TÜRK HAVA YOLLARI TEKNİK

ANONİM ŞİRKETİ

Financial Statements

and Independent Auditor's Report

For the Year Ended December 31, 2008

TÜRK HAVA YOLLARI TEKNİK ANONİM ŞİRKETİ
CONTENTS OF THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008
(Series: XI No: 29)

CONTENTS

INDEPENTED AUDITOR'S REPORT

To The Board of Directors of
Türk Hava Yolları Teknik Anonim Şirketi;

We have audited the accompanying financial statements of **Türk Hava Yolları Teknik Anonim Şirketi** ("the Company"), which comprise the balance sheets as of December 31, 2008 and the income statements, statements of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of Management in Accordance with Financial Statements

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

Responsibility of Independent Auditing Firm

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Türk Hava Yolları Teknik Anonim Şirketi** as of December 31, 2008 and of its financial performance and its cash flows for the year then ended in accordance with financial reporting standards published by Capital Market Board (CMB).

İstanbul, March 19, 2009

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

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

Dr. Hakkı DEDE
Certified Public Accountant

TÜRK HAVA YOLLARI TEKNİK A.Ş.
BALANCE SHEETS AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007

(Currency- In Turkish Lira Unless Stated Otherwise.)

ASSETS	Note	Audited December 31, 2008	Audited December 31, 2007
Current Assets		**408.244.100**	**377.501.470**
Cash and Cash Equivalents	6	46.078.999	38.657.984
Financial Investments	7	-	-
Trade Receivables	10,37	72.299.531	57.956.090
Receivables from Financial Operations	12	-	-
Other Receivables	11,37	6.390.354	2.010.866
Inventories	13	273.318.800	273.381.000
Biological Assets	14	-	-
Other Current Assets	26	10.156.416	5.495.530
Non-Current Assets		**35.810.177**	**22.879.880**
Trade Receivables	10	-	-
Receivables from Financial Operations	12	-	-
Other Receivables	11	-	-
Financial Investments	7	4.236.050	-
Assets Evaluated by Equity Method	16	-	-
Biological Assets	14	-	-
Investment Property	17	-	-
Tangible Assets	18	30.165.471	19.942.642
Intangible Assets	19	413.310	67.101
Goodwill	20	-	-
Deferred Tax Assets	35	767.466	2.544.815
Other Non-Current Assets	26	227.880	325.322
TOTAL ASSETS		**444.054.277**	**400.381.350**

The accompanying policies and explanatory notes are an integral part of the financial statements.

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

TÜRK HAVA YOLLARI TEKNİK A.Ş.
BALANCE SHEETS AS OF DECEMBER 31, 2008 AND DECEMBER 31, 2007

(Currency- In Turkish Lira Unless Stated Otherwise.)

	Note	Audited December 31, 2008	Audited December 31, 2007
LIABILITIES			
Short-Term Liabilities		**82.582.609**	**79.528.404**
Financial Liabilities	8	55.649	-
Other Financial Liabilities	9	-	-
Trade Payables	10,37	51.554.956	58.032.178
Other Payables	11,37	19.088.385	13.488.972
Government Grant and Assistance	21	-	-
Tax Provision	35	4.185.809	2.059.488
Provisions	22	97.950	-
Other Short-Term Liabilities	26	7.599.860	5.947.766
Liabilities Regarding Fixed Assets Held for Sale Purposes	34	-	-
Long-Term Liabilities		**10.964.273**	**7.274.178**
Financial Liabilities	8	23.069	-
Other Financial Liabilities	9	-	-
Trade Payables	10	-	-
Other Payables	11	-	-
Payables to Financial Operations	12	-	-
Government Grants and Assistance	21	-	-
Provisions	22	-	-
Provisions for Termination Indemnity	24	10.941.204	7.274.178
Deferred Tax Liabilities	35	-	-
Other Lon-Term Liabilities	26	-	-
			-
SHAREHOLDERS' EQUITY			
Parent Company Shareholders' Equity	27	**350.507.395**	**313.578.768**
Paid in Capital		288.324.696	288.324.696
Adjustment Regarding to Share Capital of Participants (-)		-	-
Share Premium		-	-
Revaluation Fund Reserve		6.957.915	6.957.915
Foreign Currency Translation Differences		-	-
Limited Reserves from Profit		1.083.311	1.055.200
Retained Earnings		17.212.846	22.959.960
Net Profit/(Loss) for the period		36.928.627	(5.719.003)
Minority Interest		-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**444.054.277**	**400.381.350**

The accompanying policies and explanatory notes are an integral part of the financial statements.

TÜRK HAVA YOLLARI TEKNİK A.Ş.
INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

(Currency- In Turkish Lira Unless Stated Otherwise.)

	Note	Audited January 01- December 31, 2008	Audited January 01- December 31, 2007
OPERATING INCOME			
Sales	28	615.219.281	593.130.196
Cost of Sales (-)	28	(530.783.431)	(564.252.815)
GROSS OPERATING PROFIT/(LOSS) FROM TRADE OPERATIONS		**84.435.850**	**28.877.381**
Interest, Wage, Premium, Commision and Other Revenues		-	-
Interest, Wage, Premium, Commision and Other Exp. (-)		-	-
Gross Profit /(Loss) From Financial Operations		-	-
GROSS OPERATING PROFIT / (LOSS)		**84.435.850**	**28.877.381**
Marketing, Selling and Distribution Expenses (-)	29	(3.714.723)	(2.454.779)
General Administration Expenses (-)	29	(34.289.693)	(28.341.665)
Research and Development Expenses (-)	29	-	-
Other Operational Revenues	31	17.899.690	9.004.149
Other Operational Expenses (-)	31	(37.081.214)	(12.443.270)
OPERATING PROFIT / (LOSS)		**27.249.910**	**(5.358.184)**
The Profit / (Loss) Investments Evaluated according to Equity Method		-	-
Financial Income	32	77.143.050	29.621.309
Financial Expenses (-)	33	(58.013.299)	(31.369.481)
CONTINUED OPERATING PROFIT BEFORE TAXATION		**46.379.661**	**(7.106.356)**
Continued Operating Tax Income / (Expense)		**(9.451.034)**	**1.387.353**
- Tax Expense For the Period		(7.673.685)	(2.583.251)
- Deferred Tax Income / (Expense)	35	(1.777.349)	3.970.604
CONTINUED OPERATING PROFIT / (LOSS)		**36.928.627**	**(5.719.003)**
PROFIT / (LOSS) FOR THE PERIOD		**36.928.627**	**(5.719.003)**
Distrubutions of Net Period Profit / (Loss)		-	-
Minortiy Interest		-	-
Parent Company Share		**36.928.627**	**(5.719.003)**
Profit / (Loss) Per Share (Ykr)	36	**11,61**	**(1,80)**

The accompanying policies and explanatory notes are an integral part of the financial statements.

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

TÜRK HAVA YOLLARI TEKNİK A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007
(Currency- In Turkish Lira Unless Stated Otherwise.)

	Note	Share Capital	Adgustment Regarding to Share Capital of Participants (-)	Issue Premiums	Revaluation Fund Reserve	Foreign Currency Translation Differences	Limited Reserves from Profit	Retained Earnings	Net Profit / (Loss) for the Period	Total Shareholders' Equity
ecember 31, 2006		288.324.696	-	-	6.957.915		-	-	24.015.160	319.297.771
ransfers	27	-	-	-	-	-	-	24.015.160	(24.015.160)	-
ransfers to Reserves	27	-	-	-	-	-	1.055.200	(1.055.200)	-	-
apital Increase		-	-	-	-	-	-	-	-	-
urrent Period Profit	27	-	-	-	-	-	-	-	(5.719.003)	(5.719.003)
ecember 31, 2007		288.324.696	-	-	6.957.915		1.055.200	22.959.960	(5.719.003)	313.578.768
ransfers	27	-	-	-	-			(5.719.003)	5.719.003	-
ransfers to Reserves	27	-	-	-	-	-	28.111	(28.111)	-	-
apital In[illegible]e		-	-	-	-		-	-	-	-
urr[illegible] Profit	27	-	-	-	-		-		36.928.627	36.928.627
[illegible] 2008		288.324.696	-	-	6.957.915		1.083.311	17.212.846	36.928.627	350.507.395

The accompanying policies and explanatory notes are an integral part of the financial statements.

