029.689



Turkish Technic Inc. Statement of Comprehensive Income For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	Current Period 1 January - 31 December 2009	Restated Previous Period 1 January - 31 December 2008
Sales revenue	28	700.204.190	610.071.767
Cost of sales (-)	28	(580.096.057)	(536.429.075)
GROSS PROFIT		120.108.133	73.642.692
Marketing, sales and distribution expenses (-)	29	(5.171.892)	(3.714.723)
Administrative expenses (-)	29	(59.251.691)	(47.269.925)
Other operating income	31	17.160.521	2.231.259
Other operating expenses (-)	31	(474.330)	(449.249)
OPERATING PROFIT		72.370.741	24.440.054
Share of investments' profit/ (loss) accounted for using the equity method	16	(2.699.198)	(470.485)
Financial income	32	43.211.864	77.143.052
Financial expenses (-)	33	(38.160.912)	(58.056.033)
PROFIT BEFORE TAX		74.722.495	43.056.588
Tax (expense) / income		(14.963.683)	(8.880.517)
-Current tax expense (-)		(12.740.390)	(7.673.685)
-Deferred tax (expense) / income	35	(2.223.293)	(1.206.832)
PROFIT FOR THE YEAR		59.758.812	34.176.071
OTHER COMPREHENSIVE INCOME		-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		59.758.812	34.176.071
Earnings per share (Kr)	36	18,79	10,75



Turkish Technic Inc. Statement of Changes In Equity For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Issued capital	Restricted Profit Reserves	Retained earnings	Net profit / loss for the year	Total equity
As of 31 December 2007 - Previously Reported	288,324,696	1,055,200	29,917,873	(5,719,001)	313,578,768
Restatement Effect (Note 2.4)	-	-	(2,593,359)	-	(2,593,359)
Balance at 31 December 2007 - Restated	288,324,696	1,055,200	27,324,514	(5,719,001)	310,985,409
Transfer	-	-	(5,719,001)	5,719,001	-
Transfer to Reserves	-	28,111	(28,111)	-	-
Net Comprehensive Income for the Year	-	-	-	34,176,071	34,176,071
Balance at 31 December 2008 - Restated	288,324,696	1,083,311	21,577,402	34,176,071	345,161,480
Balance at 31 December 2008 - Previously Reported	288,324,696	1,083,311	24,170,761	36,928,627	350,507,395
Restatement Effect (Note 2.4)	-	-	(2,593,361)	(2,752,554)	(5,345,915)
Balance at 31 December 2008 - Restated	288,324,696	1,083,311	21,577,402	34,176,071	345,161,480
Transfer	-	-	34,176,071	(34,176,071)	-
Transfer to Reserves	-	1,015,977	(1,015,977)	-	-
Capital Payment	29,675,304	-	-	-	29,675,304
Net Comprehensive Income for the Year	-	-	-	59,758,812	59,758,812
Balance at 31 December 2009	318,000,000	2,099,288	54,737,496	59,758,812	434,595,596

Turkish Technic Inc. Statement of Cash Flows For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

	Notes	1 January - 31 December 2009	Restated 1 January - 31 December 2008
CASH FLOW FROM OPERATING ACTIVITIES			
Net Income Before Tax		74.722.495	43.056.588
Adjustments to obtain net cash flow generated from operating activities:			
Depreciation and amortization	13-18-19	53.594.666	82.983.692
Provision for retirement pay liability	24	5.442.712	7.203.994
Share at Loss of Investments Accounted for Equity Method	16	2.699.198	470.485
Increase/ (decrease) in provision for impairment	13	(356.071)	3.879.210
Discount expenses	33	2.534	15.403
Increase in provision for doubtful receivables	10	15.199.031	12.878.135
Operating profit before working capital changes		151.304.565	150.487.507
Increase in trade receivables		(28.293.423)	(26.750.686)
Increase in Other Short and Long Term Receivables from Related Parties		(35.742.926)	(350.467)
(Increase)/ Decrease in Other Short and Long Term Receivables		4.135.041	(4.515.314)
Increase in Inventories		(79.127.172)	(81.048.055)
(Increase)/ Decrease in Other Current Assets		3.339.628	(4.382.385)
Increase in Other Non-Current Assets		(2.684.456)	(181.056)
Decrease in Trade Payables		(2.224.546)	(9.137.913)
Increase in Payables to Related Parties		1.300.152	5.211.000
Increase in Provisions for Other Short Term Liabilities		2.345.306	5.599.413
Decrease in Other Short and Long Term Liabilities		(3.676.371)	(882.641)
Cash Provided by Operating Activities		10.675.798	34.049.403
Retirement Benefits Paid	24	(954.947)	(602.005)
Prepaid Taxes	35	(14.506.656)	(5.547.364)
Net Cash (Used in) / Provided by Operating Activities		(4.785.805)	27.900.034
CASH FLOW FROM INVESTING ACTIVITIES			
Cash Inflow From Sale of Intangible and Tangible Fixed Assets	18	184.642	73.823
Acquisitions of Tangible and Intangible Assets	18-19	(27.185.075)	(16.395.509)
Increase in financial investments		(21.355.427)	(4.236.050)
Net Cash Used in Investing Activities		(48.355.860)	(20.557.736)
CASH FLOW FROM FINANCING ACTIVITIES			
Capital Increase		29.675.304	-
Change in Financial Liabilities		(38.266)	78.717
Net Cash Provided by Financing Activities		29.637.038	78.717
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(23.504.627)	7.421.015
CASH AND CASH EQUIVALENTS			
AT THE BEGINNING OF THE YEAR			
		46.078.999	38.657.984
CASH AND CASH EQUIVALENTS			
AT THE END OF THE YEAR			
		22.574.372	46.078.999



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Türk Hava Yolları Teknik A.Ş ("the Company") was incorporated on 23 May 2006 with the purpose to bring the Company to an important technical maintenance base in the area in air transport sector and provide maintenance and repair services to civil aviation sector and every kind of technical and infrastructural assistance related with the airlines sector.

The total number of employees working for the Company as of 31 December 2009 is 2.519 (31 December 2008: 2.552).

	<u>31 December 2009</u>	<u>31 December 2008</u>
Administrative Staff	621	607
Production Staff	1.898	1.949
Total	2.519	2.556

The average number of employees working for the Company as of 31 December 2009 is 2.572 (31 December 2008: 2.539).

The Company is registered in Turkey and its head office address is as follows:
İstanbul Bakırköy-Yeşilköy Atatürk Airport Gate B

Approval of Financial Statements

Board of Directors has approved the financial statements as of 31 December 2009 and delegated authority for publishing it on 1 April 2010. General shareholders' meeting has the authority to modify the financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

The Company keeps its books of account and prepares its statutory financial statements in accordance with the principles and obligations Turkish Commercial Code (the "TCC"), tax legislation.

Capital Markets Board ("CMB"), by Communiqué Serial XI No: 29 "Communiqué About The Principles of Financial Reporting in Capital Markets", determined the principles and procedures relating to preparation of financial reports and presentation of these reports to interested parties. This Communiqué is in effect to be applicable for the first interim financial statements of the reporting periods starting after 1 January 2008 and Communiqué Serial XI No: 25 "The Accounting Standards in the Capital Markets" was abolished. Depending on this communiqué, companies are required to prepare financial statements compliant with International Financial Reporting Standards ("IAS/IFRS") adopted by European Union. However, IAS/IFRS will be applied until the differences between the standards adopted by European Union and those promulgated by IASC are declared by Turkish Accounting Standards Board ("TASB"). In this context, Turkish Accounting / Financial Reporting Standards ("TAS/TFRS") which are not contrary to standards adopted and promulgated by TASB and will be applied.

Until the differences between the standards accepted by the European Union and the standards issued by International Accounting Standards Board ("IASB") are announced by the TASB, financial statements shall be prepared in accordance with IASs/IFRSs under the CMB's Decree Volume: XI, No: 29. The accompanying financial statements and notes are presented in accordance with the standard format required by the announcement of the CMB on 17 April 2008 and 9 January 2009.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Presentation in Turkish Lira

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Company's financial position and operating results are presented in Turkish Lira (TL) which is Company's functional and reporting currency for financial statements (with 1 TL=1 TL ratio).

