Akenerji Annual Report 2009

akenerji
Elektrik Üretim A.Ş.

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AKKÖK CEZ GROUP

CONTENTS

Agenda of the Ordinary General Assembly Meeting

AGENDA OF THE ORDINARY GENERAL ASSEMBLY OF AKENERJİ ELEKTRİK ÜRETİM ANONİM ŞİRKETİ TO BE HELD ON MAY 6, 2010

1- Opening, formation of the presidency of the council, and the authorization of the council for the signature of the minutes of the meeting,

2- Reading out, deliberation and voting of the Board of Directors' Activity Report, Auditors' Report and Independent Auditor's Report, the balance sheet and income statement, as well as the dividend distribution policy and dividend distribution proposal prepared by the Board of Directors,

3- Acquittal of Members of the Board of Directors and Auditors,

4- Election of Members of the Board of Directors and Auditors, determination of their terms of office, salaries and attendance fees and the authorization of the Members with the powers stated in the Articles 334 and 335 of the Turkish Commercial Code,

5- Voting on the Board of Directors' decision on the selection of the Independent Audit Firm,

6- Provision of information to the shareholders, as regards the donations and assistance of the Company in 2009, in accordance with the Capital Markets legislation; as well as provision of information on counterparty operations carried out according to the evaluation reports prepared in line with the "Communiqué on Principles that Anonymous Partnerships Subject to Capital Markets Law shall Obey," Series IV, No: 41.

7- In accordance with the Capital Markets Board's decision dated 09.09.2009, numbered 28/780 and communiqué dated 06.11.2009, numbered 13082, the submission for approval to the General Assembly of the revision bill comprising the following revisions of the Company's Articles of Association: Revision of the Article 4 titled "Aim and Subject," revision of the Part II on "Capital and Shares - Stock Certificates," revision of the title of Part III, "Form of Stock Certificates - Bond," the abrogation of the Article 9 on "Form of Stock Certificates and Property of Vouchers," as well as the revision of Article 13 on "Condition of Guarantee" and Article 32 on "Legal Clauses" - under the condition that this bill be previously approved by Energy Markets Regulatory Authority, Capital Markets Board and Ministry of Industry and Finance until the date of the meeting of the General Assembly,

Board of Directors

ABBREVIATIONS

TEİAŞ:	Turkish Electricity Transmission Company (Türkiye Elektrik İletim A.Ş.)
TEDAŞ:	Turkish Electricity Distribution Company (Türkiye Elektrik Dağıtım A.Ş.)
SEDAŞ:	Sakarya Electricity Distribution Company (Sakarya Elektrik Dağıtım A.Ş.)
TEK:	Turkish Electricity Company (Türkiye Elektrik Kurumu)
EMRA:	Energy Market Regulatory Authority (Enerji Piyasası Düzenleme Kurumu)
CMB:	Capital Markets Board
CRA:	Central Registry Agency
KAP:	Public Disclosure Platform (Kamuyu Aydınlatma Platformu)
ISE:	Istanbul Stock Exchange
ICC:	Istanbul Chamber of Commerce
TCC:	Turkish Commercial Code
PA:	Privatization Administration
OECD:	Organization for Economic Cooperation and Development
IFRS:	International Financial Reporting Standards
EBITDA:	Earnings before interest, tax, depreciation and amortization
S&P:	Standard & Poor's
UN:	United Nations
EU:	European Union
NGP:	Natural Gas Plant
HPP:	Hydroelectric Power Plant
WPP:	Wind Power Plant
HR:	Human Resources
VER:	Voluntary Emission Reduction
DUY:	Electricity Market Balancing and Settlement Regulations (Dengeleme ve Uzlaştırma Yönetmeliği)
OHS:	Occupational Health and Safety
EIA:	Environmental Impact Assessment
TAP:	Battery Manufacturers and Exporters Association (Taşınabilir Pil Üreticileri ve İthalatçıları Derneği)
GDP:	Gross domestic product
GNP	Gross national product
CO_2:	Carbon dioxide
SO_2:	Sulfur dioxide
NO_X:	Nitrogen oxide derivatives
Kilo:	Thousand
Mega:	Million
Giga:	Billion
kW:	Kilowatt
MW:	Megawatt
GW:	Gigawatt
GWh:	Gigawatt hour

Hydroelectric Natural gas Wind Electricity distribution

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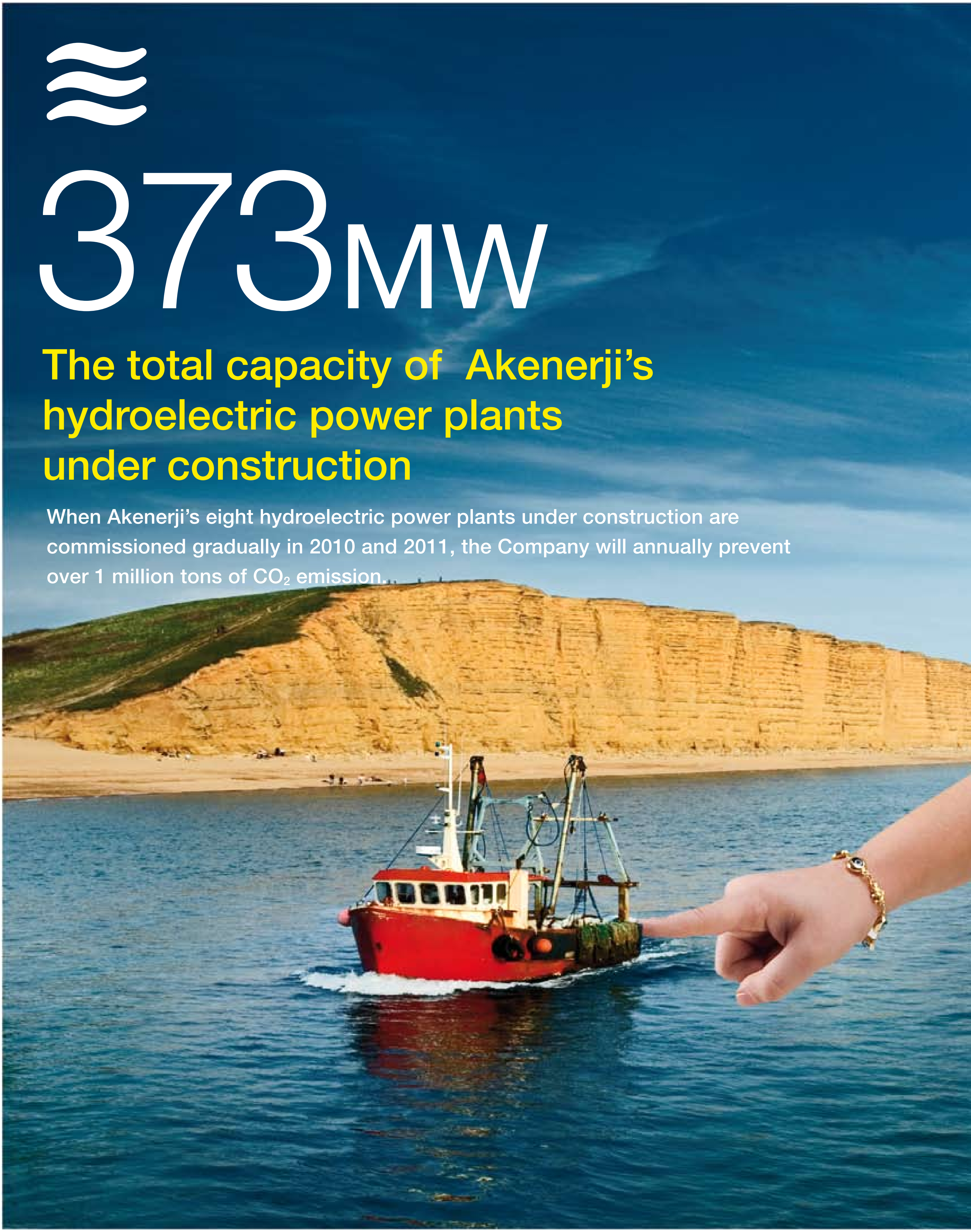
Having formed a strategic partnership with Central and Eastern Europe’s leading power company CEZ, Akenerji is keen on investing US$ 3 billion and achieving a 3,000 MW installed capacity in five years.

373MW

The total capacity of Akenerji's hydroelectric power plants under construction

When Akenerji's eight hydroelectric power plants under construction are commissioned gradually in 2010 and 2011, the Company will annually prevent over 1 million tons of CO_2 emission.



Akenerji in Brief

As one of the largest private power generation companies in Turkey, Akenerji considers its main competitive advantage as having the support of two giant groups, namely Akkök and CEZ.

Akenerji completes its 20th year of private power generation

Akenerji is one of the largest private power generation companies in Turkey. A member of the Akkök Group of Companies, Akenerji started its operations in 1989 as an autoproducer group in the power sector, then changed its status in 2005 to be an independent power generation company, renamed Akenerji Elektrik Üretim A.Ş. The pioneering company of the Turkish energy sector, Akenerji figures among the largest private power generation companies of Turkey, with experience accumulated over 20 years and a total installed capacity of 372.2 MW. Akenerji has figured in the Istanbul Chamber of Industry's "Top 500 Industrial Corporations of Turkey" list each and every year since 1993. In 2008, it occupied the 74th position with a TL 607,056,048 net revenue of sales from production, and the 68th position amongst private industrial companies, thus bringing itself to a leadership position among private power generation companies.

Akenerji closely monitors the developments in the liberalized energy sector, taking and implementing strategic decisions with a proactive approach. These characteristics provide speed, flexibility and competitive advantage to Akenerji. Every year the company further strengthens its position in the sector as a "reference" company with its operational competence and visionary strategy. Basing its operations on correctly analyzing the market risk in advance and applying the right strategy at the right time, Akenerji has funneled a significant portion of its sales portfolio into the framework of the Electricity Market Balancing and Settlement Regulations (DUY), which came into effect in August 2006. Since its dynamic portfolio strategy adaptive to market fluctuations has minimized the effects of the changing supply-demand balance related to the global financial crisis, Akenerji pursues its investment goals with utmost confidence.

Joint forces in distribution

Akenerji generates electricity and steam in three cogeneration and combined cycle natural gas plants located in Turkey's industrialized regions and also generates electricity in a wind power plant launched in 2009. In July 2008, the Company joined forces with the Czech power company CEZ for privatizations in electricity distribution, thereby taking a crucial step forward in the formation of an integrated energy company both in generation and distribution. Akenerji formed a consortium with Akkök and CEZ under the AkCez title and won the tender for the privatization of Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ) with a bid of US$ 600 million. As of February 2009, AkCez is a private company that has taken over electricity distribution in a region that covers Sakarya, Kocaeli, Bolu and Düzce in the heartland of the nation's industry, serving the final consumer.

Installed capacity
372.2 MW electricity
417 tons of steam

Power Plants*
Çerkezköy (98 MW)
Bozüyük (132 MW)
Kemalpaşa (127.2 MW)
Ayyıldız WPP (15 MW)
Yalova (59.5 MW)
Yalova Akal (10.5 MW)

Operations
Power Generation and Sales
Power Import-Export and Wholesale Trade
Power Retail Sales and Distribution
Steam Production and Sales

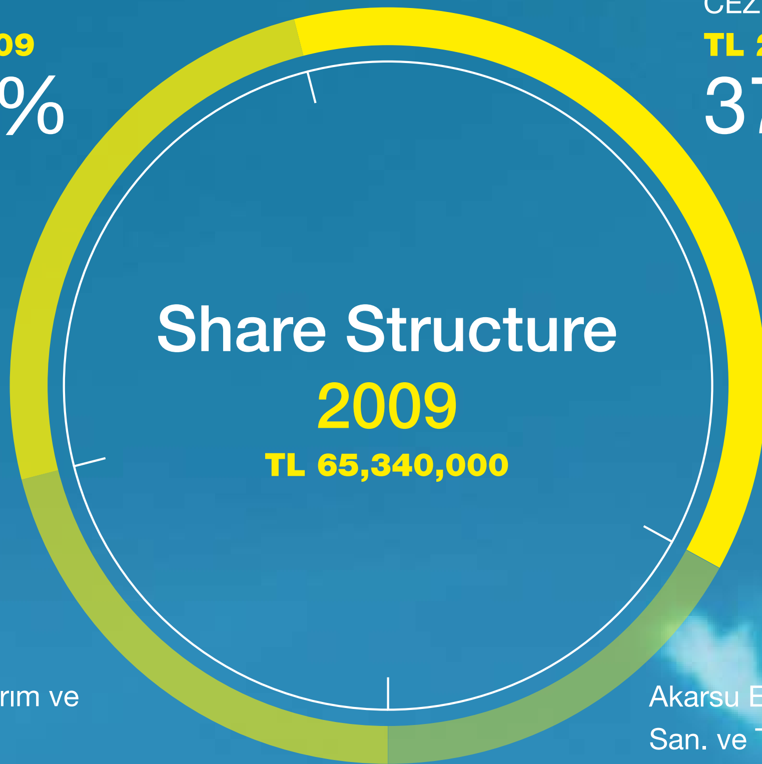
Number of employees
235

2009 investments
TL 347 million

2009 turnover
TL 464 million

* The Yalova power plants were transferred to Aksa Akrilik Kimya Sanayii A.Ş. on April, 30, 2009. Therefore, their effect on the 2009 financial tables is limited to only four months.

Share Structure
2009
TL 65,340,000



Public Shares
TL 16,516,109
25.28%

ČEZ a.s.
TL 24,411,946
37.36%

Akkök Sanayi Yatırım ve Geliştirme A.Ş.
TL 13,350,834
20.43%

Akarsu Enerji Yatırımları San. ve Tic. A.Ş.
TL 11,061,111
16.93%

Subsidiaries and Affiliates

Company	Capital (TL)	Shares (%)
AkCez Enerji Yatırımları Sanayi ve Ticaret A.Ş.	TL 499,750,000	45%
Ak-El Yalova Elektrik Üretim A.Ş.	TL 7,000,000	90.01%
Aken BV	TL 1,747,135	100%
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Tic. A.Ş.	TL 1,000,000	90%
Akka Elektrik Üretim A.Ş.	TL 50,000	90%
Akkur Enerji Üretim Tic. ve San. A.Ş.	TL 42,300,000	99%
Egemer Elektrik Üretim A.Ş.	TL 135,000,000	98.99%
Mem Enerji Elektrik Üretim San. ve Tic. A.Ş.	TL 25,000,000	99%

Capital (TL)

Shares (%)

NOTE: As of February 11, 2009, Sakarya Elektrik Dağıtım A.Ş., which was purchased by AkCez Enerji Yatırımları Sanayi ve Ticaret A.Ş., is an indirect affiliate of Akenerji Elektrik Üretim A.Ş. and is therefore included in the consolidated financial tables via shareholders' equity.

Having gained the support of two important forces, Akkök and CEZ, via a strategic partnership, Akenerji plans to reach a total installed capacity of 3,000 MW in five years.

Map of Operations

Target: Total installed capacity of 3,000 MW in five years

Akenerji transformed its collaboration with CEZ -predating the SEDAŞ tender- into a strategic equal-partnership with an agreement signed in October 2008. In line with this agreement, the Company transferred 50% of its exclusive shares to the CEZ Group for US$ 303 million. Having gained the support of two important forces, Akkök and CEZ, via a strategic partnership, Akenerji plans to reach a total installed capacity of 3,000 MW in five years.

Investment in renewable energy

In order to diversify its sources of generation and to manage fuel resources risks -besides its investments in natural gas- Akenerji has become one of the first Turkish private power generation companies to invest in renewable energy. In 2005, when the Energy Market Regulatory Authority (EMRA) managed its first tenders to build hydroelectric power plants, the Company began to invest in these projects. Akenerji launched its first renewable energy plant, the Ayyıldız Wind Power Plant, in September 2009 and now plans to start up its hydroelectric power plants under construction, in 2010 and 2011. Akenerji plans to achieve a more competitive position by diversifying its fuel portfolio and optimizing its energy costs.

In order to achieve these targets, Akenerji closely monitors the liberalization process in the sector and is interested in the privatization of generation assets such as renewable, thermal and nuclear power plants, as well as in electricity distribution tenders.