CASH FLOW STATEMENT

	Audited December 31, 2008	Audited December 31, 2007
CASH FLOW PROVIDED FROM OPERATING		
Net Profit / (Loss) for the Period	36.928.627	(5.719.003)
Adjustments to Reach the Cash Flow used in Operations:		
Depreciations	82.983.692	102.507.555
Change in Provision for Termination Indemnities	3.667.026	5.278.700
Change in Rediscount for Income	-	-
Loss in Sale of Fixed Assets	18.450.789	-
Increase in Provision for Stock in Value	3.879.210	5.934.820
Interest Expenses	-	-
Rediscount Expenses	15.403	-
Leasing Foreign Currency Income / (Loss)	-	-
Increase in Provision for Doubtful Receivables	12.534.540	273.981
Operating Profit before Changes in Working Capital	**158.459.287**	**108.276.053**
Change in Trade Receivables	(26.407.091)	4.023.649
Change in Short-Term and Long-Term Trade Receivables Due From Related Parties	(2.154.187)	(12.035.973)
Change in Other Short-Term and Long-Term Receivables	(4.379.488)	-
Change in Inventories	(99.425.012)	(79.983.208)
Change in Other Current Assets	(2.992.991)	(117.638)
Change in Other Non-Current Assets	97.443	(325.322)
Change in Trade Payables	(6.270.410)	2.018.908
Change in Trade Receivables Due to Related Parties	-	18.782.702
Change in Advances Received	-	336.029
Change in Short-Term Provisions	2.705.425	(3.274.597)
Change in Other Short-Term and Log-Term Liabilities	8.340.888	(2.644.499)
Retirement Benefits Paid	-	-
Interest Payments	-	-
Taxes Paid in Advance	-	-
CASH FLOW RELATING TO OPERATING ACTIVITIES	**27.973.864**	**35.056.104**
NET CASH USED IN INVESTMENT OPERATING		
Net Value of Tangible and Intangible Assets Disposals	-	36.700
Tangible Assets Purchases	(16.395.517)	(11.190.126)
Change in Financial Investments	(4.236.050)	-
Net Cash Used in Investment Operations	**(20.631.567)**	**(11.153.426)**
CASH FLOW RELATING TO FINANCIAL ACTIVITIES		
Capital Increase	-	-
Change in Financial Liabilities	78.718	-
Change in Other Financial Liabilities	-	-
Net Cash Used in Financial Activities	**78.718**	**-**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**7.421.015**	**23.902.678**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**38.657.984**	**14.755.306**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**46.078.999**	**38.657.984**

1 ORGANIZATION AND BUSINESS SEGMENTS

Türk Hava Yolları Teknik A.Ş ("Company") has been established in 23.05.2006, with the purpose to bring the company to an important technical maintenance base in the area in air transport arena and provide maintenance and repair services to civil aviation sector and every kind of technical and infrastructural assistance related with the airlines sector.

Türk Hava Yolları Anonim Ortaklığı (THY A.O.), has decided to establish a company with the corporate name THY Teknik A.Ş. taking successful practices in the international sector into consideration by placing capital in kind amounting to at most 15 % of the assets of THY A.O. as of March 31, 2006 and based on the registered values on the uniform balance sheet of THY A.O. also as of March 31, 2006.

As of December 31, 2008 the total number of the employees in the company is 2.552. (December 31, 2007: 2.498)

	31.12.2008	**31.12.2007**
Administrative Personnel	605	605
Production Personnel	1.947	1.893
Total	**2.552**	**2.498**

As of December 31, 2008 the average number of the employees in the company is 2.539. (December 31, 2007: 2.537)

The company is registered in Turkey and the official address of the company is as follows:
"İstanbul Bakırköy-Yeşilköy Atatürk Havalimanı B Kapısı".

2 PRINCIPLES RELATED TO THE PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 Accounting Standarts

The Company maintains its books of account and prepares its statuatory financial statements in accordance with accounting principles issued by the Turkish Commercial Code ("TCC") and tax legislation.

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

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

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

	Renewed for Communiqué Serial: XI No:29	Pre-reported for Communiqué Serial: XI No:25
December 31, 2007 Total Assets	*400.905.113*	*400.381.350*
December 31, 2007 Shareholders' Equity	*313.578.768*	*313.578.768*
December 31, 2007 Net Profit	*(5.719.003)*	*(5.719.003)*

Some classification changes were made in the income statement as of December 31, 2007. The important classification in balance sheet and income statment are as follows:

Advances in stocks are classified in other current assets and deposits and guarantees givens are classified in other receivables. As of December 31, 2007 rediscount expenses and income, and cancellation of previous period's rediscount expense and income, foreign exchange gain and loss, interest cost eliminated the sales and purchases, other interest income and expense in other operating income and expense are stated in financial income and expenses. Prepaid taxes are deducted from provision for tax.

The subsidiary excluded from the consolidation scope information is as follows:

Associate	% Of Ownership	TL Amount of Ownership	Profit/Loss for the Period (31.12.2008)
P&W T.T. Uçak Bakım Merkezi Ltd.Şti.(*)	49	4.236.050	(938.223)
Total Subsidiary Amount	49	**4.236.050**	**(938.223)**

(*) P&W T.T. Uçak Bakım Merkezi Ltd.Şti. has not been taken into consolidation due the company operations has not started fully and does not create funds and do not effect the consolidated financial statements materially.

2.02 Dealing with the Inflation Effects in Hyper-Inflationary Periods

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

2.03 Changes in Accounting Policies

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

2.04 Changes in Accounting Estimates and Errors

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

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

The following rates, determined in accordance with the useful lives of the components and repairables, are used in calculation of depreciation:

Type	Former Economic Life	New Economic Life
Components	4-5-8-10	7
Repairable Replacements (R Material)	2-3	7
Repairable Replacements (X Material)	2-3	3

2.05 Summary of Significant Accounting Policies

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

2.05.01 Income

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

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

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

Interest revenue is accured on a time basis, by reference to the principal outstanding and at the effective interest rate applicaple, which is the rate that discounts the estimated future cash receipts through the exğected 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 discouting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The differences between the fair value and the nominal value is recorded as interest income according to the accrual basis.

The Company provides maintenance and repair services to civil aviation sector and every kind of technical and infrastructural assistance related with the airlines sector. Incomes are recorded according to accrual basis.

2.05.02 Inventories

Inventories are stated either at the lower of acquisition cost or net realizable value. The cost basis of the inventories includes; the acquisition cost, conversion costs, and the costs incurred to bring the inventories to their existing status.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued using the monthly weighted average method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make a sale.

The following rates, determined in accordance with the useful lives of the components and repairable, are used in calculation of depreciation:

	Economic Life (year)
- Components	7
- Repairable Replacements (R Material)	7
- Repairable Replacements (X Material)	3

2.5.03 Tangible Fixed Assets

Fixed assets are reflected to the financial statements by deducting their accumulated depreciation from their acquisition values as of December 31, 2008. Depreciation is calculated for all of the categories by straight-line method based on useful life.

Useful lives of fixed assets are as fallows:

	Useful Lives (years)
- Machinery, Plant and Equipment	3-15
- Furniture and Fixtures	4-15
- Motor Vehicles	4-7
- Other Tangible Fixed Assets	4-15
-Leasehold Improvements	5

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

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

2.05.04 Intangible Assets

Intangible assets consist of computer software and other intangible assets. These are recorded with the acquisition cost as of December 31, 2008 and the other intangible assets are amortized with straight line method based on their useful lives.

2.05.05 Impairment of Assets

The carrying value of non-current assets comprising tangible and intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If the recoverable amount of an asset is below its carrying amount, impairment loss is recognized by making provision.