2.2 Preparation of Financial Statements in Hyperinflationary Periods

CMB, with its resolution dated 17 March 2005 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards, effective 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying financial statements IAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied.

2.3 Fundamentals of the Consolidation

The table below sets out affiliate and indicates the proportion of ownership interest of the Company in the joint venture at 31 December 2009:

<u>Name of the Company</u>	<u>Principal Activity</u>	<u>Participation Rate</u>		<u>Country of Registration</u>
		<u>31 December 2009</u>	<u>1 December 2008</u>	
P & W T.T. Uçak Bakım Merkezi Ltd. Şti.	Technical Maintenance	49%	49%	Turkey

In the accompanying financial statements, joint venture's operations' results, assets and liabilities are journalized by using equity method except for the subsidiaries that are journalized as assets available-for-sale based on IFRS 5 standard. According to the equity method, subsidiaries are stated as the cost value adjusted as deducting the impairment in subsidiary from the change occurred in the subsidiary's assets after the acquisition date that is calculated by the Company's share in the balance sheet. Subsidiary's losses that exceed the Company's share are not considered (substantially, that contains any long-termed investment which composes the net investment in the subsidiary).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.4 Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

Changes in accounting policies are applied retroactively and the financial statements of the previous period are adjusted.

Changes in accounting policies or accounting errors noted are applied retroactively and the financial statements of the previous year are adjusted. If estimated changes in accounting policies are for only one period, changes are applied on the current year but if the estimated changes are for the following periods, changes are applied both on the current and following years prospectively.

The Company has not calculated unused vacation provision in previous periods due to the large number of its personnel and lack of an healthy database. The Company's management has changed the present value calculation of provision for retirement pay of prior periods accounted in balance sheet. In preparation of financial statements as of 31 December 2009, unused vacation provision was calculated and previous periods' financial statements were restated beginning from 1 January 2008 according to International Accounting Standard "Accounting Policies, Changes in Accounting Estimates and Errors" (IAS 8).

The value of Company's joint venture was journalized by its cost value by the company in the previous years. In the accompanying financial statements, subsidiaries' operations' results, assets and liabilities are journalized by using equity method except for the subsidiaries that are journalized as assets available-for-sale based on IFRS 5 standard. According to the equity method, subsidiaries are stated as the cost value adjusted as deducting the impairment in subsidiary from the change occurred in the subsidiary's assets after the acquisition date that is calculated by the Company's share in the balance sheet.

The effects of restatements of the previous period financial statements as a result of the changes mentioned above are summarized at the following table:

	31 December 2008				Restated
	Previously Reported (After reclassifications)	Adjustment for unused vacation provision	Adjustment for retirement pay provision	Adjustment for investments accounted for equity method	
Investments accounted for equity method	4.236.050	-	-	(470.485)	3.765.565
Employee benefits	10.941.204	3.159.323	2.934.963	-	17.035.490
Deferred tax asset (net)	767.466	631.863	586.993	-	1.986.322
Net profit for the year	36.928.625	65.901	(2.347.970)	(470.485)	34.176.071
Retained earnings	24.170.761	(2.593.359)	-	-	21.577.402
Cost of sales	(533.576.488)	82.376	(2.934.963)	-	(536.429.075)
Share at Profit/(Loss) on Investments Accounted for Equity Method	-	-	-	(470.485)	(470.485)
Tax expense	(9.451.035)	(16.475)	586.993	-	(8.880.516)
Earnings per share (Kr)	11,61	0,02	(0,73)	(0,15)	10,75

Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.4 Comparative Information and Restatement of Prior Period Financial Statements (cont'd)

	1 January 2008		
	Previously Reported (After reclassifications)	Adjustment for unused vacation provision	Restated
Employee benefits	7.274.178	3.241.698	10.515.876
Deferred tax asset (net)	2.544.817	648.337	3.193.154
Retained earnings	29.917.873	(2.593.359)	27.324.514

2.5 Offsetting

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

2.6 New and Revised International Financial Reporting Standards

In the current period, the new and revised Standards and Interpretations below are applied and these Standards and Interpretations have effects on amounts and explanations on these financial statements that is reported. The details of the standards and interpretations that is applied but did not have an effect on the reported amounts is explained in the following chapters.

Standards affecting presentation and disclosure in 2009 financial statements

- IAS 1 (Revised), "Presentation of financial statements"

IAS 1 (2007), make changes in terminologies, financial statement formats and contents, including revised headers used for financial statements. The company shows changes about shareholders in the statement of changes in equity and 'non-owner changes in equity' in the comprehensive income statement.

- IAS 7 (Amendment), "Financial Instruments: Disclosures"

Changes in IAS 7 brings extended descriptions about fair value measurement and liquidity risk.

The company applied the changes in IAS 7 during 2009 and in Note 39 gives information about fair value level. In the current year, the entity did not make an important reclassmment during the calculation of fair value between the three levels of inputs.

- IFRS 8 "Operating segments"

This standard is a standard of description requires that the reportable parts of the company to be reorganized.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.6 New and Revised International Financial Reporting Standards (cont'd)

Standards and Interpretations those are effective in 2009 with no impact on the 2009 financial statements

The following new and revised standards and interpretations are executed in the financial statements. Execution of these standards and interpretations did not have an important effect on reported amounts of the financial statements, but it may effect entering future transactions and agreements in the accounts.

- IFRS 1, "First-time Adoption of International Financial Reporting Standards" and IAS 27, "Consolidated and Separate Financial Statements" (Amendment on Investment Costs in First-time Adoption of IFRS)
- IAS 23(Revised), "Borrowing Costs"
- IAS 38, "Intangible Assets" Standards Changes
- IAS 40, "Investment Property" Standards Changes
- IAS 20, "Government Grants and disclosure of government assistance" Standards Changes
- IFRIC 13, "Customer Loyalty Programmes"
- IFRS 2, "Share-based Payment" (Amendment on the Share-based Cash Payment transactions)
- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
- IAS 1, "Presentation of Financial Statements" and IAS 32 "Financial Instruments Presentation (amendment on financial instruments with option of repurchase and liabilities arising in converting into cash)
- IAS 32, "Financial Instruments Presentation and IAS 1 "Presentation of Financial Statements" – Amendment on marketable financial instrument and obligations in settlement.
- IAS 39, "Financial Instruments: Recognition and Measurement" (Amendments relating to reclassification of financial instruments)
- Amendments in 2008 (IAS 1 "Presentation of Financial Statements"; IAS 16 "Property Plant Equipment"; IAS 19 "Employee Benefits"; IAS 27 "Consolidated and Separate Financial Statements"; IAS 28 "Investment in Associates"; IAS 31 "Interest in Joint Ventures"; IAS 29 "Financial Reporting in High Inflation Economies"; IAS 36 "Impairment of Assets"; IAS 39 "Financial Instruments: Recognition and Measurement" ; IAS 40 "Investment Property"; IAS 41" Agricultural Activities"
- IFRIC 15, "Real Estate Construction Agreements"
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"
- IFRIC 18, "Transfer of Assets from Customers"



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.6 New and Revised International Financial Reporting Standards (cont'd)

Standards and Interpretations that are issued but not yet effective in 2009 and have not been early-adopted

- IFRS 3, "Business Combinations", IAS 27 "Consolidated and Separate Financial Statements"; IAS 28, "Investments in Associates", IAS 31 "Interests in Joint Ventures" (Amendment on the Application of Purchase Method)
- IFRS 9, "Financial Instruments"
- IAS 24 (2009) "Related Party Disclosures"
- IFRIC 17, "Distributions of Non-cash Assets to Owners"
- IFRIC 19, "Financial liabilities to be paid by using equity instruments"

Amendments related to Annual Improvements to IFRS (2009)

As part of the Annual Improvement project, in addition to the amendments mentioned above, other amendments were made to various standards and interpretations. These amendments are effective for annual periods beginning on or after 1 January 2010.

2.7 Summary of Significant Accounting Policies

Significant accounting policies used in preparation of the accompanying financial statements are as follows:

2.7.1 Revenue

Revenue is recognized on accrual basis at the fair value of the amount received or to be received based on the assumptions that revenue is measured reliably and it is probable that economic benefits associated with the sale will flow to the Company. Net sales are calculated after the sales returns and sales discounts.