Installed Capacity
(MW)

Uluabat HPP*
100 MW

Feke 1 HPP*
30 MW

Feke 2 HPP*
70 MW

Akocak HPP*
81 MW

Bulam HPP*
7 MW

Gökkaya HPP*
30 MW

Burç HPP*
28 MW

Himmetli HPP*
27 MW

Egemer NGP**
900 MW

Kemalpaşa NGP
127.2 MW

Çerkezköy NGP
98 MW

Bozüyük NGP
132 MW

Ayyıldız WPP
15 MW

* Investments under construction
** New investments

Steam Production Capacity

Çerkezköy NGP
144 TON/H

Bozüyük NGP
141 TON/H

Kemalpaşa NGP
132 TON/H

Current Installed Capacity
(Natural gas and wind)

372.2 MW

Investments under Construction
(Hydroelectric)

373 MW

New Investments
(Natural Gas)

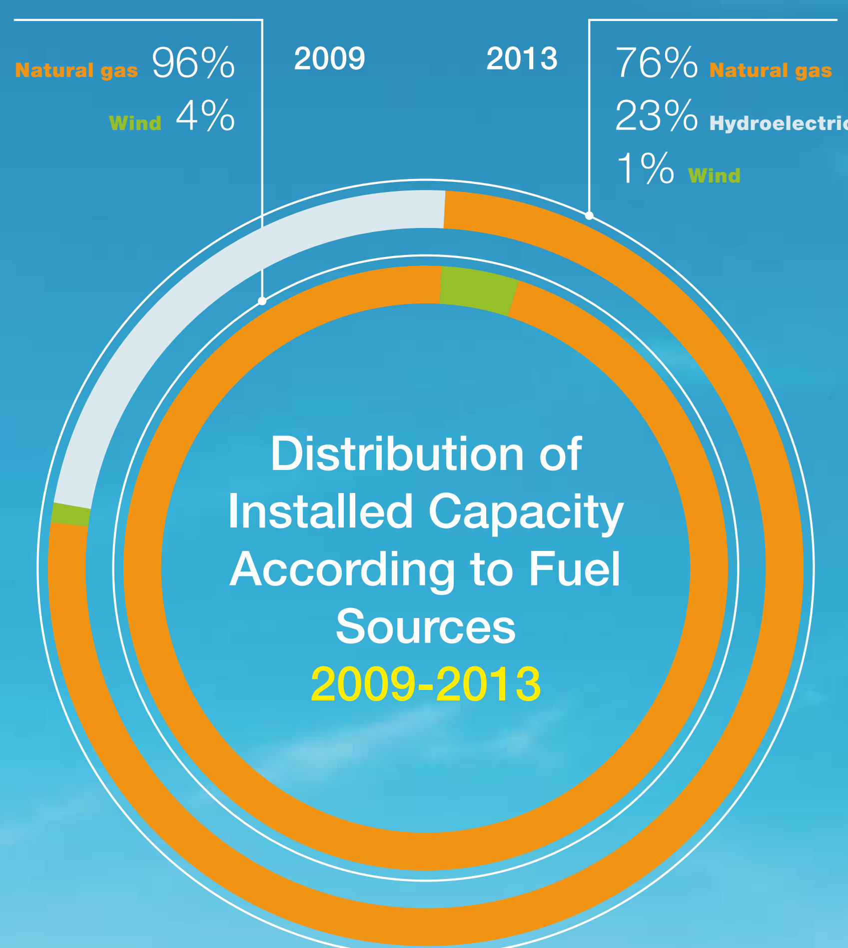
900 MW

Investments in the Process of Licensing
(Wind)

170 MW

Geothermal Resource Exploration Licence

5



Financial and Operational Indicators

Akenerji plans to achieve a 3,000 MW of installed capacity while keeping a balanced portfolio with regards to fuel sources.

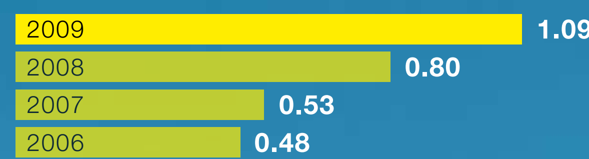
Consolidated (TL million)

	2006	2007	2008	2009
Net Sales	434	452	607	464
Gross Sales Profit	(33)	14	100	67
Operational Profit	(57)	(56)	64	24
Earnings Before Interest, Tax, Depreciation and Amortization	1	(5)	88	60
Net Profit / (Loss)	(60)	(40)	89	24
Total Current Assets	209	196	238	355
Short-term Liabilities	65	57	111	417
Working Capital	9	23	46	41
Tangible and Intangible Assets	400	361	498	812
Total Financial Liabilities	140	156	295	706
Total Assets	637	595	861	1,501
Total Liabilities	208	206	382	782
Shareholders' Equity	428	388	479	719
Period End Value of Cash and Similar Assets	140	88	101	188
Investment Costs	42	70	127	347
Average Employee Number	269	208	217	235

Financial Ratios

Return on Equity (%)

Total Liabilities / Shareholders' Equity

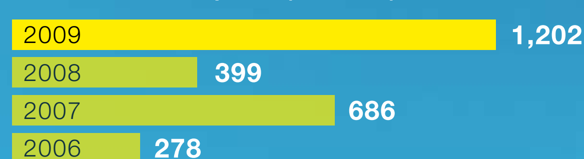


Current Ratio

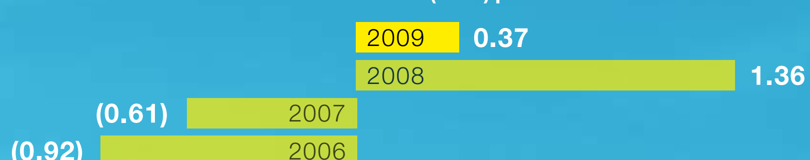
Total Liabilities / Total Assets

ISE Performance

Year-end Market Cap - ISE (TL Million)



Profit / (Loss) per Share



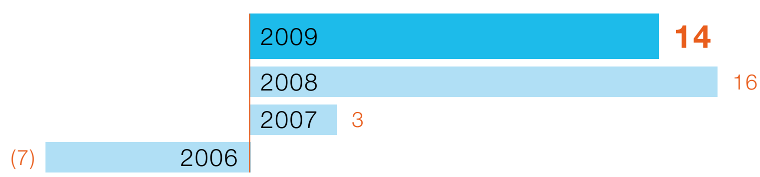
In 2009, when the repercussions of the global financial crisis were fully felt, Akenerji shares performed successfully on the Istanbul Stock Exchange (ISE), superseding the ISE Index. Whereas the ISE 100 Index rose by 97% in 2009, Akenerji shares increased by 130% in the same period.

Financial and Operational Indicators

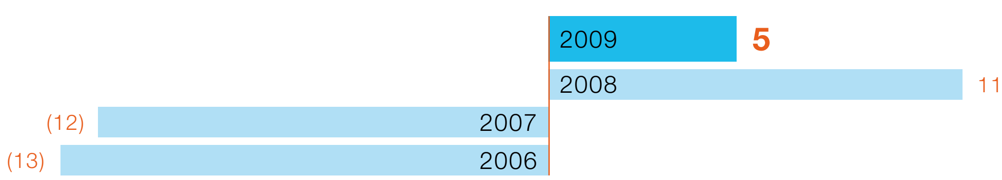
When eight HPP projects under construction with a total installed capacity of 373 MW are commissioned, power generation costs of Akenerji will be cut down considerably.

Net Sales (TL Million)

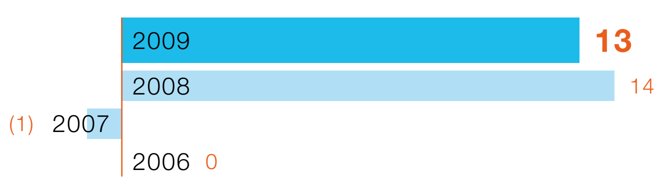
Gross Profit Margin (%)



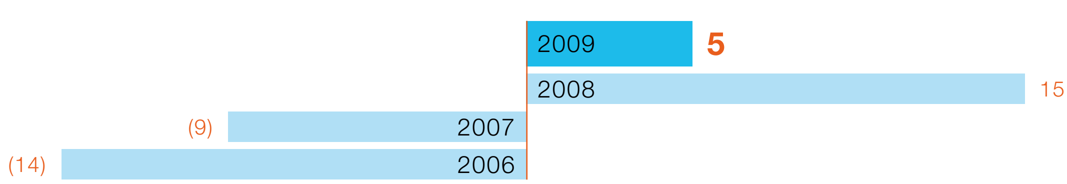
Operational Profit Margin (%)

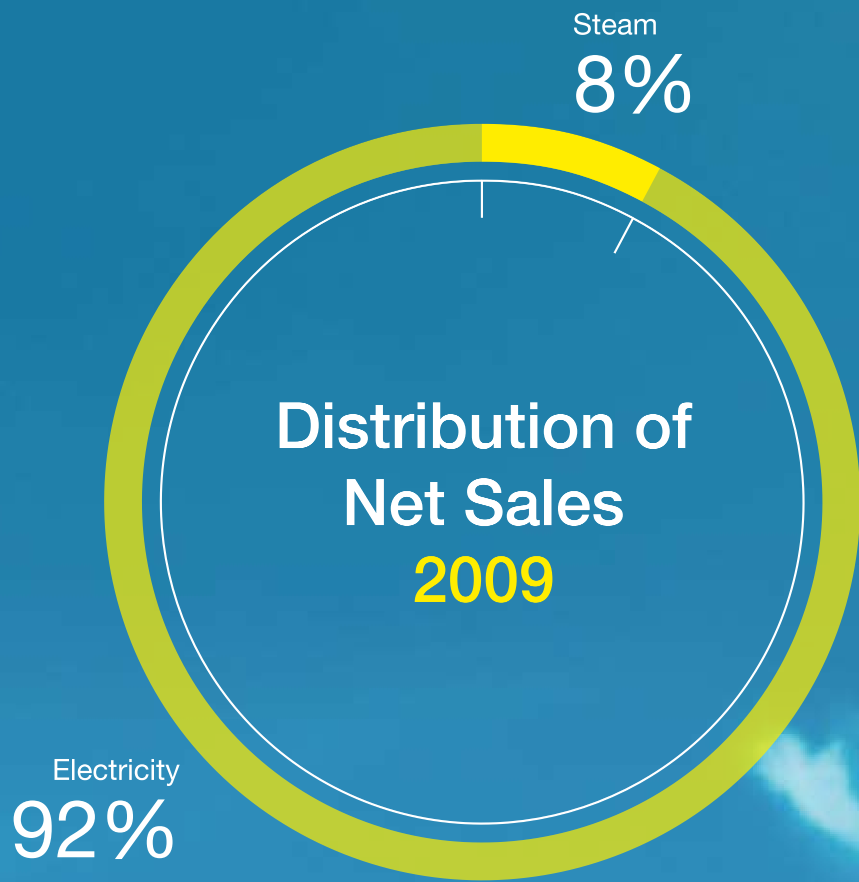


EBITDA Margin (%)



Net Profit Margin (%)





Sales

ELECTRICITY (GWh)	2006	2007	2008	2009
ELECTRICITY (GWh)	3,224	2,840	2,771	2,249
STEAM (1000 tons)	2,423	2,064	1,809	588

Distribution of Electricity Sales (%)

	2006	2007	2008	2009
DIRECT	41	29	20	12
INDIRECT	42	3	1	10
DUY/OTHER*	17	68	79	78

* Other sales consist of electricity sales to other actors in the market (generation or wholesale companies), before DUY came into effect.

900MW

The installed capacity of Egemer Power Plant, Akenerji's biggest one-off investment

Aiming to reach a total installed capacity of 3,000 MW, Akenerji makes sure that its non-renewable investments are also environmentally friendly and therefore, prioritizes natural gas in its investment scheme.

Milestones

Investing in the future of the Turkish energy sector, Akenerji is keen on shaping the future, with an awareness of the importance of energy in national economic growth.

1989

> Akenerji was founded on May 16, 1989 as the first autoproducer group in Turkey under Law No. 3096 on "Assignment of Utilities Other Than Turkish Electricity Utility (TEK) with Power Generation, Transmission, Distribution and Trading."

1993

> The Yalova Power Plant, with an installed capacity of 59.5 MW, was taken over gradually from Aksa Akrilik Kimya Sanayii A.Ş.

> Akenerji came in 188th in the "Top 500 Industrial Corporations" list prepared by the Istanbul Chamber of Commerce (ICC). Akenerji has risen in the ICC 500 list since 1993.

1996

> Çerkezköy Power Plant, with a total installed capacity of 98 MW, commissioned in phases. With the 6.3 MW installed capacity, the Alaplı Power Plant also became operational.

1997

> Bozüyük Power Plant commissioned with a 132 MW installed capacity.

2000

> Akenerji made a public offering of 25% of its shares. Akenerji shares started being traded in the ISE under the code "AKENR."

2001

> Çorlu Power Plant became operational with 10.40 MW installed capacity.

> Orhangazi Power Plant commissioned with 5.08 MW installed capacity.

> Denizli Power Plant started up with 15.60 MW installed capacity.

> Uşak Power Plant became operational with 15.24 MW installed capacity.

> Yalova Akal Power Plant became operational with 10.40 MW installed capacity.

> Two new turbines of Gürsu Power Plant commissioned with 10.40 MW installed capacity.

2002

> The capacity of Gürsu Power Plant increased to 15.60 MW.

2003

> İzmir-Batıçim Power Plant commissioned with 45 MW installed capacity.

2005

> Akenerji underwent a status change in early 2005 and started to operate under the name Akenerji Elektrik Üretim A.Ş.

> As a result of the hydroelectric power plant tenders managed by the Energy Market Regulatory Authority (EMRA) in early 2005, Akenerji was granted the right to operate Uluabat Hydroelectric Power Plant (100 MW) and Akocak Hydroelectric Power Plant (81 MW) for a period of 49 years.

> Izmir Kemalpaşa Power Plant started up with 127.2 MW installed capacity.

2006

> Akenerji bought Akkur Enerji, which holds generation licenses of the hydroelectric power plants Burç Bendi (28 MW), Feke I (30 MW) and Feke II (70 MW).

2007

> Due to market developments, operations of the Orhangazi, Uşak, Gürsu, Çorlu and Denizli power plants terminated and their licenses were cancelled.

> Akenerji bought Mem Enerji Elektrik Üretim T.A.Ş., which holds the license of Bulam Regulator and Hydroelectric Power Plant Project (7 MW) and a license application for Yamanlı III HEPP (Himmetli-Gökkaya, 57 MW).

2008

> Batıçim Power Plant sold to Batıçim Enerji Elektrik Üretim A.Ş. and its license transferred.

> Due to market developments, the license of the Alaplı Power Plant cancelled.

> Akenerji formed the AkCez consortium with the Czech power company CEZ and won the SEDAŞ tender.

2009

> SEDAŞ transferred to the AkCez consortium with a handover ceremony held in Ankara, on February 11, 2009.

> Following the strategic partnership agreement signed with CEZ, with a target of reaching a 3,000 MW installed capacity in five years, Akenerji bought Egemer Elektrik Üretim A.Ş., owner of the natural gas power plant project with an installed capacity of 900 MW in Hatay, on March 20, 2009. Being the first generation investment of the Akenerji-CEZ partnership, the Egemer project is also the biggest one-off investment of the Company to date.

> The Yalova Power Plant's license transferred to Aksa as of April 30, 2009.

> Share transfer process between Akkök Group of Companies, one of the most prominent Turkish industrial groups, and CEZ, the leading power company of Central and Eastern Europe, completed. In line with the agreement, CEZ acquired 37.36% of Akenerji shares on May 14, 2009.

> The Ayyıldız Wind Power Plant commissioned on September 2009 with an installed capacity of 15 MW.

Akkök in Brief

The Akkök Group of Companies, established in 1952 by the late Mr Raif Dinçkök, possesses more than 20 commercial and industrial companies (one of which is abroad), as well as 15 production plants in various sectors. Due to globalization, international competition and the integration process of the world economy, the Group focused on certain sectors, such as chemistry, energy, textiles, real estate and port management.