2.05.06 Financial Instruments

The company determines the appraised fair values of the financial instruments using the current market information and appropriate evaluation methods. However; by appraisal of fair value, interpretation of market information is required. According to this, the presented appraisals in this report may not show the amounts, which can be obtained by the company regarding the current market conditions in case the company's assets are disposed.

Fair values of some of the financial assets are considered to be equal to their cost values due to their short-term nature.

The most significant financial assets of the company are cash and cash equivalents, trade receivables, receivables from related parties, and assets ready for sale.

It is estimated that the book values of the trade receivables and receivables from related parties are approximately equal to their market values after the provisions for uncollectible receivables are subtracted and the receivables are rediscounted.

It is estimated that the book values of the trade payables and payables to related parties are approximately equal to their market values after the payables are rediscounted.

Financial expenses are accounted for using the accrual principle. They are followed under other expense accruals if not paid in the related period. The trade and other payables and payables to affiliates are presented with their nominal values which are considered to be approximate to the market values.

Price Risk

- Foreign Exchange Rate Risk

The company is exposed to foreign exchange rate risk as a result of the The Company's foreign currency receivables exceeds foreign currency liabilities in the downward trend in the period.

- Interest Risk

The company is exposed to interest risk as a result of the assets and liabilities which bear interest.

- Market Risk

The Company invests in treasury bills under short term reverse repurchase agreements or deposits to banks on a daily basis. Fair values of this kind of investments fluctuate depending on market conditions.

(i) Financial Assets

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

Other financial assets are classified as "financial assets, whose fair value differences are reflected to the profit or loss", "financial assets held to the maturity", "financial assets available for-sale" and "loans and receivables".

(ii) Prevailing Interest Method

Prevailing interest method is the valuation of financial asset with their amortized cost and allocation of interest income to the relevant period. Prevailing interest rate is that discounts the estimated cash flow for the expected life of financial instrument or where appropriate a shorter period.

Income related to financial assets, except the "financial assets, whose fair value differences are reflected to the profit or loss", is calculated by using the prevailing interest rate.

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

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

b) Financial Assets Which Will Be Held to the Maturity

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

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YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

c) *Loans and Receivables*

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

Impairment of Financial Assets

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

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

Cash and Cash Equivalents

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

(ii) Financial Liabilities

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

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

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

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

b) Other Financial Liabilities

Other financial liabilities are initially determined with their fair value, after deducting the transaction costs.

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

Prevailing interest method is used to calculate the amortized costs of a financial liability and to allocate the interest expense over the relevant period. Prevailing interest rate is that discounts the estimated cash flow for the expected life of financial instrument or where appropriate, a shorter period.

(iii) Derivative Financial Instruments

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

2.05.07 Effects of Currency Fluctuations

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

Average exchange rates and exchange rates of USD for the periods ended are as follows;

	End of Period Rate	Avarage Rate
December 31, 2008	1,5123	1,2976
December 31, 2007	1,1647	1,3003
December 31, 2006	1,4056	1,4297

Average exchange rates and exchange rates of EURO for the periods ended are as follows;

	End of Period Rate	Avarage Rate
December 31, 2008	2,1408	1,8969
December 31, 2007	1,7102	1,7773
December 31, 2006	1,8515	1,8032

2.05.08 Earnings per Share

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

2.05.09 Subsequent Events

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

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

2.05.10 Provisions, Contingent Liabilities and Assets

A provision shall be recognized when an entity has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and reliable estimate can be made of the amount of the obligation.

The assets and liabilities which can be confirmed according to eventuation of one or more issues which are not fully in control of the company and which arise from previous transactions are not presented in the financial statements and they are determined as contingent liabilities and assets.

2.05.11 Related Party Disclosures

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

2.05.12 Taxation and Deferred Tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The 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 used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

Current and deferred tax for the period

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

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

Offsetting in Taxation

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

2.05.13 Retirement Pay Provision

According to Turkish Labor Law, employee termination benefits are reflected to financial tables when the termination indemnities are deserved. Termination indemnity liability is reflected to the financial statements with the amount calculated for value at balance sheet date of lump pension in the next years by discounting by adequate interest rate. Interest cost added to the lump pension expense is shown as interest expense in the results of operations.

2.05.14 Cash Flow Statement

The Company prepares cash flows as an integral part of the consolidated financial statements to provide information about the change in net assets and financial structure of the Company and the ability of the Company to manage the amount and timing of cash flows according to changing circumstances.

2.05.15. Government Grants and Assistance

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

2.05.16 Investment Property

Company does not have any investment property.

2.06 Comparative Presentation and Adjustment of Prior Period Financial Statements

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

2.07 Offsetting

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

3 BUSINESS COMBINATIONS

Business combination is a transaction or event in which an acquirer obtains control of one or more businesses. There are not any business combinations in the current period.

4 BUSINESS ASSOCIATIONS

The standard is applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of venturers and investors. Joint ventures take many different forms and structures. This Standard identifies three broad types—jointly controlled operations, jointly controlled assets and jointly controlled entities—that are commonly described as, and meet the definition of, joint ventures. The main issues defined in this standard consist of determination of existence of joint control, determination of types of joint ventures and recognition of interest in a joint venture using proportionate consolidation method or the equity method.

5 REPORTING FINANCIAL INFORMATION BY SEGMENTS

None. (December 31, 2007: None)

6 CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the company as of December 31, 2008 and December 31, 2007 are as follows:

	Dec 31, 2008	Dec 31, 2007
Banks	743.281	627.782
Banks (time deposit)	45.335.718	38.030.202
	46.078.999	**38.657.984**

There are no blocked deposits. (December 31, 2007: None)

Time deposits of the Company are as follows:

Amount	Currency	Beginning	Interest Rate	Due Date	Dec 31, 2008
24.952.534	USD	15/31.12.2008	%2,60 - %6,35	02/19.01.2008	37.735.718
7.600.000	TL	31.12.2008	%18	13.01.2008	7.600.000
					45.335.718

Amount	Currency	Beginning	Interest Rate	Due Date	Dec 31, 2007
6.700.000	TL	27.12.2007-31.12.2007	%18	11.01.2008	6.700.000
26.899.804	USD	03.12.2007-31.12.2007	%4,20 - %5,80	02.01.2008-28.01.2007	31.330.202
					38.030.202

7 FINANCIAL INVESTMENTS

	Dec 31, 2008	Dec 31, 2007
P&W T.T. Uçak Bakım Merkezi Ltd.Şti.	4.236.050	-
	4.236.050	-

8 FINANCIAL PAYABLES

Financial payables of the Company as of December 31, 2008 are as follows;

	Dec 31, 2008	Dec 31, 2007
Short-Term	55.649	-
Long-Term	23.069	-
	78.718	-

Short term financial payables of the company as of December 31, 2008 are as follows;

Bank	Due Date	Original Currency	Accrual of Interest	TL
Garanti Kredi Kartı	-	9.150 TL	-	9.150
Garanti Kredi Kartı	-	239 USD	-	362
Turkiye Teknoloji Gelistirme Proje Destekleme Vakfı	June 30, 2009 – December 31, 2009	30.508 USD	-	46.137
				55.649

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Long term financial payables of the company as of December 31, 2008 are as follows;

Bank	Due Date	Original Currency	Accrual of Interest	TL
Turkiye Teknoloji Gelistirme Proje Destekleme Vakfi	June 30, 2010	15.254 USD	-	23.069
				23.069

9 OTHER FINANCIAL LIABILITIES

None (December 31, 2007: None)

10 TRADE RECEIVABLES AND PAYABLES (NET)

Short Term Trade Receivables are as follows;

	Dec 31, 2008	Dec 31, 2007
Trade Receivables	68.769.564	57.841.894
THY A.O. Trade Receivables	*48.633.925*	*48.036.598*
Sun Ekspress	*462.268*	*573.302*
Other Trade Receivables	*19.673.371*	*9.231.994*
Credit Note Receivables	218.310	114.196
Notes Receivable	3.327.060	-
Rediscount on Notes Receivable (-)	(15.403)	-
Doubtful Receivables	12.917.051	382.511
Provision for Doubtful Receivables (-)	(12.917.051)	(382.511)
	72.299.531	**57.956.090**

Changes in Provision for Doubtful Receivables for the periods ended December 31, 2008 and December 31, 2007 are as follows;

	Dec 31, 2008	Dec 31, 2007
Provisions at the beginning of the period	382.511	108.530
Current Period Expense	12.878.135	273.981
Receivables Recovered	(343.595)	-
Receivables written off	-	-
Provisions at the end of the period	**12.917.051**	**382.511**

There are no long term trade receivables for the periods.