Revenue from sale of goods and services rendered is recognised when all the following conditions are satisfied:

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

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

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

The Company provides maintenance and repair services to civil aviation sector, and technical and infrastructural assistance related with the airlines sector. Income is recorded based on accrual basis.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.2 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories is the sum of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Average cost method is applied in the calculation of cost of inventories. Net realizable value represents estimated selling price at regular business operation less all estimated costs of completion and estimated costs which is necessary to make sales.

Components and repairable spare parts depreciated over their useful lives are as follows:

	<u>Useful Life (years)</u>
- Components	7
- Repairable spare parts (R Equipment)	7
- Repairable spare parts (X Equipment)	3

2.7.3 Tangible assets

Tangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The useful lives of tangible assets are as follows:

	<u>Useful Life (years)</u>
- Machinery and equipment	3-15
- Furniture and fixtures	4-15
- Vehicles	4-7
- Other tangible assets	4-15
-Leasehold Improvements	5

2.7.4 Intangible Assets

Intangible assets include information systems and other intangible assets. These intangible assets are recorded in the purchased cost accounted on 31 December 2009. Other intangible assets are depreciated over their useful life, on a straight-line basis.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.5 Impairment on Assets

Assets with indefinite useful lives such as goodwill are not subject to amortization. Such assets are subject to impairment test each year. Assets that are subject to amortisation are reviewed for impairment when the carrying amount of an asset is irrecoverable. An impairment loss is recognised when the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For assessing impairment, assets are grouped at the lowest level to which there are separate identifiable cash flows (cash-generating units). At each reporting date, non-financial assets other than goodwill that suffered impairment are reviewed for any possibility on the reversal of impairment.

2.7.6 Borrowing Costs

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

All of the other borrowing costs are recognized in the statement of income in the period in which they occur. As of 31 December 2009 and 2008, the Company does not have any capitalized borrowing costs.

2.7.7 Financial Instruments

Financial assets

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

Other financial assets are classified into the following specified categories: financial assets as "at fair value through profit or loss" (FVTPL), "held-to-maturity investments", "available-for-sale" (AFS) financial assets and "loans and receivables". Classification is made according to the financial asset's purpose of obtaining and features at the first recording.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.7 Financial Instruments (cont'd)

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Held-to-maturity investments

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized on an effective yield basis.

Available for sale financial assets

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

Sale and repurchase agreements

Securities purchased under agreements to resell ("reverse repos") are recorded as reverse repo receivables on the cash and due from banks account, together with the difference between sale and repurchase price, which is accrued evenly over the life of the agreement using the effective yield method.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.7 Financial Instruments (cont'd)

Loans and receivables

Trade and other loans and receivables, which does not traded in the market, with fixed and determinable payments are classified in this category. Loans and receivables are measured at amortized cost using the effective interest method.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss are assessed for indicator of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For loans and receivables the amount of the impairment is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

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

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

Cash and cash equivalents

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



Turkish Technic Inc., Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.7 Financial Instruments (cont'd)

Financial liabilities

The Company's financial liabilities and equity instruments are classified in accordance with the contractual arrangements and recognition principles of a financial liability and equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The significant accounting policies for financial liabilities and equity instruments are described below.

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

Other financial liabilities

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

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

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

2.7.8 Foreign Currency Transactions

Transactions in foreign currencies are translated into Turkish Lira at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Monetary gains / losses arising on settlement / translation of foreign currency items are included in the statements of income.

The closing and average TL-USD exchange rates for the periods are as follows:

	<u>Closing Rate</u>	<u>Average Rate</u>
31 December 2009	1,5057	1,5457
31 December 2008	1,5123	1,2976
31 December 2007	1,1647	1,3003
31 December 2006	1,4056	1,4297

The closing and average TL-Euro exchange rates for the periods are as follows:

	<u>Closing Rate</u>	<u>Ortalama Kur</u>
31 December 2009	2,1603	2,1508
31 December 2008	2,1408	1,8969
31 December 2007	1,7102	1,7773
31 December 2006	1,8515	1,8032



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.9 Earnings per Share

"Earnings per share" is calculated by dividing net profit/ (loss) by weighted average number of shares outstanding in the relevant period.

In Turkey, companies are allowed to increase their capital by distributing "free shares" to share holders from accumulated profits. In calculation of earnings per share, such free shares are considered as issued shares. Therefore, weighted average number of shares in the calculation of earnings per share is found by applying distribution of free shares retrospectively.

2.7.10 Events Subsequent to the Balance Sheet Date

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Company (should any evidence come about events that were prior to the balance sheet date or should new events come about) they will be explained in the relevant footnote.

If such an event were to arise, the Company restates its financial statements accordingly.

2.7.11 Provisions, Contingent Liabilities ve Contingent Assets

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

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

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

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

2.7.12 Related Parties

Related parties in the financial statements refer to partners, top level management, members of the Board of Directors, and close family members in charge of the Company, as well as the companies, affiliates and partnerships controlled by these individuals or associated with them. Transactions with related parties are performed based on prices at arm's length.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.13 Taxation and Deferred Tax

Income tax expense represents the sum of the tax currently payable and deferred tax liability (or asset).

Current tax

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

Deferred Tax

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

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

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

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

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



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.13 Taxation and Deferred Tax (cont'd)

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over cost. Taxes on financial statements contain changes in current period taxes and deferred tax. The Company calculates current period tax and deferred tax based on period results.

2.7.14 Employee benefit /retirement pay provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard 19 (Revised) "Employee Benefits" ("IAS 19").

The retirement benefit obligation recognized in the balance sheet have been measured as the net current value of the liabilities that are expected to emerge from the retirements of all employees and disclosed as such on the financial statements. Any actuarial gains and losses calculated are carried on the income statement.

2.7.15 Statement of Cash Flow

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

Cash flows from operating activities reflect cash flows generated from sales of the Company.

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

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

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

2.7.16 Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

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

2.8 Critical Accounting Estimates and Assumptions

Useful Lives of Inventories

Component and repairable equipments are subject to depreciation and their useful lives are explained in Note 2.7.2.

3. BUSINESS COMBINATIONS

None (31 December 2008: None).

4. ASSOCIATES

None (31 December 2008: None).

5. SEGMENTAL REPORTING

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

6. CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Banks (Demand Deposits)	1.174.862	743.281
Banks (Time Deposits)	21.399.510	45.335.718
	<u>22.574.372</u>	<u>46.078.999</u>

The details of time deposits as of 31 December 2009 and 2008 are as follows:

<u>Capital</u>	<u>Currency</u>	<u>Opening Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>31 December 2009</u>
13.592.569	US Dollar	December 2009	0,20% -3,00%	January 2010	20.466.331
933.179	TL	December 2009	6,25%-6,5%	January 2010	933.179
					<u>21.399.510</u>
<u>Capital</u>	<u>Currency</u>	<u>Opening Date</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>31 December 2008</u>
24.952.534	US Dollar	December 2008	2,60% - 6,35%	January 2009	37.735.718
7.600.000	TL	December 2008	18%	January 2009	7.600.000
					<u>45.335.718</u>

7. FINANCIAL ASSETS

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

8. FINANCIAL BORROWINGS

The details of financial borrowings as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Short term	40.451	55.649
Long term	-	23.069
	<u>40.451</u>	<u>78.718</u>

The details of short term financial liabilities as of 31 December 2009 and 2008 are as follows:

31 December 2009

<u>Name of Bank</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Currency</u>	<u>Balance</u>
Garanti Kredi Kartı	-	17.483	TL	17.483
Türkiye Teknoloji Geliştirme Proje Destekleme Vakfı	30 June 2010	15.254	US Dollar	22.968
				<u>40.451</u>

31 December 2008

<u>Name of Bank</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Currency</u>	<u>Balance</u>
Garanti Kredi Kartı	-	9.150	TL	9.150
Garanti Kredi Kartı	-	239	US Dollar	362
Türkiye Teknoloji Geliştirme Proje Destekleme Vakfı	30 June- 31 December 2009	30.508	US Dollar	46.137
				<u>55.649</u>

The details of long term financial liabilities as of 31 December 2008 are as follows:

31 December 2008

<u>Name of Bank</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Currency</u>	<u>Balance</u>
Türkiye Teknoloji Geliştirme Proje Destekleme Vakfı	30 June 2010	15.254	US Dollar	23.069

9. OTHER FINANCIAL LIABILITIES

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

10. TRADE RECEIVABLES AND PAYABLES

Short term trade receivables as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Trade Receivables	47.793.309	32.590.422
Trade Receivables from Related Parties (Note 37)	84.712.110	49.096.193
Credit Note Receivables	108.911	218.310
Notes Receivables	1.523.432	3.327.060
Discount on Notes Receivables (-)	(2.534)	(15.403)
Allowance for Doubtful Receivables (-)	(13.127.922)	(12.917.051)
	<u>121.007.306</u>	<u>72.299.531</u>

Movement of the doubtful receivables for the period ended 31 December 2009 and 2008 are as follows:

	<u>1 January- 31 December 2009</u>	<u>1 January- 31 December 2008</u>
Provision at the beginning of the year	12.917.051	382.511
Current year charge	15.199.031	12.878.135
Collections	(12.623.578)	(343.595)
Receivables written off	(2.364.582)	-
	<u>13.127.922</u>	<u>12.917.051</u>

The Company does not have long term trade receivables as of 31 December 2009 and 2008.