Akkök Group of Companies:

- Aksa is the world's biggest single plant producer of acrylic fibers, with a production capacity of 308,000 ton per year. With a 12.5% share in the world acrylic fiber production, in pursuit of its product innovation strategy, Aksa's investment in carbon fibers created a company that is Turkey's first and only, and the world's ninth biggest carbon fiber producer.
- The Group's only overseas plant, Aksa Egypt, has produced dyed tows and tops in Alexandria, Egypt since 2005 and quickly gained a distinguished and privileged position in North Africa.
- One of Turkey's biggest privately owned power generation companies, Akenerji diversifies its sources of energy generation and engages in investments to enhance its competitive edge. As the first fruit of its strategic partnership with Europe's leading energy corporation CEZ Group, it annually distributes 8.5 billion kWh of power via SEDAŞ to meet the energy needs of the Sakarya, Kocaeli, Düzce and Bolu provinces. With firm steps, Akenerji approaches the target of growing its 372.2 MW active installed capacity to 3,000 MW in five years.
- Ak-Kim has spread out to the world market with over 100 chemicals in its production portfolio and by implementing turn-key projects overseas.
- In the textile sector, heavily influenced by global competition, the Group plans on uniting certain companies to create synergy, bring costs down, increase productivity and thereby augment competitive advantage. The unification of Ak-Al and Aksu, pioneers in their respective sectors, shall lead to growth, increase in productivity and the development of new products conforming to the Group's strategies.
- Having proven its success in real estate investments with the Akmerkez project, Akkök has taken yet another prestigious step with the Akkoza and Akasya projects of Akiş. Akiş plans to implementing brand new, original and large scale real estate projects, especially inner city shopping malls.
- Besides its ideal location providing a direct link between Europe, Western Anatolia and the Far East, Akport has a 3 million tons of bulk freight general cargo capacity and a 250 thousand TEU container capacity. The present capacity of Akport Tekirdağ Port has been enhanced with new investments. The addition of 14 m of draft, 700 m of pier and 20 thousand square meters of terminal area has brought the total to 2 km of pier and 130 thousand square meters of terminal area, thus transforming the Akport Tekirdağ Port into a high capacity, modern harbor, serving as the main port of this region.

The Group companies Aksa, Akenerji and Ak-Kim Kimya Sanayi A.Ş. figured in the Istanbul Chamber of Commerce list of Turkey's Top 500 Industrial Corporations in 2008. This list honored Aksa in the 47th, Akenerji in the 74th and Ak-Kim in the 332nd positions.

Akkök Group signed the United Nations (UN) Global Compact in 2007 and bases its relations with its employees, clients, suppliers, shareholders and all other stakeholders on the principles of openness, transparency and accountability. All the Group companies are fully aware of their social, environmental and economic responsibilities as corporate citizens, besides their financial responsibilities.

Akkök Group of Companies with its 4,013 employees, has attained a combined turnover of US$ 2.2 billion in 2009; US$ 332 million of this total consists of exports to over 50 countries.

In 2009 Akkök Group of Companies has attained a combined turnover of US$ 2.2 billion, of which, US$ 332 million is exports.

AKKÖK GROUP OF COMPANIES

CHEMISTRY

AKSA
AKRİLİK KİMYA SANAYİİ A.Ş.

AK-KİM
KİMYA SANAYİ VE TİCARET A.Ş.

AKMELTEM
POLİÜRETAN SANAYİ VE TİCARET A.Ş.

ENERGY

AKENERJİ
ELEKTRİK ÜRETİM A.Ş.

SEDAŞ
SAKARYA ELEKTRİK DAĞITIM A.Ş.

TEXTILE

AK-AL
TEKSTİL SANAYİİ A.Ş.

AK-TOPS
TEKSTİL SANAYİ A.Ş.

AKSA
EGYPT ACRYLIC FIBER INDUSTRY S.A.E.

REAL ESTATE

AKMERKEZ
GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş.

AK TURİZM
VE DIŞ TİC. A.Ş.

AKİŞ
GAYRİMENKUL YATIRIMI A.Ş.

SERVICES

AKMERKEZ
LOKANTACILIK GIDA SAN. VE TİC. A.Ş. (PAPER MOON)

AK-PA
TEKSTİL İHRACAT PAZARLAMA A.Ş.

AKPORT
TEKİRDAĞ LİMAN İŞLETMESİ A.Ş.

AKTEK
BİLGİ İLETİŞİM TEKNOLOJİSİ SAN. VE TİC. A.Ş.

DİNKAL
SİGORTA ACENTELİĞİ A.Ş.

CEZ in Brief

CEZ Group is a dynamic, integrated energy conglomerate based in the Czech Republic operating mainly in the generation, distribution and sales of electricity and heat, as well as coal mining. The Czech Republic (Ministry of Finance) is the company's largest shareholder, with a 63% share.

CEZ Group's primary mission is to provide the largest value added to its shareholders. In line with its corporate vision, CEZ focuses on becoming the leader in the Central and Eastern Europe energy market and organizes its operations along the following three focus areas.

CEZ Group's foremost target is to enhance the performance of basic processes and reach optimum cost efficiency. In line with this target, CEZ aims to become one of the most prominent actors of the European energy sector as of 2012.

The second strategic area is to expand operations to selected target countries outside the Czech Republic. CEZ Group's priority focus is the markets in Central and Southeastern Europe, where a period of transition to a liberalized energy market is in order. CEZ Group prioritizes privatization tenders as a means of entering these markets.

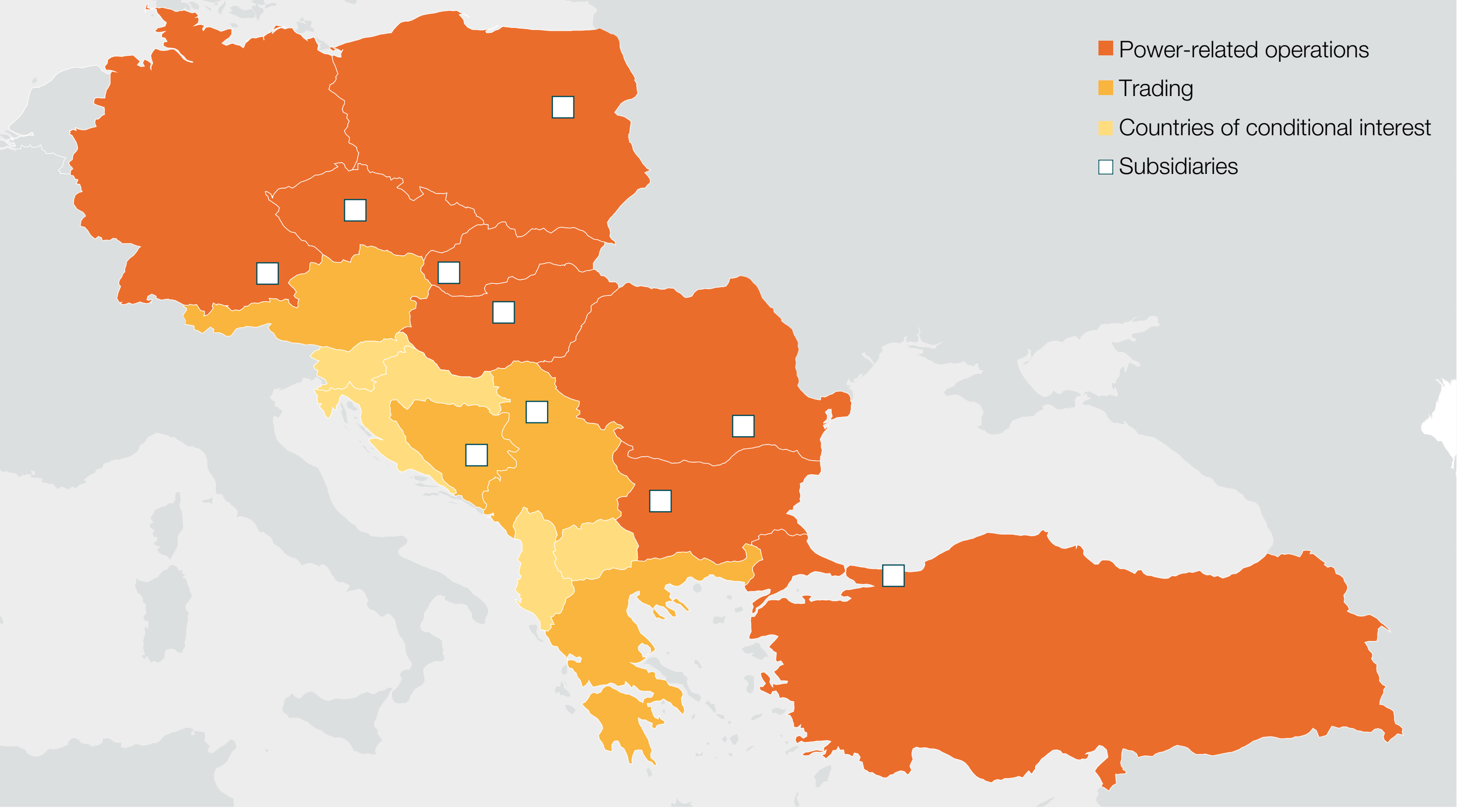
CEZ Group's third priority target is to renew its plant portfolio in order to ensure continued success. The Group plans on investing in upgrading aging brown coal thermal power plants and building new, high-efficiency power plants in the Czech Republic. Some of the power plants included in these projects use renewable sources of energy. CEZ Group is also planning to upgrade existing power plants and build new ones in Hungary, Romania, Bulgaria, Poland, Slovakia and Turkey.

Apart from the Czech Republic, CEZ Group has actively operating companies in Poland, Bulgaria, Romania, the Netherlands, Germany, Hungary, Serbia, Turkey, Kosovo, Bosnia and Herzegovina and Slovakia. In Bulgaria, CEZ Group distributes and sells electricity in the western part of the country and generates electricity in its thermal power plant near Varna, a Black Sea port city. In Romania, CEZ Group owns companies that distribute and sell electricity. In the power generation area, CEZ Group began building the largest wind farm in Europe in Fântânele and Cogealac, two locations in Romania near the coast, and is participating in the construction of two new reactor units at the Cernavod Nuclear Power Station. In Poland, CEZ has two black coal thermal power plants in operation.

A large part of CEZ Group's holdings in other countries are companies that function as holding companies or engage in financing activities. The rest are trading companies and companies that monitor developments in a particular country in order to take advantage of possible acquisition opportunities.

The ethic standards which shape CEZ Group's operations also include acting responsibly towards society and the environment. In line with its sustainable development policy, the company systematically decreases the burden of its operations on the environment and pays special attention to education, child care and health issues. Based on this perspective, CEZ Group is a major supporter of a number of non-profit organizations and public-benefit projects.

CEZ aims to become one of the most important actors of the European energy sector by 2012.



Mission, Vision and Values

Vision

To preserve our pioneering position in the Turkish energy sector and to figure among the largest companies shaping the sector.

Mission

To operate in a quality-oriented perspective at every stage of the energy sector value chain and contribute to meeting Turkey's energy demand in a reliable and long-term fashion.

Institutional Values

Reliability: Reliability and stability are the main values of our Company. Our Company is aware that reliability constitutes the foundation of the energy sector, such that, customers, shareholders, suppliers, employees and all other stakeholders are given clear, understandable and correct information. It operates in an efficient way to deliver on its promises in a precise and timely manner.

Honesty: Akenerji has always been committed to the highest ethical and professional values and the principle of honesty in all of its operations and relations with clients, employees, shareholders, group companies, banks and other corporations and institutions.

Accountability: Akenerji's Board of Directors and top management perform their tasks giving top priority to the profitability of the Company and the benefits of its shareholders. Our Company's Board of Directors and top management are fully accountable to the legal person of the Company and thus, to the shareholders.

Transparency: Akenerji takes the necessary measures to provide information to customers, employees, shareholders, regulatory bodies and the public concerning the Company. Excluding information regarded as commercial secrets and information barred from public disclosure, Akenerji always makes public announcements on financial and non-financial information related to the Company in a timely, correct, understandable, interpretable and easily accessible manner. It always gives open and clear information as regards to the products that are offered to its clients.

Customer Satisfaction: Akenerji always gives top priority to quality and customer satisfaction.

Social Responsibility: In all investments Akenerji pays attention not only to operational excellence and profitability, but also to supporting social and cultural activities along the principles of making a contribution to society and preserving nature. It adopts an attentive, stable and reliable management style.

The Akenerji Employee

Research and Acquisition of Knowledge: The Akenerji employee closely monitors the economical, social and political developments in the sector in order to remain up-to-date on the newest practices and to make the right decisions. Such a person interprets recent developments through extensive research going beyond the routine. He/she sees the inside and outside of the Company holistically and evaluates problems and opportunities.

Honesty and Reliability: The Akenerji employee expresses his/her feelings and opinions openly and truthfully under any circumstances. He/she is coherent in discourse and behavior. Such a person admits openly when he/she makes a mistake and expects the same sincerity and openness from others.

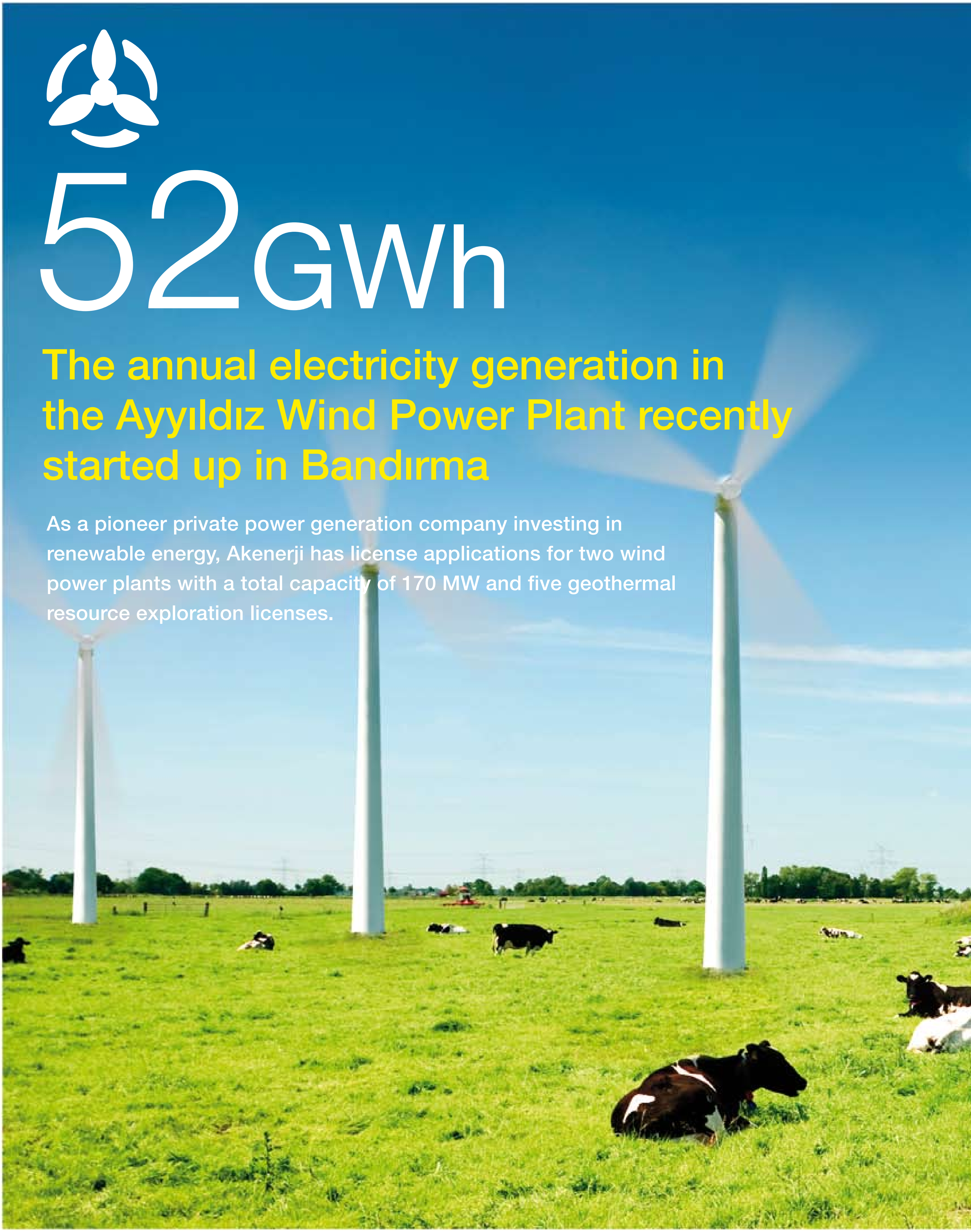
Team Work and Co-operation: The Akenerji employee works as a part of the team, in solidarity with other team members, giving priority to department and Company targets over personal goals.