Guarantees Received For Receivables

Letter of Guarantees Received for Trade Receivables amount is USD 1.210.000 , EURO 115.000 and TL 40.000.

ACCOUNT NAME	AMOUNT	GUARANTEE
PEGASUS HAVA YOLLARI	2.553.151	302.460
AIR ASTANA	740.468	105.861
IZMIR HAVAYOLLARI	604.755	98.889
SAGA	569.114	75.615
ACT	444.908	151.230
KUZU HAVA YOLLARI	405.340	151.230
MNG AIR	342.109	302.460
CORENDON AIR (TURISTIK)	248.634	163.800
ATLAS JET	141.977	151.230

MNG TEKNIK	97.899	75.615
INTER EXPRESS	34.176	120.984
HURKUS	33.707	151.230
PRIMA HAVACILIK	8.589	75.615
JAZEERA AIRWAYS	7.707	21.408
AVNI URGANCI	4.882	40.000
TUNCA HAVACILIK (BEST AIR)	1.025	42.816
AIR MEDITERRANEE	3.680	85.632
TOTAL	**6.242.121**	**2.116.075**

Short term trade payables are as follows;

	Dec 31, 2008	Dec 31, 2007
Suppliers	50.947.343	58.008.913
THY A.O. Trade Payables	*19.187.273*	*16.526.582*
Other Suppliers	*31.760.070*	*41.482.331*
Other	607.613	23.265
	51.554.956	**58.032.178**

There are no long term trade payables for the periods.

11 OTHER RECEIVABLES AND PAYABLES

Other short term receivables are as follows;

	Dec 31, 2008	Dec 31, 2007
Receivables from Various Companies	1.465.399	1.393.353
Receivables from the Tax Administration	4.911.603	460.132
Due from the Personnel	5.987	8.821
THY A.O. Non-Commercial Receivables	5.219	141.045
Doubtful Receivables	24.939	21.152
Provision for Doubtful Receivables (-)	(24.939)	(21.152)
Deposits and Guarantees Given	1.951	1.502
Other Receivables	195	6.013
	6.390.354	**2.010.866**

	Dec 31, 2008	Dec 31, 2007
Provisions at the beginning of the period	21.152	-
Provisions made in the period	4.148	21.152
Receivables Recovered	(361)	-
Receivables written off	-	-
Provisions at the end of the period	**24.939**	**21.152**

Other short term payables are as follows;

	Dec 31, 2008	Dec 31, 2007
Deposits and Guarantees Received	25.982	3.500
Taxes, Charges and Other Duties Payable	9.227.069	6.085.381
Social Security Premiums Payable	3.859.598	4.103.205
Due to Personnel	134.219	244.800
Cash Advances	1.035.086	795.966
THY A.O. Non-Commercial Payables	4.806.431	2.256.120
	19.088.385	**13.488.972**

12 RECEVIABLES AND PAYABLES FROM / TO FINANCIAL OPERATIONS

None. (Dec 31, 2007: None)

13 INVENTORIES (NET)

	Dec 31, 2008	Dec 31, 2007
Technical Equipment Inventories	85.795.112	88.585.477
BFE Equipment Inventories	1.370.168	3.338.592
Components and Repairables	366.092.559	327.244.647
Components and Repairables Accumulated Depreciation (-)	(185.009.980)	(153.043.938)
Technical Equipment Inventories in Transit	5.070.941	5.321.034
Obsolete Equipment Inventories	14.724.718	10.845.508
Provision for Decrease in Value of Inventories (-)	(14.724.718)	(10.845.508)
Other	-	1.935.188
	273.318.800	**273.381.000**

The transactions related with the provision for decrease in value of inventories;

	Dec 31, 2008	Dec 31, 2007
Provisions at the beginning of the period	10.845.508	4.910.688
Provisions made in the period	13.078.367	8.516.796
Cancellation of the provisions made in the period	(9.199.157)	(2.581.976)
Provisions at the end of the period	**14.724.718**	**10.845.508**

The transactions related with components and repairables are as follows:

	Components and Repairables
Cost	
Opening Balance, January 01, 2008	327.244.647
Additional	102.489.872
Disposals	(63.641.960)
Ending Balance, Dec 31, 2008	366.092.559
Accumulated Depreciation	
Opening Balance, January 01, 2008	153.043.938
Depreciation for the Period	77.231.045
Disposals	(45.265.003)
Ending Balance, Dec 31, 2008	185.009.980
Dec 31, 2008 Net Book Value	**181.082.579**
Dec 31, 2007 Net Book Value	**174.200.709**

14 BIOLOGICAL ASSETS

None. (Dec 31, 2007: None)

15 CONSTRUCTION CONTRACTS IN PROGRESS

None. (December 31, 2007: None)

16 INVESTMENTS EVALUATED BY EQUITY METHOD

None. (December 31, 2007: None)

17 INVESTMENT PROPERTIES

None. (December 31, 2007: None)

18 TANGIBLE FIXED ASSETS (NET)

	Plant, Machinery and Equipment	Vehicles	Furniture and Fixture	Other Non-Current Assets	Contructions in Progress	Leasehold Improvements	Total
Cost							
Opening Balance, January 01, 2008	76.098.885	10.755.181	4.363.742	930.054	576.637	1.990.172	94.714.671
Additions	9.122.321	201.774	1.062.790	131.181	4.482.308	988.351	15.988.725
Disposals	(10.064.900)	(3.596.228)	(629.715)	(126.377)	-	-	(14.417.220)
Ending Balance, December 31, 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, January 01, 2008	61.630.110	10.221.278	2.342.419	475.165	-	103.065	74.772.027
Depreciation for the Period	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)	-	-	(14.343.387)
Ending Balance, December 31, 2008	55.812.129	6.853.982	2.398.718	465.810	-	590.066	66.120.705
December 31, 2008 net book value	19.344.177	506.745	2.398.099	469.048	5.058.945	2.388.457	30.165.471
December 31, 2007 net book value	14.468.775	533.903	2.021.333	454.887	576.637	1.887.107	19.942.642

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	Plant, Machinery and Equipment	Vehicles	Furniture and Fixture	Other Non-Current Assets	Contructions in Progress	Leasehold Improvements	Total
Cost							
Opening Balance, January 01, 2007	83.516.726	13.661.635	14.746.642	695.262	512.712	-	113.132.977
Additions	6.768.052	276.547	1.294.138	247.057	2.054.096	-	10.639.890
Disposals	(14.185.893)	(3.183.001)	(11.677.038)	(12.265)	-	-	(29.058.197)
Transfer	-	-	-	-	(1.990.171)	1.990.172	1
Ending Balance, December 31, 2007	76.098.885	10.755.181	4.363.742	930.054	576.637	1.990.172	94.714.671
Accumulated Depreciation							
Opening Balance, January 01, 2007	72.711.721	13.166.693	13.574.091	400.428	-	-	99.852.933
Depreciation for the Period	3.081.538	237.586	431.763	86.641	-	103.065	3.940.593
Disposals	(14.163.149)	(3.183.001)	(11.663.445)	(11.904)	-	-	(29.021.499)
Ending Balance, December 31, 2007	61.630.110	10.221.278	2.342.419	475.165	-	103.065	74.772.027
December 31, 2007 net book value	14.468.775	533.903	2.021.333	454.887	576.637	1.887.107	19.942.642
December 31, 2006 net book value	10.805.005	494.942	1.172.551	294.833	512.712	-	13.280.043