Guarantees Received for Receivables

Total amounts of the Company's guarantees received for trade receivables are as follows:

	<u>31 December 2009</u>		<u>31 December 2008</u>	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Letters of Guarantees	3.951.919	3.951.919	2.116.075	2.116.075
	<u>3.951.919</u>	<u>3.951.919</u>	<u>2.116.075</u>	<u>2.116.075</u>

Short term trade payables are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Trade Receivables	28.319.432	31.760.070
Trade Receivables from Related Parties (Note 37)	19.639.083	19.187.273
Discount on Notes Receivables (-)	(92.259)	-
Other Trade Receivables	1.915.964	607.613
	<u>49.782.220</u>	<u>51.554.956</u>

The Company does not have long term trade payables as of 31 December 2009 and 2008.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

11. OTHER RECEIVABLES AND PAYABLES

Details of other short term receivables as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Receivables from Tax Office	1.902.538	4.911.603
Receivables from Foreign Technical Suppliers	265.974	1.465.399
THY A.O. Non-Trade Receivables (Note 37)	132.228	5.219
Due from Personnel	5.473	5.987
Doubtful Receivables	18.846	24.939
Allowance of Doubtful Receivables (-)	(18.846)	(24.939)
Deposits and Guarantees Given	4.810	1.951
Other Receivables	71.299	195
	<u>2.382.322</u>	<u>6.390.354</u>

Movement of provision for doubtful receivables for the years ended 31 December 2009 and 31 December 2008 are as follows:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Provision at the beginning of the year	24.939	21.152
Current year charge	6.331	4.148
Collected amount	(12.424)	(361)
Provision at the end of the year	<u>18.846</u>	<u>24.939</u>

The details of other short term payables as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
THY A.O. Non-Trade Payables (Note 37)	5.654.773	4.806.431
Taxes, Charges and Other Payables	9.888.081	9.227.069
Social Security Premiums Payables	4.187.464	3.859.598
Order Advances Received	1.105.153	1.035.086
Deposits and Guarantees Received	17.543	25.982
Payables to Personnel	580.677	134.219
	<u>21.433.691</u>	<u>19.088.385</u>

12. RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

13. INVENTORIES

	<u>31 December 2009</u>	<u>31 December 2008</u>
Technical Equipment Inventories	133.669.283	85.795.112
Obsolete Equipment Inventories	14.368.647	14.724.718
BFE Equipment Inventories	70.444	1.370.168
Components and Spare Parts Repairable	319.829.495	366.092.559
Accumulated Depreciation of Components and Spare Parts Repairable (-)	(147.045.446)	(185.009.980)
Technical Equipment Inventories in Transit	548.495	5.070.941
Provision for Impairment (-)	(14.368.647)	(14.724.718)
	<u>307.072.271</u>	<u>273.318.800</u>

Movement of allowance for impairment on inventory is as follows:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Provision at the beginning of the year	14.724.718	10.845.508
Current year charge	1.290.280	13.078.367
Cancellation of provisions recognized	(1.646.351)	(9.199.157)
Provision at the end of the year	<u>14.368.647</u>	<u>14.724.718</u>

Movement of components and spare parts are as follows:

	<u>Components and Spare Parts Repairable</u>
<u>Cost</u>	
Opening balance, 1 January 2009	366.092.559
Additions	93.157.533
Disposals	(139.420.597)
Closing balance, 31 December 2009	<u>319.829.495</u>
<u>Accumulated Depreciation</u>	
Opening balance, 1 January 2009	185.009.980
Current charge for the year	45.729.772
Disposals	(83.694.306)
Closing balance, 31 December 2009	<u>147.045.446</u>
Net book value at 31 December 2009	<u>172.784.049</u>
Net book value at 31 December 2008	<u>181.082.579</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

13. INVENTORIES (cont'd)

<u>Cost</u>	<u>Components and Spare Parts Repairable</u>
Opening balance, 1 January 2008	327.244.647
Additions	102.489.872
Disposals	(63.641.960)
Closing balance, 30 June 2008	366.092.559
<u>Accumulated Depreciation</u>	
Opening balance, 1 January 2008	153.043.938
Current charge for the period	77.231.045
Disposals	(45.265.003)
Closing balance, 31 December 2008	185.009.980
Net book value at 31 December 2008	181.082.579
Net book value at 31 December 2007	174.200.709

14. BIOLOGICAL ASSETS

None (31 December 2008: None).

15. ASSETS FROM CONSTRUCTION CONTRACTS IN PROGRESS

None (31 December 2008: None).

16. INVESTMENTS ACCOUNTED FOR EQUITY METHOD

Investments accounted for equity method are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
P&W T.T. Uçak Bakım Merkezi Ltd. Şti.	22.421.794	3.765.565
	22.421.794	3.765.565

Financial information for P&W T.T.Uçak Bakım Merkezi Ltd. Şti as of 31 December 2009 and 31 December 2008 is as follows:

	<u>31 December 2009</u>	<u>31 December 2009</u>
Assets	104.846.886	8.344.051
Liabilities	59.088.122	659.225
Shareholders' Equity	45.758.764	7.684.826
The Company's share in shareholders' equity	22.421.794	3.765.565
	<u>1 January- 31 December 2009</u>	<u>1 January- 31 December 2008</u>
Revenue	119.754	-
Profit / (loss)	(5.508.567)	(960.174)
The Company's share on Profit / (Loss)	(2.699.198)	(470.485)



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

16. INVESTMENTS ACCOUNTED FOR EQUITY METHOD (cont'd)

Portions of investments valued by equity method in profit / (loss) are as follows:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
P&W T.T. Uçak Bakım Merkezi Ltd. Şti.	(2.699.198)	(470.485)
	<u>(2.699.198)</u>	<u>(470.485)</u>

Financial assets accounted for equity method in profit/loss as of 31 December 2009 and 31 December 2008 are as follows:

Name of the company	Place of Incorporation and Operation	Ownership Rate	Voting Power Rate	Principal Activity
P&W T.T. Uçak Bakım Merkezi Ltd. Şti	Turkey	49%	49%	Maintenance Services

17. INVESTMENT PROPERTY

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

18. TANGIBLE ASSETS

	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures		Other Tangible Assets	Construction in Progress	Leasehold Improvements	Total
Cost								
Opening balance 1 January 2009	75.156.306	7.360.727	4.796.817	934.858	5.058.945	2.978.523	96.286.176	
Additions	9.802.766	276.808	1.548.196	146.583	15.060.404	-	26.834.757	
Disposals	(5.691.772)	(332.439)	(85.444)	(2.820)	-	(2.850)	(6.115.325)	
Transfer	-	-	-	-	(16.019.226)	16.019.226	-	
Closing balance 31 December 2009	79.267.300	7.305.096	6.259.569	1.078.621	4.100.123	18.994.899	117.005.608	
Accumulated Depreciation								
Opening balance 1 January 2009	55.812.129	6.853.982	2.398.718	465.810	-	590.066	66.120.705	
Charge for the year	4.877.408	230.199	855.691	111.657	-	1.615.068	7.690.023	
Disposals	(5.520.396)	(332.439)	(76.134)	1.239	-	(475)	(5.930.683)	
Closing balance 31 December 2009	55.169.141	6.751.742	3.178.275	576.228	-	2.204.659	67.880.045	
Net book value 31 December 2009	24.098.159	553.354	3.081.294	502.393	4.100.123	16.790.240	49.125.563	
Net book value 31 December 2008	19.344.177	506.745	2.398.099	469.048	5.058.945	2.388.457	30.165.471	

Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

18. TANGIBLE ASSET (cont'd)

	Plant, Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Construction in Progress	Leasehold Improvements	Total
Cost							
Opening balance 1 January 2008	76.098.885	10.755.181	4.363.750	930.054	576.637	1.990.172	94.714.679
Additions	9.122.321	201.774	1.062.782	131.181	4.482.308	988.351	15.988.717
Disposals	(10.064.900)	(3.596.228)	(629.715)	(126.377)	-	-	(14.417.220)
Closing balance 31 December 2008	75.156.306	7.360.727	4.796.817	934.858	5.058.945	2.978.523	96.286.176
Accumulated Depreciation							
Opening balance 1 January 2008	61.630.110	10.221.278	2.342.419	475.165	-	103.065	74.772.037
Charge for the year	4.188.920	228.826	681.088	106.230	-	487.001	5.692.065
Disposals	(10.006.901)	(3.596.122)	(624.789)	(115.585)	-	-	(14.343.397)
Closing balance 31 December 2008	55.812.129	6.853.982	2.398.718	465.810	-	590.066	66.120.705
Net book value 31 December 2008	19.344.177	506.745	2.398.099	469.048	5.058.945	2.388.457	30.165.471
Net book value 31 December 2007	14.468.775	533.903	2.021.333	454.887	576.637	1.887.107	19.942.642

Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

19. INTANGIBLE ASSETS

<u>Cost</u>	<u>Rights</u>
Opening balance, 1 January 2009	592.204
Additions	350.318
Closing balance, 31 December 2009	<u>942.522</u>
<u>Accumulated Depreciation</u>	
Opening balance, 1 January 2009	178.894
Charge for the period	174.871
Closing balance, 31 December 2009	<u>353.765</u>
Net book value 31 December 2009	<u>588.757</u>
Net book value 31 December 2008	<u>413.310</u>

<u>Cost</u>	<u>Rights</u>
Opening balance, 1 January 2008	198.114
Additions	406.791
Disposals	(12.701)
Closing balance, 31 December 2008	<u>592.204</u>
<u>Accumulated Depreciation</u>	
Opening balance, 1 January 2008	131.013
Charge for the period	60.582
Disposals	(12.701)
Closing balance, 31 December 2008	<u>178.894</u>
Net book value 31 December 2008	<u>413.310</u>
Net book value 31 December 2007	<u>67.101</u>

20. GOODWILL

None (31 December 2008: None).

21. GOVERNMENT GRANTS

None (31 December 2008: None).



Turkish Technic Inc., Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i) Provisions

	<u>31 December 2009</u>	<u>31 December 2008</u>
Provisions for Legal Claims	98.545	97.950

Movements in the allowance for legal claims at 31 December 2009 and 2008 years set out below:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Provision at the beginning of the year	97.950	-
Charge for the year	595	97.950
Provision at the end of the year	<u>98.545</u>	<u>97.950</u>

ii) Contingent Assets and Liabilities;

31 December 2009

As of 31 December 2009, 3 demanding compensation lawsuit is opened against THY Teknik A.Ş. and for this legal case provision of TL 98.545 is provided in the financial statements.

31 December 2008

As of 31 December 2008, 2 demanding compensation lawsuits are opened against THY Teknik A.Ş. and for these legal cases provision of TL 97.950 is provided in the financial statements.

iii) Contingent Liabilities;

31 December 2009

<u>DESCRIPTION</u>	<u>TL AMOUNT</u>
Letters of Guarantee Given	702.305
TOTAL	702.305

31 December 2008

<u>DESCRIPTION</u>	<u>TL AMOUNT</u>
Letters of Guarantee Given	610.460
TOTAL	610.460

iv) Mortgages and guarantees on assets;

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

v) Insurance on asset;

31 December 2009

Type of Assets Insured	Amount	Currency
Buildings and Machinery Plant Equipment	190.923.104	TL
Vehicles	308.933	TL
Insurance of Spare Parts	250.000.000	US Dollar
Other	290.000	TL
Total TL	191.522.037	
Total USD	250.000.000	

31 December 2008

Type of Assets Insured	Amount	Currency
Buildings and Machinery Plant Equipment	138.454.678	TL
Vehicles	243.940	TL
Insurance of Spare Parts	250.000.000	US Dollar
Other	280.000	TL
Total TL	138.978.618	
Total USD	250.000.000	

23. COMMITMENTS

None (31 December 2008: None).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

24. EMPLOYEE BENEFITS

Short term employee benefits are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Salary Accruals	6.382.549	6.127.378
Provision for unused vacation	773.586	3.159.323
	<u>7.156.135</u>	<u>9.286.701</u>

Provision for long term retirement pay liability comprised the following:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Provision for Retirement Pay Liability	18.363.932	13.876.167

Under the Turkish Labor Law, the Company is required to pay employment termination benefits to each employee who has qualified for such payment. Also, employees are entitled to retirement pay provisions subsequent to the completion of their retirement period by gaining a right to receive retirement payments in accordance with the amended Article of 60 the applicable Social Insurance Law No: 506 and the related Decrees No: 2422 and 4447 issued on 6 March 1981 and 25 August 1999, respectively. Some transition provisions related to the pre-retirement service term was excluded from law since the related law was changed as of 23 May 2002.

The amount retirement pay liability consists of one month's salary limited to a maximum of TL 2.365,16 as of 31 December 2009. (2008: TL 2.087,92)

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 31 December 2009, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 11% (2008: 12%) and a discount rate of 4,8% (2008: 5.4%) resulting in a real discount rate of approximately 5.92% (2008: 6.26%). The anticipated rate of forfeitures is considered. The maximum liability is revised semi annually, in Company's Severance Pay Provision calculation, TL 2.427,04 ceiling amount as of 1 January 2010 has been taken into account.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

24. EMPLOYEE BENEFITS (cont'd)

Movement of provision for retirement pay liability is as follows:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Provision at the beginning of the period	13.876.167	7.274.178
Current service costs	4.621.794	6.748.495
Interest costs	820.918	455.499
Payments	(954.947)	(602.005)
Provision at the end of the period	<u>18.363.932</u>	<u>13.876.167</u>

25. RETIREMENT PLANS

None (31 December 2008: None).

26. OTHER ASSETS AND LIABILITIES

Other short term assets are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Advances Given for Orders	3.788.745	4.640.873
Income Accruals	1.840.440	4.281.044
Prepaid Expenses	839.688	643.475
Advances Given to Personnel	69.417	36.958
Deferred VAT	-	275.568
	<u>6.538.290</u>	<u>9.877.918</u>

Other short term liabilities are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Deferred Income	-	330.729
Expense Accruals	721.356	875.341
Other liabilities	53.068	266.412
	<u>774.424</u>	<u>1.472.482</u>

Other non current assets are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Prepayments for Tangible Assets	3.055.485	278.498
Prepaid Expenses	135.349	227.880
	<u>3.190.834</u>	<u>506.378</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

27. SHAREHOLDERS' EQUITY

a) Share Capital / Elimination Adjustments

As of 31 December 2009, the Company's share capital is comprised of 318.000.000 shares issued with par value of 1 TL each. These shares are written to the name. The Company is not included in the registered capital system.

The ownership of the Company's share capital is as follows:

	%	31 December 2009	%	31 December 2008
THY A.O.	100	318.000.000	100	318.000.000
Unpaid Capital		-		(29.675.304)
		<u>318.000.000</u>		<u>288.324.696</u>

b) Reserves

None (31 December 2008: None).

c) Restricted Reserves Assorted from Profit

Restricted reserves assorted from profit consists of legal reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

d) Retained Earnings

Retained earnings consist of extraordinary reserves and other retained earnings.