Sensibility to Customers and Colleagues: The Akenerji employee demonstrates the utmost care and effort to understand the feelings, thoughts and concerns of customers and colleagues.

Self-confidence: The Akenerji employee performs his/her duties in the best way and chooses the most effective approach to solve problems; he/she stands behind his/her decisions in a confident manner.

Being Result-oriented: The Akenerji employee sets his/her eyes on challenging targets in order to improve his/her performance and attain perfection. He/she strives for innovation to create a difference.

Creativity and Innovativeness: The Akenerji employee is able to work effectively in various environments with different people or teams and to respect different or opposite view points. He/she rapidly adapts to changes necessitated by the job and puts in practice what he/she has learned.



52GWh

The annual electricity generation in the Ayyıldız Wind Power Plant recently started up in Bandırma

As a pioneer private power generation company investing in renewable energy, Akenerji has license applications for two wind power plants with a total capacity of 170 MW and five geothermal resource exploration licenses.

Chairman's Message

Distinguished shareholders,

The global financial crisis which loomed large in 2008, resulted in a serious contraction of the world economy starting from the third quarter of the year. Looking at the balance sheet of the crisis as of year-end 2009, we can discern certain outcomes which could shift the balance of the global economy.

The economies to be most heavily affected by the crisis in 2009 were the USA, Japan and Europe, considered to be the driving forces of the global markets. Japan could attain positive growth as late as the third quarter of 2009, whereas the USA and Europe are yet to give signs of sustainable growth. On the other hand, countries which maintained the growth momentum despite the crisis, such as China, followed by Brazil, Russia and India will be the economies to shape the global markets in the future.

In 2009, being one of the 13 countries to have a "positive" outlook during the crisis, Turkey displayed a performance surpassing the expectations formulated a year ago during the escalation of the crisis, thereby raising its credit rating. During the final quarter of 2009, evaluations coming from international credit rating agencies such as Moody's, Fitch Ratings and Standard & Poor's (S&P) have had a positive effect on international capital's risk perspectives about Turkey.

Although Turkey's economy has contracted by 10.6% in the first half of the year in parallel to global trends, it has maintained a positive outlook in the latter part of 2009. The diminution of the foreign account deficit and the current deficit as well as the drop in the food and energy prices, which pulled down the inflation rate, were the most important factors behind this improvement. As of year end, the total contraction of the GDP is predicted to fall back to 5-6%. In 2010, the high budget deficit and the unemployment rate are presumed to present the most critical challenges to our economy.

The crisis which engulfed the financial markets in the final quarter of 2008, took a toll on the real economy in 2009. As we witnessed closing factories and long term halts in production, 2009 displayed a diminishment in industrial demand, resulting in a critical drop in electricity demand. In the final quarter of 2009, the rises in industrial production and, accordingly, in electricity demand are to be considered indications of the global recovery. As a result, together with this recovery in the final quarter, the total drop in electricity demand over the previous year is in the order of 2.4%.

Although these changes of conjuncture in 2009 translated into oscillations in electricity demand, it is undeniable that the energy sector has the potential to be the driving force of the Turkish economy in the future.

Akenerji took strategic decisions in 2009 to leave behind a successful year which will go down in the Company's history in bold letters.

Akenerji is among the driving forces of the Turkish energy sector. Our Company's vision is based on our faith in Turkey's growing economy and on our evaluation of the Turkish energy sector's strong potential. With this vision, despite all the negative developments in the economy and the sector, Akenerji took strategic decisions in 2009 to leave behind a successful year which will go down in the Company's history in bold letters.

Our Company's collaboration with Central and Eastern Europe's largest power company, ČEZ, a.s. for the SEDAŞ tender in 2008 was taken one step forward in 2009 to form a strategic partnership within Akenerji. Akenerji has gained the support of two large groups, Akkök and CEZ, due to this historical encounter and thus has made a breakthrough on its way to become Turkey's foremost integrated energy company.

With the momentum created by this partnership, Akenerji has added to its short term agenda large investments that will shape the future of the Turkish energy sector. Akenerji plans to attain an installed capacity of 3,000 MW in the next five years. With its 900 MW licence, the Egemer combined cycle natural gas power plant, whose investment preparation plans were launched in 2009, has strategic importance in this aspect. Being Akenerji's first investment decision in generation after its strategic partnership with CEZ, the Egemer project is also noteworthy for being the Company's largest one-off investment up to now.

Generating electricity in an environmentally friendly and efficient manner is one of the most important items on our agenda. Akenerji is one of the first private power producers to invest in renewable energy sources. It continues its investment in this area at full speed with wind power plants and hydroelectric power plants.

Akenerji aims to attain the 3,000 MW installed capacity while preserving a balanced portfolio of fuel sources. Our investments under construction which is comprised of eight hydroelectric power plants with a total installed capacity of 373 MW will result in a significant drop in our generation costs and enhance the Company's competitive edge. In its future investments, Akenerji will analyze the market and the sector with the same diligence and continue to enhance its source diversification. For this reason, Akenerji closely monitors various potential investment and privatization projects in Turkey and aims to build on its shareholder CEZ Group's experience in coal and nuclear energy, thereby growing by diversifying its portfolio.

Investing in the future of the Turkish energy sector, Akenerji is in a struggle to shape the future taking into consideration our nation's growth trend and needs. In line with this target, we sustained our operations and investments without any deceleration, when the global crisis brought the world's real economy almost to a halt during 2009. We will continue on our path with the support of our shareholders and with the determination for growth of the Turkish economy and the energy sector's strong potential.

In the name of our Board of Directors, I would like to take this opportunity to express my deepest gratitude to our employees, who have the biggest share in Akenerji's success story. I would also like to thank our shareholders, who always granted us their full support during twenty years of growth and during the critical process which we are currently going through; our clients, who never lost faith in Akenerji; and our social and economic stakeholders who will certainly continue to share our wealth today and in the future.

Best regards,

Ömer DİNÇKÖK
Chairman of the Board of Directors

Board of Directors

Ömer Dinçkök
Chairman

Born in Istanbul in 1948, Mr. Ömer Dinçkök graduated from Robert College Business Administration and Economics Department. Dinçkök completed his postgraduate studies in the United Kingdom in 1971. He began his professional career in the Akkök Group of Companies and currently serves as Vice Chairman of the Board of Directors at the Akkök Sanayi Yatırım ve Geliştirme A.Ş. He also serves as Chairman and Vice Chairman in the boards of directors of various Group companies.

Dr. Martin Roman
Vice Chairman

Born in 1969, Dr. Martin Roman graduated from the Faculty of Law at Charles University in Prague. He began his professional career in 1992 during his postgraduate studies and served as senior executive in numerous companies. In February 2004, he became Chairman of the Board of Directors at the CEZ Group and is currently Chairman of the Board of Directors and CEO at the same company.

Mehmet Ali Berkman
Member

Born in 1943 in Malatya, Mr. Mehmet Ali Berkman graduated from the Industrial Management Department at the Administrative Sciences Faculty at Middle East Technical University. He earned his MBA in Operations Research at Syracuse University, where he was granted a scholarship. Berkman started his professional career in 1972 and served as CEO to Arçelik A.Ş. between 1994 and 2000. He was appointed as the Director of Strategic Planning in Koç Holding A.Ş. in August 2000, and Director of Human Resources in the same company in February 2001. Mehmet Ali Berkman currently serves as a Member of the Board of Directors and the President of the Executive Board at the Akkök Sanayi Yatırım ve Geliştirme A.Ş.

Peter Bodnár
Member

Mr. Peter Bodnár was born in 1960 and graduated from the Mechanical Engineering Department at the Slovak University of Technology in Bratislava in 1984. After 1992, he served as senior executive in companies such as Istroenergo Group, Alstom and Skoda Holding and was later appointed Director of the Quality and Processes Enhancement Section in June 2007 and managed the restructuring of CEZ. In January 2008, Bodnár became Chief Investment Officer at the CEZ Group and has served as a Member of the Board of Directors since August 2009.

Ali Raif Dinçkök
Member

Mr. Ali Raif Dinçkök was born in 1944 in Istanbul and graduated from St. George's Austrian High School. After graduating from Aachen University's Textile Engineering Department in 1969, he started his professional career at the Akkök Group of Companies. Dinçkök is currently the Chairman of the Board of Directors at the Akkök Sanayi Yatırım ve Geliştirme A.Ş. and also serves as Chairman and Vice Chairman in the boards of directors of Group companies.

Raif Ali Dinçkök
Member

Born in Istanbul in 1971, Mr. Raif Ali Dinçkök graduated from the Business Administration Department of Boston University in 1993 and started work at the Akkök Group of Companies. He served as coordinator in the Purchasing Department of Ak-Al Tekstil Sanayii A.Ş. from 1994 to 2000 and at Akenerji from 2000 to 2003. Raif Ali Dinçkök is currently a Member of the Board of Directors and Executive Board at the Akkök Sanayi Yatırım ve Geliştirme A.Ş. and Chairman of the Board of Directors at Akiş.

Hüsamettin Kavi
Member

Mr. Hüsamettin Kavi was born in Istanbul in 1950. He graduated as an Engineer, MSc, from the Civil Engineering Faculty at the Istanbul Technical University in 1972. Since the start of his career in 1975, he served in many sectors and also figured among the founders of the Young Businessmen Association of Turkey. From 2003 to 2005, Kavi was a Member of the Board of Directors at Türk Telekom A.Ş. and served in the privatization of Türk Telekom. Since 2001, Kavi has been a Member of the Board of Directors at Akenerji Elektrik Üretim A.Ş.

Tomáš Pleskać
Member

Born in 1966, Mr. Tomáš Pleskać graduated from the Faculty of Business and Economics of Mendel's University of Agriculture in Brno in 1989. Later, he completed an internationally accredited course at the Prague International School and received an MBA. Pleskać joined CEZ in 1994 and served as senior executive in various positions. Since 2008 he has served as Division International Chief Officer and Vice Chairman of the Board of Directors.

Vladimír Schmalz
Member

Born in 1966, Mr. Vladimír Schmalz graduated from the Foreign Trade Economy Department at the Faculty of International Relations at the University of Economics in 1994. He represented the interests of CEZ in the Supervisory Board of Severoceska Energetika a.s. from 2004 to 2005 and then in the Supervisory Board of Škoda Praha a.s. from 2005 to 2006. At present he is a member of the Supervisory Board of the distribution company EAD Stolichno in Bulgaria and CEO of ZAO TransEnergo in the Russian Federation. Since 2004, he has served as a Member of the Board of Directors and Director of the Mergers and Acquisitions Department.

Petr Štulc
Member

Petr Štulc received his master's degree in geophysics at Charles University in Prague in 1992 and received his PhD from the same department in 1995. Štulc served as Eurelectric's Central Eastern Region Coordinator, Vice President of the OECD BIAC Energy Committee and Member of the Vattenfall Europe PowerConsult Advisory Board and later joined CEZ in 2004. As Head of Strategy in CEZ, his current responsibilities include the enhancement of the CEZ Group market strategy, evaluation of acquisition targets throughout Europe, design of the future CEZ generation plant portfolio and market analysis.

CEO's Message

Distinguished Shareholders,

To begin with, I would like to point out that despite all the repercussions of the global crisis, the year 2009 will go down in Akenerji's history as a banner year -a period of radical transformation. The name Akenerji was initially carved into the history of the Turkish energy sector as "the first auto-producer group of power generation." Continuing to pursue its strategic targets and with the vision to become Turkey's foremost integrated energy company, Akenerji took giant strides in 2009 to clearly stamp its name on the future of the whole sector.

As one of the fastest growing economies in the world, Turkey has preserved its hope inspiring outlook throughout 2009, a really tough time when many credit rating agencies cut the ratings of tens of countries. The energy sector, of which Akenerji is a prominent part, will serve as a springboard for this young and dynamic country aspiring to deliver robust growth performance in the coming decade.

As a result of high rates of population growth and urbanization in Turkey, the country's GDP grew 4% annually over the last 25 years and the average annual increase in electricity consumption was 8% during the same period. According to projections of the Turkish Electricity Transmission Company (TEİAŞ), if demand increases by 7%, the annual consumption will rise from nearly 194,000 GWh in 2009 up to 357,000 GWh in 2018.

The effect of the global crisis on the real sector has created a short term slowdown in the demand for electricity. Stagnation in industrial production has resulted in a serious drop in the demand for electricity from industry, normally constituting 50% of the total demand. Residential consumers, the second largest group with a 25% share, had a tendency to reduce consumption in an effort to economize. On the other hand, in parallel with signs that the global crisis is coming to a close, Turkey is expected to enhance its economic outlook from the second half of 2010 onwards. This in turn will result in a rapid rise of industry's share of total power consumption.

The data on demand increase indicates that a power deficit is a serious risk for Turkey in the coming decade. In order to meet the rising demand, the Turkish energy sector will need to sustain an average annual investment of US$ 4 to 5 billion until 2020. Akenerji has determined its vision and strategic targets in the light of these findings.

Our consortium with the Czech energy giant ČEZ a.s. that began in 2008 came into effect in February 2009 with the acquisition of SEDAŞ from the Privatization Administration (ÖİB). In the aftermath of this privatization, our company also acquired electricity distribution rights in the SEDAŞ region, thereby including electricity distribution in its field of activity and resulting in yet another giant leap toward becoming an integrated company within the energy sector.

The cooperation between Akenerji and CEZ was further enhanced in 2009 with the establishment of a strategic partnership based on equal participation. This partnership was actualized with the acquisition of half of Akenerji's shares from the Akkök Group; these are not public shares. Joining its accumulated experience and knowledge in the Turkish energy sector with the know-how and power of Europe's seventh largest energy company, CEZ, Akenerji has proven once again that it resides among the prominent leading actors in the Turkish energy sector.

One of the most outstanding accomplishments of the Akkök-CEZ partnership has been the 900 MW capacity Egemer Natural Gas Plant project, which we incorporated in 2009; construction will begin in the second half of 2010. The project, with an investment of approximately US$ 1 billion, is planned to start operation in 2013.

Another remarkable development during our 2009 operations was the transfer of the Yalova Plant, which we have been operating for 16 years, to our Group Company, Aksa Akrilik Kimya Sanayii A.Ş. In addition, the Ayyıldız Wind Power Plant was completed and launched in September 2009 and joined the Akenerji portfolio with an installed capacity of 15 MW. Located in Bandırma, the Ayyıldız Wind Power Plant constitutes Akenerji's first step toward fulfilling its promise to eliminate the release of over one million tons of carbon dioxide. When

Accounting for 1% of Turkey's total electricity generation in 2009, Akenerji has undertaken a crucial mission to overcome the power deficit in our growing economy.

eight hydro power plants currently under construction go online gradually through 2012, Akenerji will have both fulfilled this promise and will have increased its installed capacity to 746 MW.

Our Company ranks among the first private Turkish power generation companies investing in renewable energy. Utilizing renewable sources in the energy sector where sustainable growth is of utmost importance, we aim not only to increase our clean energy generation capacity, but also to optimize our generation costs.

In a year dominated by the "crisis of the century" across the globe, our Company, having gone through a radical operational transformation, finished the year maintaining its sound financial structure. However, the decline in the consumption of electricity in the first half of the year in which the effects of the global financial crises were intensively felt, and accordingly, the low course of electricity prices were the main factors affecting our Company's financial results. EBITDA and net profit of our Company as of year-end 2009 were TL 60 million and TL 24 million, respectively. Our net sales revenue as of 2009, with a 23.5% decline over the previous year, was reported as TL 464 million.