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19 INTANGIBLE ASSETS (NET)

	Rights
Cost	
Opening Balance, January 01, 2008	198.114
Additional	406.791
Disposals	(12.701)
Ending Balance, December 31, 2008	592.204
Accumulated Depreciation	
Opening Balance, January 01, 2008	131.013
Depreciaiton for the Period	60.582
Disposals	(12.701)
Ending Balance, December 31, 2008	178.894
December 31, 2008 net book value	**413.310**
December 31, 2007 net book value	**67.101**

	Rights
Cost	
Opening Balance, January 01, 2007	126.430
Additional	72.356
Disposals	(672)
Ending Balance, December 31, 2007	198.114
Accumulated Depreciation	
Opening Balance, January 01, 2007	116.496
Depreciaiton for the Period	15.189
Disposals	(672)
Ending Balance, December 31, 2007	131.013
December 31, 2007 net book value	**67.101**
December 31, 2006 net book value	**9.934**

20 GOODWILL

None. (December 31, 2007: None)

21 GOVERNMENT GRANT AND ASSISTANCE

None. (December 31, 2007: None)

22 PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

i) Provisions

	Dec 31, 2008	Dec 31, 2007
Provision for Legal Cases	97.950	-
	97.950	-

Changes in Provision for Legal Cases for the periods ended December 31, 2008 and December 31, 2007 are as follows;

	Dec 31, 2008	Dec 31, 2007
Provisions at the beginning of the period	-	-
Provisions made in the current period	97.950	-
Nullified Provisions	-	-
Provisions at the end of the period	**97.950**	-

ii) Contingent Liabilities And Assets;

31.12.2008

As of December 31, 2008, there exist 2 demanding compensation opened against Company, provision amount TL 97.950- is made in financial statements. As December 31, 2008 this lawsuits are continuing, about the results as lawsuits is not possible make positive and negative conviction.

As of December 31, 2008, there exist 3 litigation by Company, all of them is the demanding compensation. For all amounts of these lawsuits, the Company made provision at their relevant periods. As December 31, 2008 this lawsuits are continuing, about the results as lawsuits is not possible make positive and negative conviction.

31.12.2007

As of December 31, 2007, there exist 2 litigation by Company, all of them is the demanding compensation. For all amounts of these lawsuits, the Company made provision at their relevant periods. As December 31, 2007 this lawsuits are continuing, about the results as lawsuits is not possible make positive and negative conviction.

iii) Contingent Liabilities;

31.12.2008

	TL AMOUNT
Guarantee Letters Given	610.460
TOTAL	**610.460**

31.12.2007

	TL AMOUNT
Guarantee Letters Given	1.869.393
TOTAL	**1.869.393**

iv) Mortgages and Guarantees on Asset:

None. (December 31, 2007: None)

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v) Insurance Coverage on Assets;

31.12.2008

Type of Insured Asset	Amount	Currency
Buildings and Plant, Machinery and Equip.	138.454.678	TL
Vehicles	243.940	TL
Insurance of Replacement	250.000.000	USD
Other	280.000	TL
Total TL	**138.978.618**	
Total USD	**250.000.000**	

31.12.2007

Type of Insured Asset	Amount	Currency
Buildings and Plant, Machinery and Equip.	131.435.897	TL
Vehicles	219.688	TL
Insurance of Replacement	250.000.000	USD
Other	648.714	TL
Total TL	**132.304.299**	
Total USD	**250.000.000**	

23 COMMITMENTS

None. (December 31, 2007: None)

24 EMPLOYEE TERMINATION BENEFITS

	Dec 31, 2008	Dec 31, 2007
Provision For Termination Indemnities	10.941.204	7.274.178

Under the Turkish Labor Law, the Company is required to pay employee termination benefits to each employee, who has entitiled to receive provisions for employee termination benefits in accordance with the effective laws: No: 2422 on March 6, 1981 and No: 4447 on August 25, 1999 of the Social Insurance Act No: 506 and the requirements of the amended Article 60 of the related Act. The maximum employee termination benefit payable as of December 31, 2008 is 2.173,19 TL. (December 31, 2007: 2.030,19 TL).

As of December 31, 2008 The Company's total provision for Termination Indemnity is TL 10.941.204-.

This amount is calculated as of 31.12.2008 ceiling price which is the amount of TL 2.173,19. As of 01 January, 2009 ceiling price is TL 2.260,05. If provision for termination indemnity is calculated based on the amount of TL 2.260,05, provision for Termination Indemnity amount will be TL 12.471.969.

Provision for Termination Indemnity is not subject to any funds legally.

The provision has been calculated by estimating the prsent value of the future probable obligation of the Company arising from the retirement of its employees. IAS 19 requires actuarial valuation methods to be developed to estimate the Company's obligation under the defined benefit plans. In conjunction with that, the following actuarial valuation methods have been used to calculate the total liability:

The principal assumption is that the maximum liability for each year of service will increase in line with the inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the financial stataments dated as of December 31, 2008, the provision was 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 balance sheet dates have been calculated assuming an annual inflation rate of 5,4% and a discount rate of 12%. With that the real discount rate of 6,26 % (December 31, 2007: 5.71%) was used in the computation.

Movement of provision for termination indemnities are as follows:

	Dec 31, 2008	Dec 31, 2007
Provisions at the beginning of the period	7.274.178	1.995.478
Current Service Cost	3.813.532	5.434.531
Interest Cost	455.499	114.027
Payments	(602.005)	(269.858)
Provisions at the end of the period	**10.941.204**	**7.274.178**

25 RETIREMENT BENEFIT PLANS

Other than the Employee Termination Benefits expained in Note:24, the Company does not employee any retirement benefit plans.

26 OTHER ASSETS AND LIABILITIES

Other current assets are as follows;

	Dec 31, 2008	Dec 31, 2007
Prepaid Expenses	643.475	169.056
Income Accruals	4.281.044	1.117.953
Deferred VAT	275.568	1.735.770
Job Advances	-	2.349
Personnel Advances	36.958	26.757
Advances Given for Purchases	4.640.873	1.961.556
Advances given for Fixed Assets	278.498	482.089
	10.156.416	**5.495.530**

Other short term liabilities are as follows;

	Dec 31, 2008	Dec 31, 2007
Income Relating to the Future months	330.729	150.945
Salary Accruals	6.127.378	5.271.027
Expense Accruals	875.341	394.186
Other Liabilities	266.412	131.608
	7.599.860	**5.947.766**

Other non-current assets are as follows;

	Dec 31, 2008	Dec 31, 2007
Prepaid Expenses for the Following Years	227.879	325.322
	227.879	**325.322**

27 SHAREHOLDERS EQUITY

i) Minority Interest

None. (December 31, 2007: None)

ii) Share Capital/Elimination Adjustments

As of December 31, 2007, the share capital of the Company has been 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 structure of the Company's capital is as follows:

	%	Dec 31, 2008	%	Dec 31, 2007
THY A.O.	100	318.000.000	100	318.000.000
Unpaid Capital		(29.675.304)		(29.675.304)
		288.324.696		**288.324.696**

iii) Capital Reserves

None. (December 31, 2007: None)

iv) Restricted Reserves from Profit

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code (TCC).

The TCC stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's historical paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital. Under TCC, the legal reserves are not available for distribution unless they exceed 50% of the historical paid-in share capital but may be used to offset losses in the event that historical general reserve is exhausted.

vi) Previous Years' Profits

Profits of previous years consist of extraordinary reserves and profits of other previous years.