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



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

27. SHAREHOLDERS' EQUITY (cont'd)

The Company's shareholders' equity items as per year ends are explained below:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Subscribed Capital	318.000.000	288.324.696
Legal Reserves	2.099.288	1.083.311
Extraordinary Reserves	39.886.471	20.582.917
Retained Earnings	14.851.025	994.483
Net Profit for the Year	59.758.812	34.176.073
	<u>434.595.596</u>	<u>345.161.480</u>

e) Distribution of Dividends

In accordance with the Capital Markets Board's (the "Board") Decree issued as of 27 January 2010, in relation to the profit distribution of earnings derived from the operations in 2009, minimum profit distribution is not required for listed companies (December 31, 2008: 20%), and accordingly, profit distribution should be made based on the requirements set out in the Board's Communiqué Serial : IV, No: 27 "Principles of Dividend Advance Distribution of Companies That Are Subject To The Capital Markets Board Regulations", terms of articles of corporations and profit distribution policies publicly disclosed by the companies.

28. SALES AND COST OF SALES

Sales are as follows:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Line Maintenance Income	124.745.634	82.728.697
Aircraft Maintenance Income	193.525.804	176.721.385
Engine Maintenance Income	116.624.462	115.823.683
Component Maintenance Income	85.470.097	58.675.067
Bfe&Retrofit Income	1.025.449	33.353.229
Pool Income	76.515.167	55.728.541
Other	102.297.577	87.041.165
Sales Revenues (Net)	<u>700.204.190</u>	<u>610.071.767</u>
Cost of Sales (-)	(580.096.057)	(536.429.075)
Gross Operating Profit/(Loss)	<u>120.108.133</u>	<u>73.642.692</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

28. SALES AND COST OF SALES (cont'd)

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Equipment Expenses	196.088.581	117.231.645
Staff Expenses	198.076.773	180.193.410
Maintenance Expenses	72.727.981	66.534.348
Depreciation Expenses	48.749.477	82.010.457
Bfe&Retrofit Expenses	1.002.135	32.504.256
Retirement Pay Provision Expense	3.666.847	6.064.114
Other	59.784.263	51.890.845
	<u>580.096.057</u>	<u>536.429.075</u>

29. RESEARCH AND DEVELOPMENT EXPENSES, MARKETING SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Marketing, Selling and Distribution Expenses (-)	5.171.892	3.714.723
General Administrative Expenses (-)	59.251.691	47.269.925
Total Operating Expenses	<u>64.423.583</u>	<u>50.984.648</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

30. EXPENSES BY NATURE

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Sales and Marketing Expenses (-)		
Staff Expenses	3.205.974	2.280.571
Depreciation Expenses	21.429	15.041
Other Expenses	1.944.489	1.419.111
	<u>5.171.892</u>	<u>3.714.723</u>
	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
General Administrative Expenses		
Equipment Expenses	1.960.246	1.652.455
Staff Expenses	27.554.735	24.151.355
Service Expenses	5.357.541	4.000.349
Rent Expenses	1.643.792	1.451.878
Lighting, Heating and Water Expenses	1.361.284	1.245.689
Allowance for Doubtful Receivable Expenses	15.205.362	12.882.283
Depreciation Expenses	4.823.760	958.194
Other Expenses	1.344.971	927.722
	<u>59.251.691</u>	<u>47.269.925</u>
Total Operating Expenses	<u>64.423.583</u>	<u>50.984.648</u>

31. OTHER OPERATING INCOME/ EXPENSES

Other operating income consists of the following:

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Plant Maintenance Income	1.096.397	924.601
Provisions Released	12.636.002	343.956
Other Income	3.428.122	962.702
Total other operating income	<u>17.160.521</u>	<u>2.231.259</u>
	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Commission Expenses	(13.149)	(7.927)
Other	(461.181)	(441.322)
Total other operating expenses	<u>(474.330)</u>	<u>(449.249)</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

32. FINANCIAL INCOME

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Interest Income	841.663	1.645.528
Foreign Exchange Gain	38.999.593	73.545.651
Maturity Difference Income	3.262.946	1.951.873
Discount Interest Income	92.259	-
Cancellation of Discount of the prior period	15.403	-
Total Financial Income	<u>43.211.864</u>	<u>77.143.052</u>

33. FINANCE EXPENSES

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
Foreign Exchange Losses	(37.324.085)	(57.572.211)
Bank Expenses	(13.375)	(12.920)
Retirement Pay Interest Cost	(820.918)	(455.499)
Discount Expenses	(2.534)	(15.403)
Total Financial Expenses	<u>(38.160.912)</u>	<u>(58.056.033)</u>

34. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (31 December 2008: None).

35. TAX ASSETS AND LIABILITIES

Tax liability for the current profit is as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Provision for Corporate Tax Liability	12.740.390	7.673.685
Prepaid Taxes	(10.320.846)	(3.487.876)
Corporate Tax Liability	<u>2.419.544</u>	<u>4.185.809</u>

The Company's tax expense consists of current corporate tax and deferred tax expenses.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

35. TAX ASSETS AND LIABILITIES (cont'd)

Corporate Tax

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

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

The effective rate of tax in 2009 is 20% (2008: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2009 is 20% (2008: 20%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied in between 24 April 2003 – 22 July 2006 is 10% and commencing from 23 July 2006, this rate has been changed to 15% upon the Council of Ministers' Resolution No: 2006/10731. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

35. TAX ASSETS AND LIABILITIES (cont'd)

Investment Incentives

The application of investment incentives is revoked commencing from 1 January 2006. However, companies are allowed to offset their carried forward outstanding allowances as of 31 December 2005 against the 2006, 2007 and 2008's taxable income in cases where they have insufficient taxable profits. Non-deductible investment incentives from the 2008's taxable income cannot be carried forward to following years.

Upon the resolution made by the Constitutional Court on 15 October 2009, the legal arrangement, which proposes to eliminate the vested rights was revoked on the basis of being contradictory to the constitution. Deadline of the investment incentive period is, thereby, ceased as of the reporting date. The related resolution was published in the Official Gazette on 8 January 2010.

	<u>1 January - 31 December 2009</u>	<u>1 January - 31 December 2008</u>
<u>Confirmation of Tax Provision</u>		
Profit from operations before tax	74.722.495	43.056.588
Tax rate of 20%	14.944.499	8.611.318
Effects of Tax		
- revenue that is exempt from taxation	(2.399.933)	(1.805.843)
- non-deductible expenses	2.419.117	2.075.042
Provisions for tax expense in income statement	<u>14.963.683</u>	<u>8.880.517</u>

Deferred tax

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements prepared in accordance with IFRS and its statutory financial statements. Deferred tax assets and liabilities calculated for temporary differences expected to be realized in future are calculated under the liability method.

The deferred tax assets and liabilities as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
Inventories	(8.636.031)	(6.373.452)
Fixed Assets	(1.436.482)	(778.356)
Provision for diminution in value of inventories	2.873.729	2.944.944
Provision for retirement pay	3.672.786	2.775.233
Allowance for doubtful receivables	2.382.426	2.575.627
Other	906.601	842.326
	<u>(236.971)</u>	<u>1.986.322</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

35. TAX ASSETS AND LIABILITIES (cont'd)

	<u>1 January – 31 December 2009</u>	<u>1 January – 31 December 2008</u>
1 January opening value of deferred tax	1.986.322	3.193.154
Deferred tax expense	(2.223.293)	(1.206.832)
Current period deferred tax (liability)/asset	<u>(236.971)</u>	<u>1.986.322</u>

36. EARNINGS PER SHARE

There are not any equity (dilutive equity instruments) that have reducing effects on the earnings per share.