As a responsible corporate citizen, Akenerji attaches as much importance to its societal duties as it does to operational and financial outcomes. In 2009, Akkök Group of Companies released a progress report in line with the UN Global Compact, which it signed in 2007. This report, also covering Akenerji's activities based on the principles of openness, integrity and transparency, clearly documents how both the Akkök Group and our Company play a pioneering role in corporate management and social responsibility.

Diligently meeting all environmental requirements currently at its plants and plants under construction, our Company continues activities in cooperation with Global Tan Energy and in full compliance with EU environmental legislation as well as the Voluntary Emission Reduction (VER) scheme.

Accounting for 1% of Turkish electricity generation, Akenerji has undertaken the crucial mission to overcome Turkey's electricity deficit, especially with the backing it receives from the Akkök Group and CEZ. In fulfilling this mission, our most important support comes from our shareholders and our highly qualified human resources. I would like to take this opportunity to express my gratitude first and foremost to our employees, then to our shareholders, our suppliers, our clients, as well as to our social stakeholders who accompany us on our journey to success.

Best regards,

Ahmet Ümit Danışman
CEO

The Energy Sector in the World and in Turkey

The decline in fossil fuel sources in the world and correspondingly the rise in energy costs increase the importance of resource diversification and the use of renewable resources.

The World

The worldwide generation of electricity has grown annually by around 3% in the last 25 years. Among the fuel sources of electricity generation, coal comes first with a 41.5% share, followed by natural gas.*

Since power generation plants necessitate long term and large scale investments, no grand transformation is expected in world power generation in the short term. In case the global energy policy based on coal-fired generation does not change, it is inevitable that electricity generation stays highly dependent on fossil resources. The global financial crisis and the global climate change, however, loom large in the global agenda and strengthen the trend towards the use of renewable energy sources in power generation. Especially, the rise in energy costs and incentives such as emission trade will lead to an increase of the share of renewable resources in world energy generation.

The global financial crisis, which left its mark on the year 2009, has had its effects in many areas of daily life, including electricity consumption trends. The crisis triggered a slump in industrial production and a deceleration in electricity consumption, resulting in the biggest stagnation in the electricity consumption increase rate since 1981. As economic recovery sets in, however, electricity consumption is expected to show a rising trend from 2010 onwards.

Turkey

The electricity sector comes first among Turkey's large and rapidly growing sectors. The Turkish electricity sector has attained a level of growth well above that of other crucial industrial sectors and of the nation's economy in general. The evaluation of historical data indicates that this trend has been in place for a long period of time. The steady rise in demand, which has continued even during times of economic fluctuation, indicates that a power deficit is around the corner. Projections by the Turkish Electricity Transmission Company (TEİAŞ) also seem to confirm this scenario.

Between 1980 and 2009, the Turkish GDP has grown around 4% annually, whereas the annual electricity consumption increase attained approximately 8%. Turkey comes fourth in the world as regards to this rise in electricity demand. Although electricity consumption has dropped due to the global crisis in 2009, as the economy and the industry gradually recover, electricity consumption is predicted to rise rapidly once again from 2010 onwards.

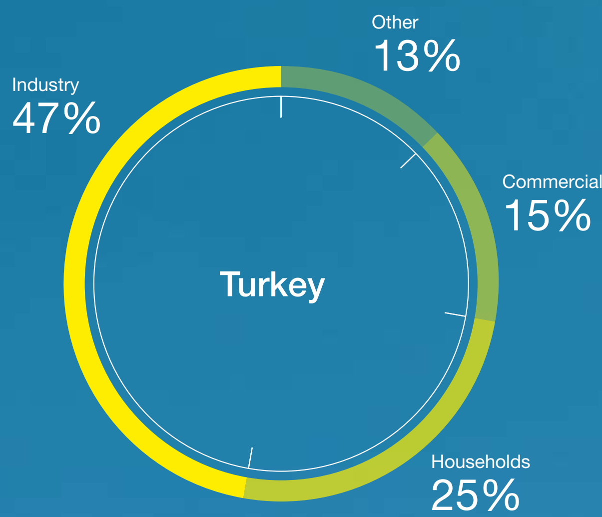
Judging by its low GDP and per capita electricity consumption compared to developed countries, Turkey's energy sector has a large potential for rapid growth. Whereas the worldwide average annual per capita electricity consumption is 2.7 MWh, this figure stands at 2.2 MWh in Turkey. Considering that per capita consumption values are 13.6 MWh in the USA, 15.2 MWh in Sweden and 11.2 MWh in Australia, it is inevitable that Turkey's energy market outperforms its GDP in the future.

Unlike the worldwide trend, Turkish electricity generation is oriented towards natural gas rather than coal for resource. The capacity of Turkey's domestic resources and its role as a host to strategic pipelines bring the share of natural gas in total electricity generation to around 50%. The other important elements of the national electricity generation portfolio are brown coal with a share of 28% and hydroelectric resources with a share of 18%. In parallel to the general trend stemming from global climate change, the share of renewable resources shows a rising trend in the recent years.

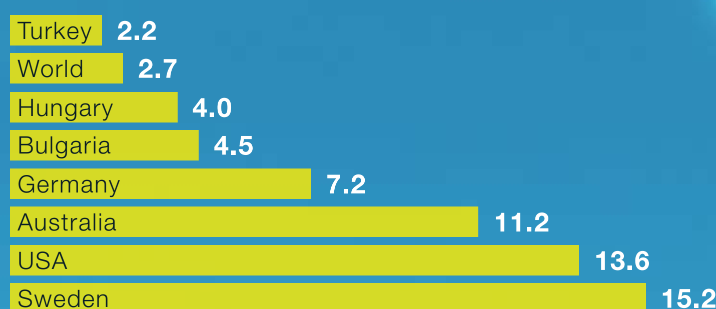
In 2009, Turkey's gross electricity consumption stood at approximately 194 billion kWh. According to the 2008 data of the Turkish Electricity Distribution Company (TEDAŞ), industry accounts for roughly half of the total Turkish electricity consumption and households follow with a 25% share. Commercial consumers come third with a share of 15% in total consumption.

* Source: International Energy Agency (IEA) statistics for 2007

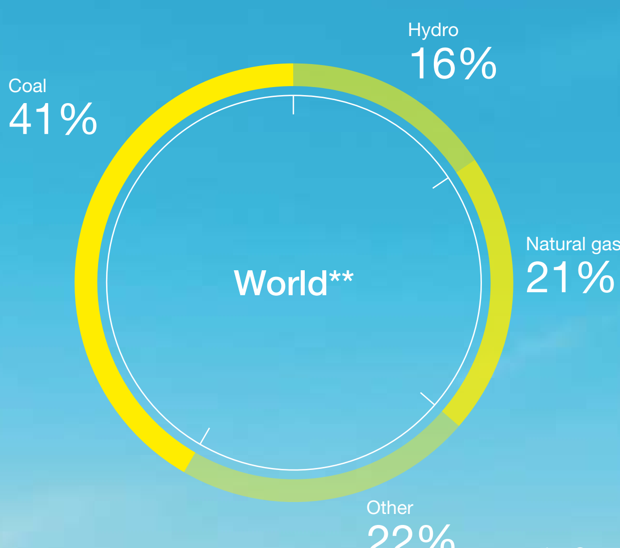
Distribution of Electricity Consumption in Turkey (%)*

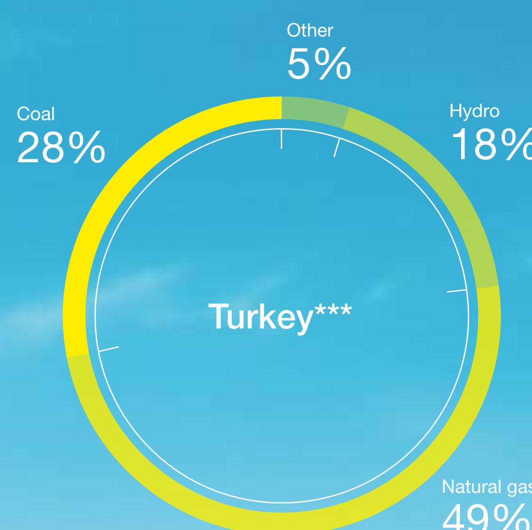


Average per Capita Electricity Consumption (MWh)**



Resource Diversification in Electricity Generation



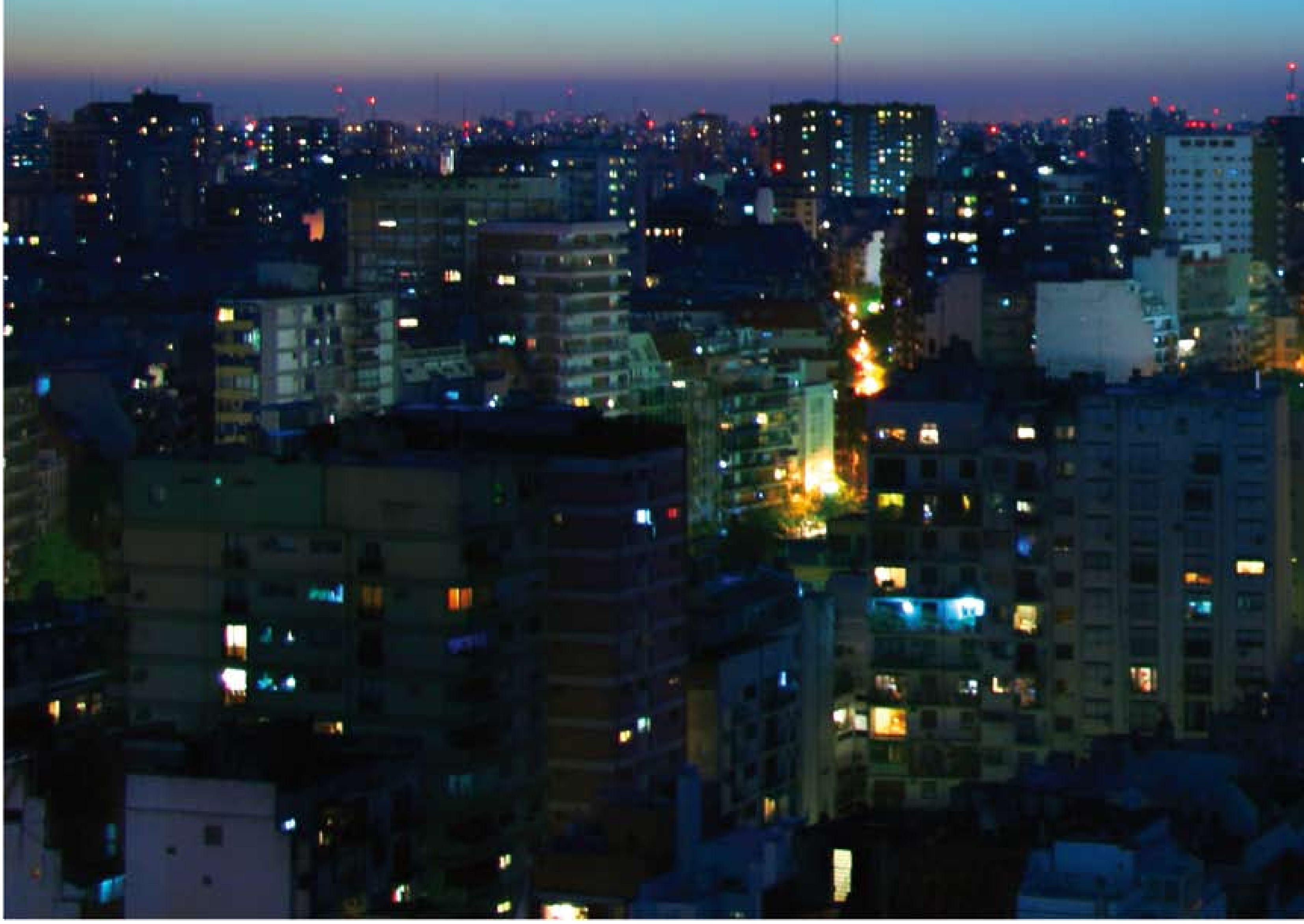


* Source: Turkish Electricity Distribution Company (TEDAŞ) statistics for 2008
** Source: International Energy Agency (IEA) statistics for 2007
*** Source: Turkish Electricity Transmission Company (TEİAŞ) statistics for 2009

8,414GWh

Total electricity distributed by SEDAŞ in 2009

Distributing electricity to the industrially advanced provinces of Sakarya, Kocaeli, Bolu and Düzce, SEDAŞ provides high quality, uninterrupted services and continues to exploit national resources in the most efficient manner.



Operations in 2009

In 2009, Akenerji pursued its investments that will shape Turkey's future, with the launch of the 900 MW capacity Egemer combined cycle natural gas power plant project, besides its three presently functional natural gas power plants and one wind power plant, as well as eight hydroelectric power plants nearing completion.

Operations in 2009

Generation

Akenerji has generated a total of 2,109 GWh of electricity in 2009, becoming one of the biggest players in the sector.

Akenerji's power generation in three natural gas power plants located in Turkey's industrial regions (Bozüyük/Bilecik - 132 MW, Çerkezköy/Tekirdağ - 98 MW and Kemalpaşa/İzmir - 127.2 MW) was enhanced with the inclusion of the Ayyıldız Wind Power Plant (Balıkesir - 15 MW) in its portfolio, bringing the total installed power capacity to 372.2 MW. Akenerji has generated a total of 2,109 GWh of electricity in 2009, affirming its place among the biggest players in the sector.

On the other hand, as of April 30, 2009, Akenerji transferred the license of its Yalova Power Plant to Aksa Akrilik Kimya Sanayii A.Ş., another member of the Akkök Group of companies. With 70 MW of installed capacity, Yalova Power Plant has two facilities. It had been taken over by Akenerji in 1993 and managed for 16 years.

The wind fills Akenerji's sails in Bandırma

Assuming that the importance of the renewable energy will grow day by day, Akenerji has boosted its investment in this area, culminating in the completion of a wind power plant in Balıkesir's Bandırma township. With a planned annual generation of 52 GWh, the Ayyıldız Wind Power Plant started operation in September 2009.

Every single year more players join in the electricity market, flourishing and liberalized with ongoing privatizations. In particular, the coming into effect of the Electricity Market Balancing and Settlement Regulations (DUY) in 2006 has resulted in the creation of supply security in the electricity market and a more secure climate for new investments. Thanks to the synergy created by its partnership with CEZ, Akenerji rapidly boosts its investments to preserve and enhance its prominent position in the energy sector, which is becoming more and more competitive every day.

Based on its prediction that renewable energy will grow in importance in the future, Akenerji has boosted its investment in this area, culminating in the completion of a wind power plant with 15 MW installed capacity in the Bandırma township of Balıkesir. The Ayyıldız Wind Power Plant started operation in September 2009, with a planned annual generation of 52 GWh.

Akenerji's new power plants under construction -namely, Uluabat HPP (100 MW), Akocak HPP (81), Feke I HPP (30 MW), Feke II HPP (70 MW), Burç Bendi HPP (28 MW), Himmetli HPP (27 MW), Gökkaya HPP (30 MW) and Bulam HPP (7 MW)- have a total capacity of 373 MW and their commissioning will avoid over 1 million tons of CO_2 release.

One of the most important projects of the Akenerji-CEZ Group strategic partnership is the natural gas power plant project with 900 MW installed capacity in Erzin township of Hatay. Akenerji's subsidiary, Egemer Elektrik Üretim A.Ş., is preparing the Egemer Natural Gas Power Plant project which is expected to generate an average of 6.7 billion kWh of electricity annually.

Operations in 2009

Distribution

AkCez won the SEDAŞ privatization tender and has the right to operate the company for 28 years.

Having won the privatization tender for SEDAŞ, AkCez possesses the right to operate the company for 28 years.

Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ) was established in 1954 as a supply storehouse adjoined to the power plant's construction unit and afterwards it started to operate as a corporation undertaking power plant construction in an area spanning Sakarya, Kocaeli, Zonguldak, Bolu and Bilecik. SEDAŞ acquired its present name in 1993, after becoming one of TEDAŞ' seven general directorates, in charge of the Sakarya and Bolu provinces.

SEDAŞ' main operations are:

> Electricity distribution, as well as construction and operation of distribution facilities or commissioning of other firms to construct and operate these facilities.

> Making connection agreements with customers and taking necessary measures to provide electricity in an efficient and uninterrupted manner in accordance with retail sales contracts.