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

Detail of the Equity for the years ended are as follows;

	Dec 31, 2008	Dec 31, 2007
Paid-in Capital	288.324.696	288.324.696
Value Increase Funds	6.957.915	6.957.915
Restricted Reserves from Profit	1.083.311	1.055.200
Extraordinary Reserves	20.582.917	20.048.802
Other Previous Years Profits/(Losses)	(3.370.071)	2.911.158
Net Profit/(Loss) for the Period	36.928.627	(5.719.003)
	350.507.395	**313.578.768**

28 SALES AND COST OF SALES

Operating Income is as follows:

	January 01 - December 31, 2008	January 01 - December 31, 2007
Line Maintenance Income	82.728.696	66.496.807
Letter Check Services Income	176.721.385	113.354.407
Engine Services Income	125.767.587	140.983.388
Component Services Income	58.675.067	57.351.506
Pool Income	55.728.541	51.475.034
BFE & Retrofit Income	33.531.103	106.570.976
Other	82.066.902	56.898.078
Income From Sales (Net)	**615.219.281**	**593.130.196**
Cost of Sales (-)	(530.783.431)	(564.252.815)
Gross Profit/(Loss) from Operations	**84.435.850**	**28.877.381**

Cost of sales is as follows:

	January 01 - December 31, 2008	January 01 - December 31, 2007
Inventory Expense	101.032.808	70.182.339
BFE & Retrofit Expense	32.504.256	106.637.762
Personnel Expense	180.193.410	172.665.997
Repair Expense	66.534.248	74.265.812
Depreciation Expense	82.010.457	102.507.555
Provision for Termination Indemnity Expense	3.211.527	5.164.673
Other	65.296.725	32.828.677
	530.783.431	**564.252.815**

29 RESEARCH AND DEVELOPMENT, MARKETING, SALES & DISTRIBUTION EXPENSES

Company Operating Expenses are as follows;

	January 01 - December 31, 2008	January 01 - December 31, 2007
Marketing, Sales and Distribution Expenses (-)	3.714.723	2.454.779
General Administration Expenses (-)	34.289.693	28.341.665
Total Operating Expenses	**38.004.416**	**30.796.444**

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30 EXPENSES RELATED TO THEIR NATURE

Operating expenses are as follows;

	January 01 - December 31, 2008	January 01 - December 31, 2007
Selling and Marketing Expenses (-)		
Personnel Expenses	2.280.571	1.356.843
Other Expenses	1.434.152	1.097.936
	3.714.723	**2.454.779**

	January 01 - December 31, 2008	January 01 - December 31, 2007
General Administration Expenses (-)		
Material Expenses	1.652.455	1.853.246
Personnel Expenses	24.151.355	18.549.338
Other Expenses	8.485.883	7.939.081
	34.289.693	**28.341.665**
Total Operating Expenses	**38.004.416**	**30.796.444**

31 PROFIT/(LOSS) AND INCOME/(EXPENSE) FROM OTHER OPERATIONS

Profit and income from other operations are as follows:

	January 01 - December 31, 2008	January 01 - December 31, 2007
Plant Maintenance Income	924.601	873.780
Previous Period Income and Profit	5.296.092	1.455.555
Invoiced Income	9.216.813	4.712.873
Stock Count Surplus Income	1.155.523	1.195.450
Provisions no Longer Needed	343.957	-
Other Income and Profit	962.704	766.491
Total Other Operating Income	**17.899. 690**	**9.004.149**

Expenses and Loss from other operations are as follows;

	January 01 - December 31, 2008	January 01 - December 31, 2007
Previous Period Expense and Losses	(10.443.607)	(1.138.238)
Commission Expenses	(7.927)	(1.252)
Doubtful Receivable Provision Expense	(12.878.135)	(273.981)
Personnel Doubtful Receivable Provision Expense	(4.148)	(21.152)
Legal Case Provision Expenses	(97.950)	-
Expenses will be billed	(9.436.422)	(4.620.236)
Stock Count Deficit Expenses	(69.369)	(55.171)
Provision for Decrease in Value of Inventories	(3.879.210)	(5.934.820)
Other	(264.446)	(398.420)
Total Other Operating Expenses	**(37.081.214)**	**(12.443.270)**

32 FINANCIAL INCOME

Companys financial income is as follows;

	January 01 - December 31, 2008	January 01 - December 31, 2007
Interest Income	1.645.528	1.253.151
Foreign Currency Exchange Gain	73.545.649	27.849.136
Maturity Difference Income	1.951.873	519.022
Total Financial Income	**77.143.050**	**29.621.309**

33 FINANCIAL EXPENSES

Companys financial expenses are as follows;

	January 01 - December 31, 2008	January 01 - December 31, 2007
Foreign Currency Exchange Loss	(57.529.477)	(31.245.488)
Bank Expenses	(12.920)	(9.966)
Cost of Termination Indemnity Interest	(455.499)	(114.027)
Rediscount Expense	(15.403)	-
Total Financial Expense	**(58.013.299)**	**(31.369.481)**

34 FIXED ASSETS HELD FOR SALE PURPOSES AND DISCONTINUED OPERATIONS

None. (December 31, 2007: None)

35 TAX ASSETS AND LIABILITIES

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

	January 01 - December 31, 2008	January 01 - December 31, 2007
Provision for Period Tax	(7.673.685)	(2.583.251)
Deferred Tax Income/(Loss)	(1.777.349)	3.970.604
	(9.451.034)	**1.387.353**

Provision for Tax Liability is as follows;

	Dec 31, 2008	Dec 31, 2007
Provision for Taxes	7. 673.685	2.583.251
Prepaid Taxes	(3.487.876)	(523.763)
Tax Liability for the Current Period Profit	**4.185.809**	**2.059.488**

i) Provision for Current Period Tax

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

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

Effective Corporate Tax Rate:

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

Losses can be carried forward to offset the future taxable income for a maximum period of 5 years. On the other hand, such losses cannot be carried back to offset prio years' profits.

According to Corporate Tax Law's Article: 24, the corporate tax is imposed by the taxpayer's tax returns. There is no prosedure for a final and definitive agreement on tax assessments. Annual corporate tax returns are submitted until the 25th of April following the closing of the accounting year. Moreover, the tax authorities have the right to examine the tax returns and the related accounting records within five years.

Income Withholding Tax:

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

ii) Deferred Tax:

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

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

Temporary Differences: Deferred Tax Liability:

	Dec 31, 2008	**Dec 31, 2007**
Inventories	(6.373.452)	(460.315)
Fixed Assets	(778.356)	(845.004)
Provision for Decrease in Value of Inventories	2.944.944	2.169.102
Provision for Termination Indemnity	2.188.241	1.454.836
Provision for Doubtful Receivables	2.575.627	41.583
Other	210.462	184.613
	767.466	**2.544.815**

	Dec 31, 2008	**Dec 31, 2007**
December 31, 2007 Deferred Tax Assets	**2.544.815**	**(1.425.789)**
Deferred Tax Expense	(1.777.349)	3.970.604
December 31, 2008 Deferred Tax Assets	**767.466**	**2.544.815**

36 NET EARNINGS PER SHARE

There are not any equity items (dilutive equity instruments) that have reducing effects on the Earnings per Share. The calculation of the weighted average and Earning per Share of the total share amount as of December 31, 2008 is as follows:

	Jan 01 – Dec 31, 2008	Jan 01 – Dec 31, 2008
Total Share Amount as of Periods (In full)	318.000.000	318.000.000
Share Amount as of Periods (In full)	318.000.000	318.000.000
Weighted Average of the total share amount in the Period (In full)	318.000.000	318.000.000
Net Profit / (Loss) for the Period	36.928.627	(5.719.003)
Net Earnings / (Losses) per Share (Ykr)	11,61	(1,80)

37 EXPLANATIONS OF RELATED PARTIES

a) Due to/from Related Parties:

Short term trade receivables from the related parties are as follows :

	Dec 31, 2008	Dec 31, 2007
THY A.O. Trade Receivables	48.633.925	48.036.598
Sun Ekspress	462.268	573.302
	49.096.193	**48.609.900**

Short term non-commercial receivables are as follows:

	Dec 31, 2008	Dec 31, 2007
THY A.O. Non-Commercial Receivables	5.219	141.045
	5.219	**141.045**

Short term commercial payables are as follows:

	Dec 31, 2008	Dec 31, 2007
THY A.O. Trade Payables	19.394.085	16.526.582
	19.394.085	**16.526.582**

Short term non-commercial payables are as follows:

	Dec 31, 2008	Dec 31, 2007
THY A.O. Non-Commercial Payables	4.806.431	2.256.120
	4.806.431	**2.256.120**

b) Purhases and Sales From/to Related Parties

Transactions with the related parties for the periods ended are as follows;

	Dec 31, 2008	Dec 31, 2007
Services and Goods Given to THY A.O.	488.230.310	527.728.814
Services and Goods Given to Sun Express	6.443.943	6.576.006
Services and Goods Given to P&W T.T. Uçak Bakım Merkezi Ltd.Şti.	1.478.608	-
	496.152.861	**534.304.820**

	Dec 31, 2008	Dec 31, 2007
Services and Goods Taken from THY A.O.	38.155.961	31.601.035
Services and Goods Taken from Sun Express	155.476	-
	38.311.437	**31.601.035**

c) Benefits and services to the senior administrators are TL 765.202 (December 31, 2007: TL 194.307)

35 THE CHARACTERISTICS AND LEVEL OF RISKS GROW OUT OF FINANCIAL INSTRUMENTS

(a) Capital risk management

The Company, while trying to maintain the continuity of its activities in capital management on one hand, aims to increase its profitability by using the balance between debts and resources on the other hand.