The calculation of weighted average of total shares and earnings per share is as follows:

	<u>1 January – 31 December 2009</u>	<u>1 January – 31 December 2008</u>
Numbers of total outstanding shares (in full)	318.000.000	318.000.000
Number of outstanding shares (in full)	318.000.000	318.000.000
Weighted average number of shares outstanding during the period (in full)	318.000.000	318.000.000
Net profit for the year	59.758.812	34.176.071
Earnings per share (Ykr)	18,79	10,75

37. RELATED PARTY TRANSACTIONS

a) Due to/from Related Parties:

Short-term trade receivables from related parties as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
THY AO	56.409.795	48.633.925
Sun Ekspres	979.778	462.268
Pratt & Whitney	26.705.625	-
Do & Co	616.912	-
	<u>84.712.110</u>	<u>49.096.193</u>

Short-term non-trade receivables from related parties as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
THY AO	132.228	5.219
	<u>132.228</u>	<u>5.219</u>



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

37. RELATED PARTY TRANSACTIONS (cont'd)

Short-term trade payables to related parties as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
THY AO	19.639.083	19.187.273

Short-term non trade payables to related parties as of 31 December 2009 and 2008 are as follows:

	<u>31 December 2009</u>	<u>31 December 2008</u>
THY AO	5.654.773	4.806.431

b) Purchases and Sales from/to Related Parties

	<u>1 January– 31 December 2009</u>	<u>1 January – 31 December 2008</u>
Services rendered to THY A.O.	524.479.322	488.230.310
Services rendered to Sun Express	15.979.403	6.443.943
Services rendered and sales to P&W T.T. Uçak Bakım Merkezi Ltd.Şti.	7.863.429	1.478.608
	<u>548.322.154</u>	<u>496.152.861</u>
	<u>1 January– 31 December 2009</u>	<u>1 January – 31 December 2008</u>
Services received from THY A.O	48.084.162	38.155.961
Services received from Sun Express	176.927	155.476
Services received from P&W T.T.	9.362	-
	<u>48.270.451</u>	<u>38.311.437</u>

c) The total amount of salaries and other benefits provided to key management personnel is TL 950.707 (31 December 2008: TL 765.202).



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximizing its profit and market value through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 8, and equity comprising issued capital, reserves and retained earnings, accumulated losses.

The Board of Directors of the Company periodically reviews the capital structure. During these analyses, the Board assesses the risks associated with each class of capital along with cost of capital. Based on the review of the Board of Directors, the Company aims to balance its overall capital structure through the issue of new debt or the redemption of existing debt.

The overall strategy of the Company remains the same since the year 2008.

(b) Financial Risk Factors

The Company is exposed to the market risk (foreign currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Risk management program of the Company generally focuses on the minimization of potential negative effects of uncertainty on the Company's performance.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

CREDIT RISK OF FINANCIAL INSTRUMENTS

	31 December 2009					Deposits at Banks
	Trade receivables		Receivables			
	Related Party	Third Party	Related Party	Third Party	Third Party	
Maximum credit risk as of balance sheet date (*)	84.712.110	36.295.196	132.228	2.250.094	22.574.372	
The part of maximum risk under guarantee with collateral etc.	-	4.106.407	-	-	-	
A. Net book value of financial assets that are neither past due nor impaired	84.712.110	11.830.167	132.228	2.250.094	22.574.372	
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	
C. Net book value of financial assets that are past due but not impaired	-	24.465.029	-	-	-	
-The part under guarantee with collateral etc.	-	4.106.407	-	-	-	
D. Net book value of impaired assets	-	11.912.130	-	-	-	
-Past due (gross carrying amount)	-	(11.912.130)	-	-	-	
-Impairment(-)	-	-	-	-	-	
-The part of net value under guarantee with collateral etc.	-	1.215.792	-	-	-	
-Not past due (gross carrying amount)	-	(1.215.792)	-	-	-	
-Impairment (-)	-	-	-	-	-	
-The part of net value under guarantee with collateral etc.	-	-	-	-	-	
E. Off-balance sheet items with credit risk	-	-	-	-	-	

(*) The factors that increase in credit reliability such as guarantees received are not considered in the balance.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

Financial Risk Factors (cont'd)

Credit Risk of Financial Instruments

31 December 2008

	Trade receivables			Receivables			Deposits at Banks
	Related Party	Third Party	Third Party	Related Party	Third Party	Third Party	
Maximum credit risk as of balance sheet date (*)	49.096.193	23.203.338	23.203.338	5.219	6.385.135	6.385.135	46.078.999
The part of maximum risk under guarantee with collateral etc.	-	1.662.903	1.662.903	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	47.212.207	9.865.431	9.865.431	5.219	6.385.135	6.385.135	46.078.999
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired as past due or impaired	1.883.986	11.891.039	11.891.039	-	-	-	-
C. Net book value of financial assets that are past due but not impaired	-	1.446.868	1.446.868	-	-	-	-
-The part under guarantee with collateral etc.	-	1.446.868	1.446.868	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
-Past due (gross carrying amount)	-	11.080.301	11.080.301	-	-	-	-
-Impairment(-)	-	(11.080.301)	(11.080.301)	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
-Not past due (gross carrying amount)	-	1.836.750	1.836.750	-	-	-	-
-Impairment (-)	-	(1.836.750)	(1.836.750)	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-
(*) The factors that increase in credit reliability such as guarantees received are not considered in the balance.	-	-	-	-	-	-	-

Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

b.1) Credit risk management(cont'd)

The risk of financial loss of the Company due to one of the financial instrument parties not meeting the requirements of the agreement is defined as credit risk.

The Company's credit risk is basically related to its receivables. The balance shown in the balance sheet is formed by the net amount after deducting the doubtful receivables arisen from the Company management's forecasts based on its previous experience and current economical conditions. Because there are so many customers, the Company's credit risk is dispersed and there is not important credit risk concentration.

The Company's aging of past due receivables as of 31 December 2009 and 31 December 2008 are as follows:

Current Period	Receivables				
	Trade Receivables	Other Receivables	Deposits in Banks	Derivative Instruments	Other
Past due 1-30 days	6.166.793	-	-	-	-
Past due 1-3 months	13.222.341	-	-	-	-
Past due 3-12 months	11.611.926	-	-	-	-
Past due 1-5 years	5.376.099	-	-	-	-
Past due more than 5 years	-	-	-	-	-
The part under guarantee with collateral	(4.106.407)	-	-	-	-

Prior Period	Receivables				
	Trade Receivables	Other Receivables	Deposits in Banks	Derivative Instruments	Other
Past due 1-30 days	5.168.193	-	-	-	-
Past due 1-3 months	4.291.451	-	-	-	-
Past due 3-12 months	4.903.955	-	-	-	-
Past due 1-5 years	-	-	-	-	-
Past due more than 5 years	-	-	-	-	-
The part under guarantee with collateral	(1.446.868)	-	-	-	-



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

b.1) Credit risk management(cont'd)

As of balance sheet date, total amount of cash collateral and letter of guarantee which received by the Company for past due not impaired receivable was TL 4.106.457 (31 December 2008: TL 1.446.868).

As of balance sheet date, the Company has no guarantee for past due receivables for which provisions were recognized.

b.2)Liquidity risk management

The main responsibility of liquidity risk management rests upon Board of Directors. The Board built an appropriate risk management for short, medium and long term funding and liquidity necessities of the Company management. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables below demonstrate the maturity distribution of nonderivative financial liabilities. The tables below are prepared based on the earliest date on which the Company can be required to pay. The interests that will be paid on the future liabilities are included in the related maturities. The adjustment column shows the item which causes possible cash flow in the future periods. The item in question is included in the maturity analysis and is not included balance sheet amount of financial liabilities in the balance sheet.

The Company manages liquidity risk by keeping under control estimated and actual cash flows and by maintaining adequate funds and borrowing reserves through matching the maturities of financial assets and liabilities.