> Measuring the amount of electricity consumed by clients, calculating the accrued charge and collecting the due payment.

Akenerji's first step into the electricity distribution sector

The decision for the privatization of SEDAŞ was made in 2004, after which, the company was included in the privatization programme and merged with Körfez EDAŞ in 2005 to be restructured as the 15th Distribution Area covering the provinces of Sakarya, Kocaeli, Bolu and Düzce. The Privatization Administration launched a tender for the block sales of 100% of SEDAŞ shares. On July 1, 2008, the said tender opened at US$ 355 million and the Akkök-Akenerji-CEZ (AkCez) Consortium won it with a proposal of US$ 600 million. Consequently, SEDAŞ was transferred to the AkCez Consortium on February 11, 2009 with a ceremony organized in Ankara. Akenerji Elektrik Üretim A.Ş. holds 45% of the company's shares, whereas Akkök Sanayi Yatırım ve Geliştirme A.Ş. owns 27.5% and the ČEZ Group a.s. possesses 27.5%.

SEDAŞ, the renewed name of incessant illumination

To be operated by AkCez for 28 years, SEDAŞ will continue its operations and investments under the status of "private company providing public service" in a region spanning four provinces which constitute the heartland of Turkish industry and which are undisputed leaders in GDP generation. Since Sakarya, Kocaeli, Bolu and Düzce have suffered severely from earthquakes in the recent past and as their industrial potential attracts a large number of immigrants from other regions of the country, these provinces must be developed in a continuous fashion and be bestowed with a robust infrastructure. In this sense, the privatization of SEDAŞ is crucial in meeting the constantly rising energy demand of the region in a permanent and satisfactory manner.

SEDAŞ serves a total of 1,347,806 customers in its assigned region as of year-end 2009. It employs 694 people as of year-end 2009 and provides employment to a total of 2,090 -including the employees of the firms which supply it with various services.

SEDAŞ had attained a sales figure of 8,760,455,372 kWh and a gross revenue figure of TL 1,283,360,060 in 2008. As of year-end 2009, these figures changed to 8,414,482,549 kWh and TL 1,477,874,053 respectively.

Investments under Construction

When Akenerji's eight hydroelectric power plants, with a total capacity of 373 MW, are commissioned, the Company will avoid over 1 million tons of CO_2 release.

Akenerji expeditiously carries out its investments in renewable energy sources. The Company has obtained the necessary shareholders' equity and financing to be invested in the eight hydroelectric power plants under competitive conditions. These plants are predicted to become active gradually, between 2010 and 2011.

Closely monitoring the developments in its sector, Akenerji is willing to engage in carbon trade and has started work on carbon certificates concerning all of its investments in renewable energy. Akenerji's new power plants under construction -namely, Uluabat HPP (100 MW), Akocak HPP (81 MW), Feke I HPP (30 MW), Feke II HPP (70 MW), Burç Bendi HPP (28 MW), Himmetli HPP (27 MW), Gökkaya HPP (30 MW) and Bulam HPP (7 MW)- have a total capacity of 373 MW and as they step in the scene they will avoid over 1 million tons of CO_2 release.

Çınarcık Dam and the Uluabat Power Tunnel Hydroelectric Power Plant

Akenerji offered the highest bid in the Energy Market Regulatory Authority's (EMRA) first hydroelectric power plant tender on March 14, 2005, thereby gaining the right to operate the Çınarcık Dam and Uluabat Power Tunnel Hydroelectric Power Plant for 49 years.

When the Çınarcık Dam and Uluabat Power Tunnel HPP are completed in the Susurluk Basin of the Marmara Region, the facility will have an installed capacity of 100 MW and an annual generation of 422 million GWh. The project is planned to be commissioned in 2010.

Erikli, Akocak Regulators and the Akocak Hydroelectric Power Plant

On June 16, 2005, Akenerji signed an agreement for the use of water for the Erikli, Akocak Regulators and Akocak Hydroelectric Power Plant, for which the Company won the tender that was launched on April 25, 2006 by EMRA. Generation licenses for the projects were obtained on November 23, 2005. Receiving an affirmative Environmental Impact Assessment Report in September 2006, Akenerji immediately started its fieldwork on the project. With the completion of the Erikli, Akocak Regulators and Akocak Hydroelectric Power Plant, in the Araklı district of Trabzon, an installed capacity of 81 MW and an annual generation capacity of 257 GWh will be established and Akenerji will take an important step in improving its average electricity generation cost. Akenerji plans to put the Akocak HPP in operation in 2010.

Akkur Enerji Üretim Ticaret ve Sanayi A.Ş.

In line with its policy of growth and diversifying fuel resources, Akenerji has acquired Akkur Enerji, an enterprise that is licensed to establish hydroelectric power plants in Adana and Adıyaman. Akkur Enerji will construct the Burç Bendi HPP (28 MW) in Adıyaman, the Feke I HPP (30 MW) and Feke II HPP (70 MW) projects in Adana. Thanks to the speedy construction process, Burç Bendi HPP is planned to start operation in 2010 and the Feke I and Feke II projects in 2011.

Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.

Akenerji's affiliate Mem Enerji has licenses to establish the Bulam Regulator and Hydroelectric Power Plant (7 MW) in Adıyaman, as well as the Yamanlı III project. The construction of the Bulam project in Adıyaman was launched at the end 2008 and the project is planned to be activated in 2010. As for the 57 MW-installed capacity Yamanlı III (Himmetli-Gökkaya) project, the electromechanics contracts are completed and the construction work is to be started in early 2010.

Operations in 2009

New Investments

The 900 MW-capacity Egemer project is not only Akenerji's first investment decision in generation after the partnership with CEZ, but also its biggest one-off investment project.

Planned to be established in the Erzin township of Hatay, the 900 MW capacity natural gas plant project is one of the most important projects of the Akenerji - CEZ Group strategic partnership. Akenerji's subsidiary Egemer Elektrik Üretim A.Ş. has prepared the project of the Egemer Natural Gas Power Plant, which is expected to generate an annual average of 6.7 billion kWh of electricity.

The project is meant to establish an environmentally friendly and highly efficient, modern power plant in the region and to play a crucial role in overcoming Turkey's rapidly increasing power deficit. With a total planned investment of approximately US$ 1 billion, the Egemer project will provide relief to the energy sector once it is commissioned in 2013.

The Egemer Power Plant will use the natural gas combined cycle method to generate electricity and thus attain high efficiency thanks to advanced technologies. Since the project focuses on creating more energy with less resources and is environmentally friendly, research and engineering firms specialized in these areas provide the necessary support to the project.

With the use of a clean fuel such as the natural gas in the Egemer Power Plant, the carbon emissions will be minimized and the regional agricultural sector will not be affected. Advanced technology control systems and a team of experts will continuously monitor the plant's chimney gas for carbon emission data and keep it below the levels indicated in the EU's environment legislation. In addition, noise pollution will be avoided, waste water purified and all waste matter disposed of in line with the environmental criteria indicated in the legislation. The cooling process uses sea water and therefore preserves water resources on and under the ground; the processed sea water will also be recycled back to the sea ecosystem.

In the Egemer project, the generation license and an affirmative Environmental Impact Assessment Report have been obtained and most of the permits as regards the construction have been completed. The Project will employ 500 people during the construction phase and 80 people during the operation phase, and since the local work force will be prioritized in recruitment, the Project will create considerable employment opportunities for the locals.

It is predicted that the construction of the Egemer Natural Gas Power Plant Project will start in 2010 and the plant will be commissioned in 2013.

Future Perspective

Akenerji aims to attain 3,000 MW of installed capacity in the next five years and rise its share in Turkish electricity generation from 1% to 7-8%.

The Turkish energy sector's high growth potential makes it very attractive for domestic and international investors. Between 2010 and 2016, the Turkish electricity demand is predicted to grow by 6-8% annually, whereas this rate will stay at 2-3% in the European Union.

Akenerji aims to contribute to Turkey's considerably rising electricity demand in a safe, economic and environmentally friendly fashion. The fact that CEZ Group, Central and Eastern Europe's biggest energy company with a € 30 billion market value, has established a strategic partnership with Akenerji is crucial for meeting Turkey's rising energy need and gaining foreign investors' confidence in the Turkish energy sector.

Being one of the first private electricity generation companies to invest in renewable energy, Akenerji has license applications for two wind power plants with a 170 MW capacity in the Çanakkale province, apart from its hydroelectric plants already under construction. In addition, Akenerji has four geothermal research exploration licenses for four areas in the Aegean region and one area in Bursa and the relevant studies in these areas are rapidly being carried out. Akenerji will shape its solar energy investment plans according to legislation to be published by the government.

Currently, Akenerji bases most of its generation on natural gas. As the ongoing renewable energy investments are gradually commissioned between 2010 and 2011, the share of renewable sources in the Company's total generation will rise steadily. Akenerji always stays up-to-date on recent developments in the sector and has started research on how to benefit from carbon trade in its investments.

Akenerji accounts for 7% of the total electricity produced by private producers, whereas CEZ is Europe's most profitable fully integrated energy corporation: Their consortium has been a milestone in 2009. After the consortium won the SEDAŞ tender, Akenerji has started serving 1 million 300 thousand consumers in the heartland of Turkish industry and has clearly proven that it will be an active player in future privatizations in the energy sector.

Akenerji plans to accelerate its investments in the period ahead. The Company will capitalize on the CEZ Group's experience in coal and nuclear power and evaluate the relevant developments and opportunities in the energy sector. Akenerji plans to attain a 3,000 MW installed capacity with an investment of US$ 3 billion in five years, thereby rising its 1% share in Turkish power generation to the order of 7-8%. In order to reach these targets, Akenerji evaluates various opportunities in thermal plants and renewable energy plants and plans to benefit from the CEZ Group's experience in coal and nuclear power.

Due to its vision of becoming an integrated company, Akenerji acquired the SEDAŞ distribution company and now closely monitors all privatization tenders which present an opportunity. The privatizations in the energy sector continue with tenders in the area of electricity distribution and in 2010, privatizations in generation are predicted to speed up. In parallel to its target of 3,000 MW, Akenerji will closely watch all generation privatization tenders.

Akenerji Employees

Akenerji is well aware that its most important value is its human resources.

Providing an example to the sector in human resources management

Akenerji is well aware that its most important value is its human resources. The Company's human resources policy is to be an example to the whole sector by maintaining a highly qualified workforce and achieving employee satisfaction. To this end, Akenerji strives to build a well-educated and result oriented staff that is bestowed with strategic consciousness and which works in line with Company targets and principles.

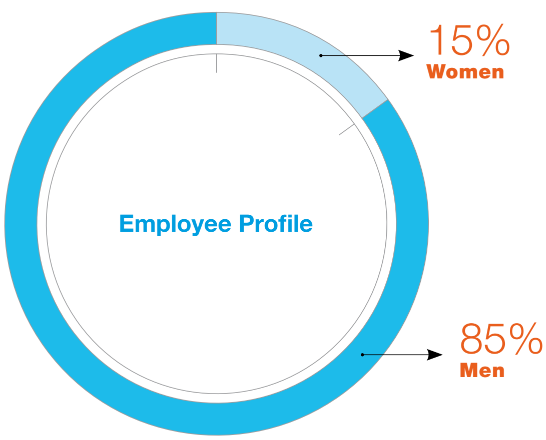
Due to its vision of becoming a constantly evolving, innovative and competent company, Akenerji believes that investment in human resources is the most crucial type of investment. Based on this perspective, one of Akenerji's principles is to nourish a creative work environment propitious to advancement. Therefore, in order to contribute to the personal and professional development of its employees, Akenerji encourages employee participation in training, symposia, panels, conferences, seminars, fairs and sector-wide meetings organized by public and private bodies.

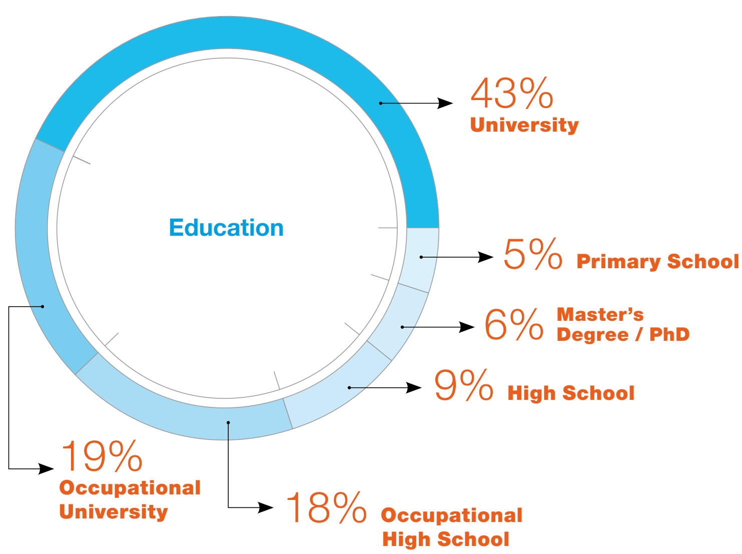
At Akenerji, the career planning of employees is based on data yielded by annual Human Resources Planning and Performance Evaluation processes. Professional and personal training plans are tailored to employee need, and to this end, Akenerji organizes training in ISO Awareness, Sales and Project Management, Team Work, Communications, as well as providing guidance in technical, professional and personal development.

Modern practices of recruitment

Apart from investing in the present work force, the Company aims to preserve a dynamic structure by streamlining its recruitment policy according to modern standards. In 2009, the New Graduate Program was launched both in Akenerji and in SEDAŞ, taken over in February. As part of this program, Akenerji executives made speeches in various universities, either in classes or in career day seminars. As a result of these efforts, Akenerji reached new graduates or engineering graduates with 1 to 3 years of job experience and has provided them job opportunities.

Akenerji Employees





Environmental Practices

Akenerji promises to reduce carbon dioxide emissions

Well aware of its responsibilities towards society and the environment, Akenerji takes all the necessary precautions to prevent pollution and for preserving natural resources, providing an example to the whole sector with its commitments. The Company also makes great efforts in researching, developing and adopting innovative and environmentally friendly technologies.

Akenerji is a leader in the sector in the field of emissions trading, that is, the calculation and certification of the CO_2 (carbon dioxide) emissions prevented by renewable energy projects and the sales of these certificates, in other words, the subsidization of projects reducing emissions via carbon credits. Akenerji stands out with its renewable energy investments and has now signed a carbon credits sales agreement with Global Tan Energy. According to this agreement, Akenerji commits to preventing over 1 million tons of CO_2 emissions annually. Consequently, Akenerji aims to become the leader in emissions trading in Turkey.

Another step by Akenerji to reduce CO_2 emissions and to announce and generalize such behavior is its certificate applications to the Voluntary Emission Reduction (VER). Akenerji has made progress in certification practices and provides an example to other generation companies with this agreement.

In each investment project that it undertakes, Akenerji acts in full compliance with the environmental legislations of the EU and takes all kinds of environmental precautions

Akenerji is a sector leader in the field of emissions trading, an important step towards reducing overall CO_2 emissions.

in the thermal power plants that it operates. Research on Akenerji natural gas plants' chimney gas emissions have not yielded significant amounts of SO_2 (sulfur dioxide). Also, Akenerji has installed steam injection systems avoiding the formation of NO_X (nitrogen oxide) in turbines. The disposal and recycling of the waste produced in the plants are carried out by licensed companies according to the regulations published by the Ministry of Environment and Forestry.

On June 5th 2008, in the context of World Environment Day, the Directorate of Environment and Forestry in the Tekirdağ province presented a certificate of gratitude to Akenerji in recognition of its environmentally friendly practices in its Çerkezköy power plant in Tekirdağ. Keen on making its environmental efforts more systematic, Akenerji has recently started the Environmental Management System (ISO 14001:2004).

Akenerji uses state-of-the art, efficient gas and steam turbines provided by companies such as General Electric and Siemens, both leaders in their sector. Turbine investment plans of the power plants under construction are also prepared according to the latest advances in technology.