The capital structure of the Company consists of debts containing respectively issued capital, capital reserves, profit reserves and profits of previous years explained in note 27.

Risks, associated with each type of capital, and capital costs are evaluated by the executive management level. During this review, the management assess risks associated with each class of capital and its costs and lay down for the desicion to The Board of Directors.The company made the state the optimal capital diversify via obtain new loans, repayment the existing debt and/or capital incerase depending on The Board of Directors appraisal

General strategy of the Company based on resources is not different from the previous years.

(b) Significant accounting policies

Significant accounting policies of the Company relating to the financial instruments are stated in the footnote 2.

(c) Market risk

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

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

(d) Rate risk management

Transactions by foreign currency cause the formation of rate risks. The Company is exposed to rate risk due to the changes in exchange rates used for exchanging the assets and liabilities from foreign currency to Turkish Lira. The rate risk evolves due to the commercial transactions to be executed in the future and the difference between actives and passives of the recorded.

The Company is exposed to rate risk depending on the course of change of rate changes because it actually evaluates its accounts as foreign exchange deposits and has payables and receivables in foreign currency.

Foreign Exchange Rate Sensitivity Analysis Table

Current Period

	Profit / Loss		**Resource**	
	Appreciation of Foreign Exchange	**Depreciation of Foreign Exchange**	**Appreciation of Foreign Exchange**	**Depreciation of Foreign Exchange**
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Property / Liability	(7.551.927)	7.551.927	(7.551.927)	7.551.927
2- The part, protected from US Dollar Risk (-)				
3- US Dollar Net Effect (1+2)	**(7.551.927)**	**7.551.927**	**(7.551.927)**	**7.551.927**
In the event of 10% value change of Euro against TL;				
4- Euro Net Property / Liability	300.821	(300.821)	300.821	(300.821)
5- The part, protected from Euro Risk (-)				
6- Euro Net Effect (4+5)	**300.821**	**(300.821)**	**300.821**	**(300.821)**
TOTAL	**(7.251.106)**	**7.251.106**	**(7.251.106)**	**7.251.106**

Foreign Exchange Rate Sensitivity Analysis Table

Previous Period

	Profit / Loss		**Resource**	
	Appreciation of Foreign Exchange	**Depreciation of Foreign Exchange**	**Appreciation of Foreign Exchange**	**Depreciation of Foreign Exchange**
In the event of 10% value change of US Dollar against TL;				
1- US Dollar Net Property / Liability	(4.771.039)	4.771.039	(4.771.039)	4.771.039
2- The part, protected from US Dollar Risk (-)				
3- US Dollar Net Effect (1+2)	**(4.771.039)**	**4.771.039**	**(4.771.039)**	**4.771.039**
In the event of 10% value change of Euro against TL;				
4- Euro Net Property / Liability	266.905	(266.905)	266.905	(266.905)
5- The part, protected from Euro Risk (-)				
6- Euro Net Effect (4+5)	**266.905**	**(266.905)**	**266.905**	**(266.905)**
TOTAL	**(4.504.134)**	**4.504.134**	**(4.504.134)**	**4.504.134**

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Table of Foreign Exchange Position

	Current Period					Previous Period				
	TL Value	**USD**	**Euro**	**GBP**	**Other**	**TL Value**	**USD**	**Euro**	**GBP**	**Other**
1. Commercial Receivables	70.086.103	44.539.187	1.258.429	15.840	502	9.141.235	7.509.754	230.748		
2a. Monetary Financial Assets	41.175.766	27.175.907	21.395	14.523		79.268.670	67.519.357	332.624	24.176	3.688
2b. Non-Monetary Financial Assets										
3. Other	4.647.802	1.775.248	841.027	61.222	932.453	3.073.478	1.515.866	520.987	8.084	1.680.391
4. Current Assets Total (1+2+3)	**115.909.671**	**73.490.342**	**2.120.851**	**91.585**	**932.955**	**91.483.383**	**76.544.977**	**1.084.359**	**32.260**	**1.684.079**
5. Commercial Receivables										
6a. Monetary Financial Assets						12.835		7.505		
6b. Non-Monetary Financial Assets										
7. Other										
8. Fixed Assets Total (5+6+7)						**12.835**		**7.505**		
9. Total Assets (4+8)	**115.909.671**	**73.490.342**	**2.120.851**	**91.585**	**932.955**	**91.496.218**	**76.544.977**	**1.091.864**	**32.260**	**1.684.079**
10. Commercial Debts	(37.103.070)	(19.767.805)	(3.317.129)	(43.822)	(7.832)	(32.158.716)	(25.809.740)	(1.171.708)	(31.290)	(20.908)
11. Financial Liabilities	(46.499)	(30.747)								
12a. Other Monetary Liabilities	(5.820.828)	(3.663.433)	(126.868)		(6.307)	(13.706.913)	(9.432.759)	(1.466.408)	(54.947)	(1.043.914)
12b. Other Non-Monetary Liabilities	(295.155)	(76.406)	(82.035)	(1.818)		(429.033)	(338.802)	(14.411)	(4.207)	
13. Total Short Term Liabilities (10+11+12)	**(43.265.552)**	**(23.538.391)**	**(3.526.032)**	**(45.640)**	**(14.139)**	**(46.294.662)**	**(35.581.301)**	**(2.652.527)**	**(90.444)**	**(1.064.822)**
14. Commercial Debts										
15. Financial Liabilities	(23.069)	(15.254)								
16a. Other Monetary Liabilities										
16b. Other Non-Monetary Liabilities										
17. Total Long Term Liabilities (14+15+16)	**(23.069)**	**(15.254)**								
18. Total Liabilities (13+17)	**(43.288.621)**	**(23.553.645)**	**(3.526.032)**	**(45.640)**	**(14.139)**	**(46.294.662)**	**(35.581.301)**	**(2.652.527)**	**(90.444)**	**(1.064.822)**
19. Net Asset/ (Liability) Position of Derivative Instruments off the Balance Sheet (19a-19b)										
19a. Total Amount of Hedged Assets										
19b. Total Amount of Hedged Liabilities										
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**72.621.050**	**49.936.697**	**(1.405.181)**	**45.945**	**918.816**	**45.201.556**	**40.963.676**	**(1.560.663)**	**(58.184)**	**619.257**
21. Monetary Items Net Foreign Exchange Asset / (liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**68.268.403**	**48.237.855**	**(2.164.173)**	**(13.459)**	**(13.637)**	**42.557.111**	**39.786.612**	**(2.067.239)**	**(62.061)**	**(1.061.134)**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge										
23. Export										
24. Import										
8. Fixed Assets Total (5+6+7)	68.212.060					20.664.391				
9. Total Assets (4+8)	275.214.591					353.690.696				

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(f) Management of interest rate risk

The Company is exposed to interest risk due to its floating and fixed interest financial instruments. The liabilities of the Company relating to the fixed and floating interest financial debts are stated in Note 8, and fixed and floating interest assets (deposit etc.) are stated in Note 6.