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

b.2) Liquidity risk management (cont'd)

Liquidity Risk Table

31.12.2009

Due Date on Agreement	Book Value	Total Cash Outflow According to Contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non Derivative Financial Liabilities	71.256.362	71.348.620	71.308.169	40.451		
<i>Financial Borrowings</i>	40.451	40.451	-	40.451	-	-
<i>Trade Payables</i>	49.782.220	49.874.478	49.874.478	-	-	-
<i>Other Financial Liabilities</i>	21.433.691	21.433.691	21.433.691	-	-	-

31.12.2008

Due Date on Agreement	Book Value	Total Cash Outflow According to Contract	Less than 3 months	3-12 months	1-5 years	More than 5 years
Non Derivative Financial Liabilities	70.722.059	70.722.059	70.643.341	55.649	23.069	
<i>Financial Borrowings</i>	78.718	78.718	-	55.649	23.069	-
<i>Trade Payables</i>	51.554.956	51.554.956	51.554.956	-	-	-
<i>Other Financial Liabilities</i>	19.088.385	19.088.385	19.088.385	-	-	-

b.3) Market risk management

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures of the Company are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

b.3.1) Foreign currency risk management

Transactions in foreign currencies expose the Company to foreign currency risk. The Company's foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

b.3) Market risk management (cont'd)

b.3.1) Foreign currency risk management

	Foreign Currency Position Table								
	Current Period			Prior Period					
	TL Equivalent	USD	Euro	TL Equivalent	USD	Euro			
1. Trade Receivables	108.653.067	104.899.637	3.762.729	-	70.086.101	67.756.613	2.694.044	34.727	717
2a. Monetary Financial Assets	21.604.790	21.386.958	163.263	-	41.175.766	41.098.124	45.862	31.849	-
2b. Non Monetary Financial Assets	-	-	-	-	-	-	-	-	-
3. Other	4.660.702	4.464.985	143.712	10.769	5.950.198	2.684.708	1.600.471	124.223	1.350.797
4. Total Current Assets (1+2+3)	134.920.559	130.721.580	4.069.704	10.769	117.212.065	111.139.445	4.540.317	206.796	1.331.514
5. Trade Receivables	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-
6b. Non Monetary Financial Assets	-	-	-	-	-	-	-	-	-
7. Other	3.064.099	2.188.213	-	-	-	-	-	-	-
8. Total Non Current Assets (5+6+7)	3.064.099	2.188.213	-	-	-	-	-	-	-
9. Total Assets (4+8)	137.984.658	132.909.793	4.069.704	10.769	117.212.065	111.139.445	4.540.317	206.796	1.331.514
10. Trade Payables	(38.477.970)	(32.499.207)	(5.643.513)	(94.390)	(37.103.413)	(29.894.851)	(7.101.310)	(96.076)	(11.178)
11. Financial Liabilities	(22.968)	(22.968)	-	-	(55.649)	(55.649)	-	-	-
12a. Other Monetary Liabilities	(7.259.568)	(6.976.215)	(99.080)	(123.183)	(6.115.965)	(5.635.759)	(447.219)	(3.986)	(9.001)
12b. Other Non Monetary Liabilities	-	-	29.214	-	-	-	-	-	-
13. Total Current Liabilities (10+11+12)	(45.760.506)	(39.498.489)	(5.712.599)	(217.573)	(43.278.029)	(35.606.259)	(7.548.529)	(100.062)	(20.179)
14. Trade Payables	-	-	-	-	-	-	-	-	-
15. Financial Liabilities	-	-	-	-	-	-	-	-	-
16a. Other Monetary Liabilities	-	-	-	-	(23.069)	(23.069)	-	-	-
16b. Other Non Monetary Liabilities	-	-	-	-	-	-	-	-	-
17. Total Non Current Liabilities (14+15+16)	-	-	-	-	(23.069)	(23.069)	-	-	-
18. Total Liabilities (13+17)	(45.760.506)	(39.498.489)	(5.712.599)	(217.573)	(43.298.098)	(35.629.328)	(7.548.529)	(100.062)	(20.179)
19. Net asset / (Liability) position of Off-Balance Sheet Derivatives (19a-19b)	-	-	-	-	-	-	-	-	-
19a. Off-balance sheet foreign currency derivative assets	-	-	-	-	-	-	-	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-	-	-	-	-	-
20. Net Foreign Currency Asset / (Liability) Position (8-18-19)	92.224.152	93.420.307	(1.672.889)	683.538	73.913.968	75.510.116	(3.608.212)	100.728	1.311.335
21. Net Foreign Currency Asset / (Liability) Position of Monetary Items (1+2a+5+6a-10-11-12a-13a-16a)	84.499.351	86.767.109	(1.816.601)	(233.584)	(217.573)	67.963.376	72.325.409	(4.808.683)	(19.452)
22. Experts	65.892.694	-	-	-	68.212.060	-	-	-	-
24. Imports	198.898.994	-	-	-	279.214.591	-	-	-	-

Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

b.3.1) Foreign currency risk management (cont'd)

Foreign currency sensitivity

The Company is exposed to foreign currency rate risk due to US Dollar and Euro exchange rate fluctuations. The following table details the Company's sensitivity to a 10% increase and decrease in US Dollar and Euro exchange rates. 10% is used in the reporting of currency risk to the key management and it represents the management's expectation on the potential exchange currency fluctuations. Sensitivity analysis can only be made on the year-end outstanding foreign currency denominated monetary items and it shows the year-end effects of the 10% of exchange currency fluctuation on the related items. The analysis includes foreign loans as well as loans that are denominated other than the creditors' functional currency and used for the Company's foreign operations. Positive value represents an increase in profit/loss and other equity items.

Foreign Currency Sensitivity Analysis Table		
Current Period		
	Profit / (Loss)	
	Foreign Currency Appreciated	Foreign Currency Devaluated
In the event of 10% change in US Dollar against TL;		
1- US Dollar Net Asset / Liability	6.941.369	(6.941.369)
2- Part of Hedged from US Dollar Risk (-)	-	-
3- US Dollar Net Effect (1+2)	6.941.369	(6.941.369)
In the event of 10% change in Euro against TL;		
4- Euro Net Asset / Liability	(145.328)	145.328
5- Part of Hedged from Euro Risk (-)	-	-
6- Euro Net Effect (4+5)	(145.328)	145.328
TOTAL	6.796.091	(6.796.091)



Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

38. NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(b) Financial Risk Factors (cont'd)

b.3.1) Foreign currency risk management (cont'd)

Foreign currency sensitivity (cont'd)

	Prior Period	
	Foreign Currency Appreciated	Foreign Currency Appreciated
ABD Dolarının TL Karşısında % 10 değer değişimi halinde;		
1- US Dollar Net Asset / Liability	5.826.033	(5.826.033)
2- Part of Hedged from US Dollar Risk (-)		
3- US Dollar Net Effect (1+2)	5.826.033	(5.826.033)
Avro' nun TL Karşısında % 10 değer değişimi halinde;		
4- Euro Net Asset / Liability	(384.695)	384.695
5- Part of Hedged from Euro Risk (-)		
6- Euro Net Effect (4+5)	(384.695)	384.695
TOTAL	5.441.338	(5.441.338)

Turkish Technic Inc. Notes To Financial Statements For The Year Ended 31 December 2009

(Amounts expressed in Turkish Lira ("TL") unless otherwise stated.)

39. FINANCIAL INSTRUMENTS (cont'd)

Categories and fair value of financial instruments

<u>31 December 2009</u>	<u>Loans and receivables</u>	<u>Financial liabilities at amortized cost</u>	<u>Carrying Value (*)</u>	<u>Note</u>
<u>Financial assets</u>				
Cash and cash equivalents	22.574.372	-	22.574.372	6
Trade receivables	121.007.306	-	121.007.306	10
Other receivables	2.382.322	-	2.382.322	11
<u>Financial liabilities</u>				
Borrowings	-	40.451	40.451	8
Trade payables	-	49.782.220	49.782.220	10
Non-trade payables to related parties	-	5.654.773	5.654.773	11
<u>31 December 2008</u>	<u>Loans and receivables</u>	<u>Financial liabilities at amortized cost</u>	<u>Carrying Value (*)</u>	<u>Note</u>
<u>Financial assets</u>				
Cash and cash equivalents	46.078.999	-	46.078.999	6
Trade receivables	72.299.531	-	72.299.531	10
Other receivables	6.390.354	-	6.390.354	11
<u>Financial liabilities</u>				
Borrowings	-	78.718	78.718	8
Trade payables	-	51.554.956	51.554.956	10
Non-trade payables to related parties	-	4.806.831	4.806.831	11

(*) Company assumes that the carrying values of financial assets reflect fair value

40. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

In the General Assembly meeting on 10 February 2010, it was decided to increase the share capital of Pratt &Whitney Thy Teknik Uçak Motor Bakım Merkezi Ltd.Şti. from TL 52.227.500 to TL 135.010.000. As to the decision, TL 22.526.692,99 is met by cash and TL 18.036.732,01 is met by capital in kind from the total subscribed capital of Türk Hava Yolları Teknik A.Ş. amounted TL 40.563.425.

TL 42.219.075 part of the Share of United Technologies International Corporation is subscribed and and paid in cash as of date of registration.

Related decision is registered on 22.02.2010 and published at Trade Register Gazette numbered 7511 dated 01.03.2010.





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