Akenerji Employees and Environment

In order to raise the awareness of social responsibility, in 2008 Akenerji launched a Waste Paper Recycling Project in its headquarters in Akhan, later joined by all employees of the Akkök Group of Companies. The project was extended into 2009. As part of this project, employees were made aware of the need to collect waste paper separately for recycling. In 2009, approximately 5,500 kg of waste paper was recycled, which meant the preservation of 96 trees, 225.5 kWh of energy and 146 cubic meters of water. Another mobilization of social responsibility launched in 2008 was the Waste Battery Collection Project, which included all employees at the headquarters, as well as all plant employees. Employees were informed about the need to avoid batteries from mixing with general waste and to collect them separately; the project was continued in 2009 with success, thanks to the support of the Portable Battery Manufacturers and Exporters Association (TAP).

Additionally, Akenerji organizes training programs in order to raise the environmental awareness and enhance the environmental consciousness of its own employees, as well as the employees of its supplier firms. The raising of environmental awareness results in the reduction of waste at its source and thus, all employees use natural resources in an informed manner.

Social Responsibility

Akenerji pursues its activities without compromising its principles of openness, transparency and honesty and provides an example to the whole sector with its social responsibility practices.

Akenerji implements the Akkök Group's social responsibility culture with its activities in the energy sector. Akenerji pursues its activities without compromising its principles of openness, transparency and honesty and provides an example to the whole sector with its social responsibility policies. In 2007, the Akkök Group of Companies signed the UN Global Compact and prepared a Global Compact Progress Report which includes Akenerji as well. In this extensive report, Akenerji's social responsibility practices, its economic and cultural contribution to its milieu and its policies towards its employees, society at large and the environment are explained in detail.

The Company provides employment opportunities and other social contributions to neighboring communities, which results in more and more favorable opinions towards the Company.

The AkÇevre association, established by the Akkök Group in 1993 in Yalova, organizes various events to promote the interaction between Group companies -including Akenerji- in environmental activities and to raise the environmental consciousness of employees and of neighboring communities. The first of Akçevre Council's annual "Environmental Awareness Awards" for employees was organized in 1997 in order to motivate employees to promote environmental projects and activities. Every year, within the context of the World Environment Day on June 5th, the Company organizes various essay writing and painting competitions around environmental themes for students living in the region.

In October 2009, Akenerji also sponsored the Turkish Education Foundation's (TEV) Fireflies Mobile Education Unit invited to Yalova by the Akkök Group of Companies. The Fireflies Mobile Education Unit launched by the foundation in 1999 aims to contribute to the personal development of children, which constitutes Turkey's future, and thereby support the rise of a more intelligent and enlightened generation.

The Fireflies Mobile Education Units consist of truck trailers, including 12 computerized informatics and technology labs, one room for miscellaneous activities and one living space, and they provide education to those regions where children are deprived of education parks and training facilities. Up until now, the trailers have covered around 80 thousand kilometers and have provided educational support to 470 thousand students in all of the 81 provinces of Turkey.

In the Fireflies Mobile Education Unit, apart from receiving classes in computer literacy, students engage in numerous educational activities with the efforts of numerous volunteers. In the 2009-2010 academic year, more than 3,000 primary school students are scheduled to benefit from these mobile education units.

Akenerji is well aware that its social responsibilities start with providing safety and occupational health services to its employees. In order to make sure that risks related to the use of technology in generation facilities jeopardize neither employees' health and safety, nor the environment, the Company implements "The Procedure for Risk Evaluation" and "The Procedure for Evaluating Targets and Tasks as regards Environmental Impacts, and Environmental-Occupational Health and Safety." The disposal and recycling of wastes produced by the plants are carried out according to the relevant regulation published by the Turkish Ministry of Environment and Forestry.

As the social responsibility awareness permeates the whole Akkök Group, Akenerji's affiliates seize every opportunity to participate actively in relevant projects. The Ministry for Energy and Natural Resources declared 2008 as the Year of Energy Efficiency and launched the Mobilization for Energy Efficiency. SEDAŞ has actively participated in this initiative of the Ministry by engaging in a series of social responsibility practices aimed at the efficient use of energy. SEDAŞ has cooperated with the governorships and provincial education directorates of Sakarya, Kocaeli, Bolu and Düzce -all provinces in which it operates- preparing educational posters to be hung on school bulletin-boards and making presentations to primary school and high school students on the efficient use of energy. In order to raise the public awareness on energy efficiency, the Company has prepared various posters and hung them in visible spots in its facilities.

SEDAŞ has organized trainings to enhance its employees' environmental awareness. The Company also recycles various ingredients from the scrap produced by the energy distribution system to make a contribution to the national economy. Additionally, SEDAŞ stores substation oils in order to keep them from mixing into the soil and underground water; later these wastes are disposed and recycled according to the regulations published by the Turkish Ministry of Environment and Forestry.

Corporate Governance Principles Compliance Report

1. Corporate Governance Principles Compliance Statement

Akenerji Elektrik Üretim A.Ş. (the Company) aims to continuously create value for its customers, employees and shareholders, and is well aware that, in this period of high competition and rapid change, the quality of corporate governance practices are as important as financial performance. To this end, the Company makes the utmost effort to implement the principles issued by the Capital Markets Board (CMB) in its "Corporate Governance Principles."

SECTION I - SHAREHOLDERS

2. Shareholder Relations Department

Relations with shareholders are carried out within the organization by the Assistant General Manager in charge of Finance and by the Directorate of Financial Control and Risk Management. All transactions related to dividends and capital increases are effectuated by contracted banks and financial intermediaries which deliver barter and custody services in line with CMB regulations. When the contract expires, it is monitored with a special program at the Company headquarters and the ensuing rights of the shareholders are fulfilled.
The Company has created an accessible and transparent communication platform including all of its stakeholders and accordingly organizes periodical meetings and answers relevant questions via emails or meetings, upon demand. The demands of the financial intermediaries, corporate investors and individual investors are met by emails and/or meetings organized periodically -quarterly- or ad hoc, upon request. All written or verbal information requests coming from shareholders, potential shareholders, analysts evaluating the Company, or academics and students carrying out research on the Company or the sector, are met via email, telephone or meetings as soon as possible -with the exception of any information unrevealed to the public, such as commercial secrets. To this end, nearly 50 meetings were organized in the Company headquarters in 2009. Requests from financial intermediaries and corporate investors were evaluated and in the aftermath of the publication of financial reports, a meeting was held for analysts. The meeting in 2009 attracted numerous participators.

In addition, the Company takes a proactive approach in its relations with investors and holds, at least once a year, Investor Meetings / Presentations, in order to familiarize domestic and international investors with the Company and to inform them on its strategic and financial position. In 2009, the Company joined two such overseas events meant to provide detailed information to current and potential shareholders and established contacts with around 20 institutions. On March 17, 2009, the Company launched the Department of Relations with Shareholders, in order to manage relations with shareholders. The detailed contact information of this department is featured in the Company website (www.akenerji.com.tr), under the heading Investor Relations.

3. The Use of Shareholders Rights to Obtain Information

The Company does not make any discrimination among its shareholders as regards to the use of the right to obtain information and analysis. Numerous information requests from shareholders are answered with a maximum delay of one week, either in written form, via telephone or electronically. Our website features information on Company activities and is updated regularly; when the need arises, individuals in our database are informed via email about relevant updates. Furthermore, shareholders can also send messages and receive information by using the Company email address (info@akenerji.com.tr).

There were no requests for the appointment of a special auditor neither within this period nor during previous periods.

4. General Assembly Information

Announcement for a General Assembly is published in two newspapers 15 days prior to the date of General Assembly, communicated to the ISE and also published in the Company website. The published announcement of the general assembly includes the agenda, date, time, place of the general assembly and the conditions for participation. As stipulated by the Turkish Commercial Code, holders of public shares have to make an application at least one week prior to the General Assembly. Minutes of the meeting and the list of attendees are given to the shareholders upon request. Representatives of stock exchanges, financial intermediaries and the press cannot participate in the General Assembly. Documents of the meeting are submitted to the Capital Markets Board (CMB) and the ISE and published in our website, following the end of the meeting. The authorization concerning purchasing, selling and leasing of the Company assets are laid out in Article 14 of the Articles of Association of the Company.

The Company organized an Ordinary General Assembly and three Extraordinary General Assemblies in 2009. In the General Assembly Meeting of April 21, 2009, 4,889,652,408 shares out of a total of 6,534,000,000 which constitute the Company capital were represented (74.83%). In the Extraordinary General Assembly Meeting of April 27, 2009, 4,895,182,636 shares out of a total of 6,534,000,000 which constitute the Company capital were represented (74.92%). Again, in the Extraordinary General Assembly Meeting of May 12, 2009, 4,894,982,636 shares out of a total of 6,534,000,000 were represented (74.92%). Later, in the Extraordinary General Assembly Meeting of December 18, 2009, 4,899,506,608 shares out of a total of 6,534,000,000 were represented (74.98%). To all four of the General Assembly Meetings, shareholders and their representatives which have applied with turned letters within the legal delay, members of the Board of Directors, auditors, Company executives and staff charged with the preparation of the General Assembly participated. During the meetings, participators to the General Assembly used their right to ask questions and their questions were replied to by the management of the Company. Proposals given by the shareholders were presented for the approval of the General Assemblies and approved by majority of votes, according to Company rules.

5. Voting Rights and Minority Rights

The Articles of Association of the Company do not provide for privileged votes. Each share has only one voting right. Shareholders do not include any legal person which is a Company affiliate. We do not have any practice in our Company's policies for the representation of minority shares in management or the cumulative voting method.

6. Dividend Distribution Policy

The Company's dividend distribution policy, including the dividend for 2009, is as follows:

The Company distributes dividend in accordance with Turkish Commercial Law, Capital Markets Legislation, Tax Legislation, other applicable legislation and Article 27 on Dividend Distribution of the Articles of Association. In the designation of the dividend distribution, the capital needs, investment and financing policies, profitability and cash status of the Company and of its affiliates and subsidiaries, as well as the sector and economy wide conditions are taken into account. As a principle, the dividend distribution of the Company is to be enacted in accordance with the regulations stipulated by the Capital Markets legislation and in line with annual decisions of the Board of Directors taken in the light of the capital needs of the Company and of its affiliates and subsidiaries, investment and financing policies, profitability and cash status, as well as sector and economy wide conditions.

In line with the decision taken at the General Assembly, the dividend can be paid exclusively in cash, exclusively in bonus shares or as a combination of the two. If the dividend is to be distributed in cash, it must be paid at the latest at the end of the fifth month following the end of the related fiscal period; if it is to be distributed in bonus shares, it must be paid at the end of the sixth month latest. According to the dividend distribution policy, the dividend is distributed evenly to all of the shares present in the said fiscal period.

In accordance with Article 27 on dividend distribution of the Articles of Association, sums such as the Company's general expenses and miscellaneous depreciation which must be reserved and paid by the Company, as well as obligatory taxes which must be paid by the legal person of the company, are deducted from the calculated income to arrive at the net profit, which also shows in the balance sheet. After the losses of the previous years, if any, are deducted, this net profit is distributed as follows:

a- 5% of this amount is spared for legal reserve funds.

b- Of the remainder, the first dividend is earmarked, in the percentage and amount set by the Capital Markets Board.

c- Of the remainder, the General Assembly can set aside a maximum of 2.5% to distribute among the members of the Board of Directors. In addition, the General Assembly can set aside a maximum 1.5% for allocation to any health or education foundation, present or to be established (Turkish Commercial Code 469/3)

d- After the amounts indicated in (a), (b) and (c) are deducted from the net profit, General Assembly is authorized to distribute the remainder as second dividend, leave it as end-of-year profit, add it to legal or discretionary reserve funds or spare it as extraordinary reserve.

e- Of the part spared to be distributed to shareholders and other parties joining in the profit, a sum amounting to the 5% of the paid-in capital is deducted; 10% of the remaining amount is set aside as second order legal reserve, in accordance with Article 466 of the Turkish Commercial Code.

Corporate Governance Principles Compliance Report

f- If the reserve fund stipulated by law and the shareholders' first dividend defined in the Articles of Association is not set aside, no other reserve can be allocated, no profit can be transferred to the coming year; and unless the first dividend is distributed, the Board of Directors or health and education foundations cannot receive a part of the profit.

g- The date and form of the distribution of the profit, including the first dividend, are fixed by the General Assembly, upon the proposition of the Board of Directors, in line with the communiqués of the Capital Markets Board.

This dividend distribution policy of the Company is to be reviewed every year in view of the above mentioned issues and conditions and in case of a change, the shareholders are to be informed about the due decision taken by the Board of Directors.

The dividend distribution data of the last five years are as indicated in the table below.

Percentages of Dividends Distributed in the Last Five Years

Balance Sheet Period	Total Distribution (%)	Bonus Share	Profit Distributed	Paid-in Capital
2008	26.83	-	17,530,000	65,340,000
2007	-	-	-	65,340,000
2006	-	-	-	65,340,000
2005	-	-	-	65,340,000
2004	-	-	-	65,340,000

7. Transfer of Shares

Shares of our Company are registered shares and the Articles of Association of the Company do not have a provision restricting the transfer of shares. The transfer of shares, all of which are quoted in ISE, can be performed in accordance with the provisions of the Turkish Commercial Code, CMB Law, Energy Markets Regulatory Authority Act and Central Registry Agency Act.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Company Information Disclosure Policy

The Company has a strategy of transparent and efficient communication with its shareholders and prioritizes accessibility. To this end, the Vice President for Finance and Financial Affairs and the Director of Financial Control and Risk Management answer questions from financial intermediaries and individual investors verbally and in writing, organize meetings related with this particular subject and provide regular updates, within the framework set by our Corporate Governance Principles and the requirements of the CMB law, as explained below.

In accordance with the legislation of the CMB, all information which is so important as to affect the share price of our Company, is shared with the CMB, ISE and the Public Disclosure Platform (PDP). Afterwards, any questions or meeting requests from institutional shareholders and financial intermediaries are evaluated and the representatives of these institutions and investors are provided with data on Akenerji's recent financial performance, annual and strategic targets, position in the market and competitors.

In order to enable a regular and up to date monitoring of the Company's financial performance, the website features a section titled "Investor Relations" comprising reports, financial tables and shareholder services. The annual report is sent online to financial intermediaries and investors on a regular basis.

9. Disclosure of Special Cases

According to the principle of public disclosure and transparency, in order to make sure that shareholders and other stakeholders are timely informed, sixty-one "Special Case Announcements" were made in 2009. The special case announcements were timely and in conformity with CMB regulations and one of them necessitated further elaboration vis-à-vis CMB or ISE. Since the Company is not a quoted capital markets intermediary in foreign stock exchanges, it does not have the obligation to make Special Case Announcements outside of the ISE. All Special Case Announcements have been made within the term provided by the law, such that CMB has not imposed any sanctions.

10. Company Website and Its Content

The Company's Internet site can be accessed at www.akenerji.com.tr. All the information deemed necessary by the CMB Corporate Governance Principles Section 2, Article 1.11.5 are published in the website in both Turkish and English. The website, especially its Investor Relations section, is updated regularly and questions addressed at the Company via info@akenerji.com.tr are responded to.

11. Disclosure of Ultimate Controlling Individual Shareholder/Shareholders

According to CMB Corporate Governance Principles Section 2, Article 2.2, the Company's direct shareholders should not include a real person with a share superseding 5%. The share structure is published every year in the annual report.

As of end 2009, the Company's share structure is as follows:

SHARE STRUCTURE

Shareholders	Share Value (TL)	Share Percentage (%)
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	13,350,834	20.43
Akarsu Enerji Yatırımları San. ve Tic. A.Ş.	11,061,111	16.93
ČEZ, a.s.	24,411,946	37.36
Open to Public	16,516,109	25.28
Total	**65,340,000**	**100.00**

12. Disclosure of Insiders

At Akenerji, persons and departments that have access to insider information are comprised of the Board of Directors, the members of the executive, investment and audit boards, General Manager, Vice General Manager, assistants to the General Manager, Directors, Group Director of Accounting, Legal Advisor and Data Processing Department employees.

SECTION III - STAKEHOLDERS

13. Informing Stakeholders

Akenerji specifies its main and intermediary goals, policies, strategies and Company objectives by taking into consideration the present and future expectations of its stakeholders. In this context, the parties determined as stakeholders of Akenerji are the shareholders, employees, customers, suppliers, society and public agencies. Akenerji shares information through various methods in order to maintain a policy of transparent and simultaneous information policy with all its stakeholders.