Table of Interest Position

	Current Period	Previous Period
Fixed Interest Financial Instruments		
Financial Assets	45.335.718	38.030.202
Financial Liabilities		

If the interest in TL currency on the date of 31 December, 2008 was 1 basis point higher/lower and all other variables stood still, the profit before the consolidated equity of participations and taxes would be 453.357 TL (31.12.2007: 380.302 TL) higher/lower.

g) Analysis Relating to Other Risks

Risks Relating to Share etc. Financial Instruments

There are no shares or similar financial assets sensitive to fair value changes in the actives of the company.

(h) Credit risk management

Holding the financial instruments also bears the risk of counter party not meeting the requirements of the agreement. The collection risk of the Company actually arises out of commercial receivables. Commercial receivables are evaluated by taking the Company Policies and procedures into account and accordingly indicated in the balance sheet clearly after excluding the bad receivables. (Note 10).

Almost all of the commercial receivables are formed of receivables from customers. That a significant part of the sales of the Company is to spread across Turkey decrease a certain concentration risk.

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CREDIT TYPES INCURRED IN RESPECT OF FINANCIAL INTRUMENT TYPES

CURRENT PERIOD	Receivables					Deposit at Banks	Note
	Commercial Receivables		Other Receivables				
	Related	Other	Related	Other	Note		
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	50.764.087	23.218.742	5.219	6.385.135		46.078.999	
- *The part of maximum risk secured by guarantee etc.*		*(1.662.903)*			*10*		
A. Net book value of financial assets which are undue or which did not decline in value	**48.880.101**	**9.880.835**		-	**10-11**	**46.078.999**	**4**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value	**1.883.986**	**11.891.039**	**5.219**	**6.385.135**	**10-11**		**4**
C. Net book value of assets, overdue but did not decline in value.		**1.446.868**					
- *The part secured by guarantee etc.*		*(1.446.868)*			**10-11**		**4**
D. Net book values of assets declined in value	-	-	-	-		-	
- Overdue (gross book value)	-	11.080.301	-	-	**10-11**	-	**4**
- *Decline in value (-)*		*(11.080.301)*			**10-11**		**4**
- *The part of net value secured by guarantee etc.*					**10-11**		**4**
- Undue (gross book value)	-	1.836.750	-	24.939	**10-11**	-	**4**
- *Decline in value (-)*		*(1.836.750)*		*(24.939)*	**10-11**		**4**
- *The part of net value secured by guarantee etc.*					**10-11**		**4**
E. Elements containing credit risk off the balance sheet							

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PREVIOUS PERIOD	Receivables						
	Commercial Receivables		Other Receivables				
	Related	Other	Related	Other	Note	Deposit at Banks	Note
Maximum credit risk incurred as of the date of reporting (A+B+C+D+E)	48.609.900	9.346.190	141.045	1.989.714		38.657.984	
- *The part of maximum risk secured by guarantee etc.*		*(1.199.041)*					
A. Net book value of financial assets which are undue or which did not decline in value	**46.729.874**	**5.594.812**	**141.045**	**1.989.714**	**10-11**	**38.657.984**	**4**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or declined in value	**1.880.026**	**2.511.040**			**10-11**		**4**
C. Net book value of assets, overdue but did not decline in value.		**1.240.339**					
- *The part secured by guarantee etc.*		*(1.240.339)*			**10-11**		**4**
D. Net book values of assets declined in value	-	-	-	-		-	
- Overdue (gross book value)	-	366.207	-	21.152	**10-11**	-	**4**
- *Decline in value (-)*		*(366.207)*		*(21.152)*	**10-11**		**4**
- *The part of net value secured by guarantee etc.*					**10-11**		**4**
- Undue (gross book value)	-	-	-	-	**10-11**	-	**4**
- *Decline in value (-)*		*16.304*			**10-11**		**4**
- *The part of net value secured by guarantee etc.*		*(16.304)*			**10-11**		**4**
E. Elements containing credit risk off the balance sheet							

YEMİNLİ MALİ MÜŞAVİRLİK VE BAĞIMSIZ DENETİM HİZMETLERİ A.Ş.

Current Period	Receivables				
	Commercial Receivables	Other Receivables	Bank Deposit	Derivative Instrument	Other
1-30 Days Overdue	4.142.319	-	-	-	-
1 - 3 Months Overdue	4.291.451	-	-	-	-
3 - 12 Months Overdue	4.903.955	-	-	-	-
1 - 5 years Overdue	-	-	-	-	-
More than 5 Years Overdue	-	-	-	-	-
The part of net value secured by guarantee etc.	(1.446.686)	-	-	-	-

Previous Period	Receivables				
	Commercial Receivables	Other Receivables	Bank Deposit	Derivative Instrument	Other
1-30 Days Overdue	2.152.749	-	-	-	-
1 - 3 Months Overdue	1.585.068	-	-	-	-
3 - 12 Months Overdue	13.562	-	-	-	-
1 - 5 years Overdue	-	-	-	-	-
More than 5 Years Overdue	-	-	-	-	-
The part of net value secured by guarantee etc.	(1.240.339)	-	-	-	-

(i) Liquidity risk management

The Company tries to manage the liquidity risk by maintaining the continuation of sufficient funds and loan reserves by means of matching the financial instruments and terms of liabilities by following the cash flow regularly.

Liquidity Risk Tables

Prudent liquidity risk management signifies maintaining sufficient cash, the utility of fund sources by sufficient credit transactions and the ability to close out market positions.

Risk of existing or future possible debt requirements being fundable is managed by maintaining the continuation of availability of sufficient numbers and high quality credit providers.

The table below indicates the term divisions of derivative and non-derivative financial liabilities of the Company in TL currency.

31.12.2008

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5
Non-Derivative Financial Liabilities	**70.698.990**	**70.698.990**	**70.643.341**	-	**55.649**	-
Bank Credits	*55.649*	*55.649*	-	-	*55.649*	-
Issuances of Debt Instrument						
Leasing Liabilities						
Commercial Debts	*51.554.956*	*51.554.956*	*51.554.956*			
Other Debts	*19.088.385*	*19.088.385*	*19.088.385*			
Other						

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5
Derivative Financial Liabilities	-	-	-	-	-	-
Derivative Cash Inflow		-				
Derivative Cash Outflow		-				

31.12.2007

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5
Non-Derivative Financial Liabilities	**71.521.150**	**71.521.150**	**71.521.150**	-	-	-
Bank Credits	-	-	-			
Issuances of Debt Instrument						
Leasing Liabilities						
Commercial Debts	*58.032.178*	*58.032.178*	*58.032.178*			
Other Debts	*13.488.972*	*13.488.972*	*13.488.972*			
Other						

Expected Terms	Book Value	Cash Issuances Total As Per the Agreement	Shorter than 3 Months	Between 3-12 months	Between 1-5 years	Longer than 5
Derivative Financial Liabilities	-	-	-	-	-	-
Derivative Cash Inflow		-				
Derivative Cash Outflow		-				

39 FINANCIAL INSTRUMENTS

A formally specified risk management model and its active application are not available within the Company; parity conservation strategies to fluctuations are being performed, forward and option products are evaluated. In addition, the domestic, foreign currency, capital and commodity market developments on the economic indicators defined and data is tracked on a regular basis with the direction the market trends and changes in the direction of a model to predict work within the Finance Department. Currency risk, interest rate risk and liquidity risk are some important risks of the Company's significant financial risks.

The Company management manages the risks through its decisions and applications. Even a formally specified risk management model is not available, corporate risk management model has been aimed and the related activities are being performed.

40 EVENTS AFTER THE THE DATE OF BALANCE SHEET

None (December 31, 2007: None).

41 OTHER SIGNIFICANT ISSUES

Within the HABOM Project, the Company has signed a Memorandum of Understanding on November 8, 2007 with Goodrich Aerostructures, which is subsidiary of Goodrich Corporation to form a joint venture company which will provide nacelle and thrust reverser maintenance service.