At Akenerji, establishing communication with all employees in an open and honest manner and employee satisfaction constitute the fundamentals of the human resources policy. Our intranet database, briefing meetings with the top management and performance evaluation meetings may be mentioned as typical examples of our horizontal and two-way (upwards and downwards) vertical communication channels. By using these means of communication, we inform our employees about our quality policy, activities, procedures and guidelines as well as soliciting their opinions to improve various processes.

Akenerji informs all its stakeholders simultaneously about its activities, financial outcomes, expectations and Board of Directors' decisions via ISE and responds to questions coming from investors and financial intermediaries.

Akenerji chooses its suppliers according to their ability to meet Company needs under competitive conditions, without compromising quality or principles; it controls and monitors the process via an evaluation of the suppliers' performance on a yearly basis. Akenerji makes measurements with the Supplier Performance System, based on its knowledge that the service it provides is closely connected to the service provided by suppliers. The suppliers evaluated by this system are provided with information on areas that they should improve upon. In addition to this, the Company's policies, technical specifications/terms of reference and agreements are also shared with the suppliers.

Akenerji periodically informs its customers about amendments in legislation. Furthermore, we support our customers to make sure that they fulfill the technical specifications of regulatory agencies such as TEDAŞ (Turkish Electricity Distribution Company), TEİAŞ (Turkish Electricity Transmission Company) and Energy Market Regulatory Agency (EMRA).

Akenerji also meets with communities residing around its plants and investments and informs them about total quality management, environmental practices and Company policies via presentations and booklets.

14. Stakeholders' Participation in Management

In 2009, following Akenerji's decision to obtain the certificates of ISO 9001:2008 Quality Management System, ISO 14001:2004 Environmental Management System and OHSAS 18001:2007 Occupational Health and Safety Administration System, Akenerji established a Project Team for Quality, which covers all its active plants and investments.

This team cooperates with all departments, evaluates employee suggestions and presents the results to top management in order to set up the standards of preparation, control and reporting to obtain the above mentioned certificates. This activity plays an important part in in-house communications, since it is a process shaped by the participation of all Akenerji employees.

15. Human Resources Policy

According to its human resources policy, Akenerji aims to become a corporation which provides an example to the whole sector with its human resources practices oriented towards employee satisfaction and with its highly qualified workforce; in other words, a company which everyone would be willing to work in. Akenerji is committed to create a staff of highly educated professionals who are experts or potential experts in their areas and who are willing to work according to Company targets. Akenerji is responsible for providing a working environment that promotes an innovative and progressive culture, in which its staff can realize its full potential. Therefore Akenerji's approach is to continue its competitive advantage within the changing conditions of the sector, with a labor force which is change oriented, has strategic awareness, can produce solutions, has strong communication skills enabling team work and is results-oriented -all of which are the Company's common competences.

16. Information Related to Customer Relations

Akenerji supplies electric power to leading industrial and commercial companies of Turkey and as such, carries out its sales

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and marketing operations with a quality -and customer- oriented service. Whereas the electric power demand of some of its customers (called transfer customers) are met via the national energy network with lines belonging to TEİAŞ and TEDAŞ, the electric power demand of direct customers are met by lines directly connecting Akenerji power plants to the customer. The technical quality of energy supplied to the transfer customers is limited by the quality of TEDAŞ lines; whereas the technical quality of the energy supplied to direct customers meets the high quality standards of Akenerji.

Customer Satisfaction Surveys are performed periodically in order to maintain the high service quality for both transfer and direct customers. Akenerji makes the necessary changes in its business processes in order to improve customer satisfaction and service quality according to results of the customer surveys. Furthermore, Customer Complaint Forms are utilized to evaluate customer complaints. In accordance with the feedback from customers, necessary improvements are implemented.

17. Social Responsibility

Aware of its responsibility towards society at large, Akenerji carries out all of its activities in such a way as to prevent environmental pollution and protect natural resources and takes all the necessary precautions. The Company prioritizes the enhancement, adoption and implementation of innovative and environment friendly technologies in line with its “Quality Policy,” with special emphasis on environmental impacts. In this context, new investments are meant to benefit from state-of-the-art advances in technology and all implemented innovative projects are fully compliant with environmental legislation -from the stage of Environment Impact Assessment (EIA) onwards. The disposal and recycling of the wastes produced in Akenerji power plants are carried out according to the Turkish Environment and Forestry Ministry regulations.

The AkÇevre Association, established by the Akkök Group in 1993 in Yalova, organizes various events to promote the interaction between Group companies -including Akenerji- in environmental activities and to raise the environmental consciousness of the employees and of neighboring communities.

The AkÇevre Council organizes various competitions and events oriented not only towards employees, but also towards students from neighboring schools. The annual “Environmental Awareness Award,” organized since 1997, encourages and awards employees’ environmental projects and activities. Every year, within the context of the World Environment Day on June 5th, the Company organizes various essay writing and painting competitions among students, due to the importance and efficiency of forming and enhancing environmental consciousness at a young age. Akenerji prioritizes Occupational Health and Safety; therefore the Company takes every precaution necessary, organizes events and supplies equipment in order to protect workers’ safety and health, to avoid occupational risks and to provide training and information. Akenerji prepares the necessary procedures and guidelines to inform employees on this subject.

Akkök Emergency Inspection Board was established in order to control and coordinate all activities meant to ensure that the Akkök Group companies take coordinated actions prior to, during and after any emergency, that the occupational health and safety of all Akkök Group employees are given top priority and that after an emergency, all necessary precautions are taken in order to continue production without interruption and without jeopardizing the environment.

The companies affiliated with the Akkök Group are inspected for compliance with the Akkök Emergency Preparation, Management and Inspection Procedure. Based on these inspections, reports containing the identified strong and weak -therefore subject to improvement- aspects are presented to the respective companies. Since the day it was established, the Company has provided employment opportunities and other social contributions to neighboring communities, which results in more and more favorable opinions towards the Company.

SECTION IV - BOARD OF DIRECTORS

18. The Board of Directors’ Structure, Formation and its Independent Members

The Board of Directors is comprised of ten people including the Chairman, Vice Chairman and two members responsible for independent auditing.

There are no independent members in the Company’s Board of Directors, however all members have professionally served in the energy sector for a long period.

Since Akenerji has a foreign shareholder and since it has various important affiliates in the energy sector -especially SEDAŞ- Board of Directors members assume other administrative functions inside or outside the Company, in accordance with certain rules.

As of 2009, the names and functions of the Board of Directors members are listed below.

Ömer DİNÇKÖK	Chairman
Martin ROMAN	Vice Chairman
Mehmet Ali BERKMAN	Member
Peter BODNÁR	Member
Ali Raif DİNÇKÖK	Member
Raif Ali DİNÇKÖK	Member
Hüsamettin KAVİ	Member (Responsible for Independent Auditing)
Tomáš PLESKAĆ	Member (Responsible for Independent Auditing)
Vladimír SCHMALZ	Member
Petr ŠTULC	Member

As of December 26, 2007, Ahmet Ümit Danışman is the General Manager of the Company.

19. Qualifications of the Board Members

The Board of Directors is formed in such a way as to produce the utmost effect and efficiency. Members of the Board of Directors possess the qualities outlined in Section 4, Article 3.1.1, 3.1.2, 3.1.3 and 3.1.5 of CMB's Corporate Governance Principles. This issue has not been taken up in the Articles of Association.

20. The Company's Mission, Vision and Strategic Targets

Vision:

To preserve its pioneering position in the Turkish energy sector and to figure among the largest companies shaping the sector.

Mission:

To operate in a quality-oriented perspective at every stage of the energy sector value chain and contribute to meeting Turkey's energy demand in a reliable and long-term fashion.

Our mission and vision are shared periodically with our employees through such methods as meetings, orientations and training. In the beginning of each year, with the participation of all departments, the Company sets its targets for that year, revises them if needed and shares the general and department-specific targets of the Company with its employees. The Company targets are fixed by the General Manager and Top Management through a consultation process in the beginning of each year in accordance with the main purpose, intermediary purpose, policy and strategies of the Company. Vice General Managers set the targets of their departments in line with the annually fixed main targets of the Company and present them for the approval of the General Manager.

Targets of the departments also constitute the purpose and targets of the Quality Management System. Personal targets are the sub-targets determined in specific levels of the organization and shared with all employees in order to reach departmental targets. To this end, every year in July, each employee meets with his/her immediate supervisor to follow up and review personal targets. The targets set are evaluated by the Management in activity review meetings during interim and year-end periods.

21. Risk Management and Internal Control Mechanism

The Company holds Finance and Risk Management Board Meetings once a month in order to carry out risk management in an efficient way. The General Manager presides over these meetings which also include two Executive Board Members, Vice General Manager (Financial Affairs) and Marketing Manager. In this board, financial performance of the Company is evaluated and commercial and financial risks are assessed. Especially as regards to risky financial issues, the board chooses the necessary financial instruments to minimize risk and the net foreign currency position of the Company is monitored to avoid foreign currency risk. Additionally, the sales strategy is evaluated in light of market developments and expectations and customer specific risk levels are determined.

Furthermore, a Company-wide "Risk Control Monitoring" procedure is implemented in order to make sure that the technological risks rising from the use of advanced technologies at Akenerji are kept under control so as not to jeopardize Company employees' health and safety, the plant and the environment.

22. Authority and Responsibilities of the Members of the Board of Directors and Management

The authorities of the Board of Directors are set in the Articles of Association. The Articles of Association are also accessible via the website. The limits to the authorities and responsibilities of Company managers are specified by written job descriptions and the list of authorized signatures and are continuously updated as duty changes come up.

23. Principles Governing the Activities of the Board

The duties and powers of the Board of Directors are fixed in the Articles of Association. Well-attended Board of Directors meetings have been organized in issues concerning CMB's Corporate Governance Principles Section 4, Article 2.17.4.

Members of the Board of Directors do not have weighted vote rights, they do have negative vote rights. In 2009, at one Board of Directors meeting, a divergent opinion was expressed and as a result of the voting, the members' opinion was approved by five

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votes out of five and the reasons behind this divergence of opinion were included in the Board of Directors text of resolution.

The secretarial department is charged with informing the members of the Board of Directors and to provide communication within the Company.

24. Prohibitions Concerning Transactions and Competition with the Company

Prohibitions concerning competition for the members of the Board of Directors was abolished in accordance with the provisions of Article 334 and 335 of the Turkish Commercial Code in the General Assembly. So far, there was no conflict of interest arising from the competition of a Director with the Company.

25. Ethical Rules

Every person employed at the Akkök Group should posses the following basic competences which are critical in promoting the targeted Company culture:

Research and Acquisition of Knowledge: An Akenerji employee closely monitors developments in the sector and in the economic, social and political milieu in order to stay up-to-date with the most recent practices and to make the right decisions. He/she goes beyond routine questions and carries out in-depth research to investigate recent developments. In order to identify relevant business problems and opportunities, he/she sees the company as a whole and analyzes its milieu.

Honesty and Reliability: Under any circumstance, an Akenerji employee expresses her feelings and thoughts in an open and honest fashion. He/she does not contradict himself or herself in her behavior or words. He/she openly accepts his/her mistakes and expects others to behave as such.

Team Work and Co-operation: An Akenerji employee is part of a team and therefore works in solidarity with other team members, prioritizing department and Company targets over his/her personal targets.

Responsiveness to Customers and Colleagues: An Akenerji employee strives to understand the feelings, thoughts and worries of his clients and colleagues; he/she makes the utmost effort for this purpose.

Self-confidence: An Akenerji employee carries out his/her duties in the most competent manner and adopts the most efficient approach before the problems he/she faces; he/she stands behind his/her decisions with confidence.

Being Result-oriented: An Akenerji employee enhances his/her performance in order to continuously strive for the better and achieve perfection; he/she sets challenging targets. He/she works to create a difference and innovation in his/her activities.

Creativity and Innovation: An Akenerji employee works with various individuals in teams in various spheres; he/she treats other people's divergent and opposite views with respect. He/she easily adopts to change as required by his/her job; he/she applies what he/she has learned to the job.

26. The Number, Structure and Independence of the Committees established by the Board of Directors

The Company has an Audit Board, an Executive Board and an Investment Board in order to make sure that the Board of Directors carries out its duties and responsibilities in an efficient manner. The duties and responsibilities of the Executive Board and the Investment Board and the number of their members have been outlined in the Company's Articles of Association.

The Audit Board consists of Hüsamettin Kavi and Tomáš Pleskać. The Audit Board carries out its activities in a regular manner, in line with CMB regulations and CMB Corporate Governance Principles. Members of the aforementioned committees are not independent members. The formation of a Corporate Governance Committee is also planned.

27. Remuneration of the Board of Directors

Board of Directors are not lent money or granted loans, apart from advance payments made according to the Company's internal procedures. Neither are they granted collaterals such as surety. The material benefits enjoyed by the Board of Directors are outlined in the Articles of Association.

AKENERJİ ELEKTRİK ÜRETİM A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009 AND
INDEPENDENT AUDITORS' REPORT

BDO
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Akenerji Elektrik Üretim A.Ş.

Introduction

We have audited the accompanying consolidated financial statements of Akenerji Elektrik Üretim A.Ş. (the Parent Company) and its Subsidiaries and Affiliates which comprise the consolidated statement of financial position as at December 31, 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The statement of financial position as of 31 December 2009 and the statements of comprehensive income and equity for the year then ended related to Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ), a company in which the Parent Company has 45% interest with total assets amounting to TL 387.036.062 as of 31 December 2009 and a net sales total of TL 1.352.793.867 for the year then ended have been audited by another independent auditor. A qualified opinion has been issued in the audit report on the basis of the below paragraphs quoted from the said report.

"1. Our special purpose audit report dated August 10, 2009 on the balance sheets of the Company as of December 31, 2008 and April 30, 2009 included qualifications with respect to the matters as of December 31, 2008 that are explained below in a) through e). Our opinion on the audit of the financial reporting package as of December 31, 2009 is also affected by the said qualified matters:

a) We did not observe the taking of physical inventories as of December 31, 2008, because that date was prior to our initial engagement as auditors for the Company. Accordingly, we were unable to ensure ourselves as to the existence and completeness of inventories carried at TL 6.999 thousand as of December 31, 2008.

b) The accounting system of the Company could not generate stock cards for inventory items presenting both the quantity movements and corresponding TL amounts. Accordingly no satisfactory audit procedures could be performed to obtain reasonable assurance on the valuation of inventories as of December 31, 2008.

c) The Company's receivables and deposits on subscriber basis are followed in a system hosted by Türkiye Elektrik Dağıtım A.Ş. (TEDAŞ-State electric distribution company of Turkey). As of December 31, 2008, the receivable details extracted from the system do not reconcile with the accounting records by TL 18.425 thousand. Furthermore as of December 31, 2008, we could not obtain direct confirmations from customers having a total balance of TL 8.500 thousand and the total amount of unreconciled differences in the confirmations received is TL 719 thousand, net.

d) Deposits on subscriber basis could not be retrieved from the system that is referred to in the paragraph above and no satisfactory audit procedure could be performed to obtain reasonable assurance on the existence and completeness of deposits carried at TL 38.907 thousand as of December 31, 2008. Furthermore, the Company adjusted its deposit amounts to bring them to their current values as depicted in the legislation. Such adjustment could not be tested to ensure ourselves as to the valuation of deposits.

e) As of December 31, 2008 and before, the Company did not provide amortization for the intangible assets carried at TL 38.480 thousand. As there is no information regarding the capitalization dates for such intangibles, the amount of accumulated amortization could not be quantified.

2. Details of trade receivables as of December 31, 2009 do not reconcile to the accounting records by TL 6.455 thousand.

3. Deposits on subscriber basis could not be retrieved from the system and no satisfactory audit procedures could be performed to assess the existence, completeness and valuation of deposits carried at TL 55.549 thousand as of December 31, 2009."

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Turkish Accounting/Financial Reporting Standards (TAS/TFRS) which are issued by the Turkish Accounting Standards Board (TASB) and which are similar to the International Accounting/Financial Reporting Standards (IAS/IFRS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the independent auditing standards issued 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 consolidated financial statements are free from material misstatement.

Our independent audit involves the application of independent auditing techniques to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of the independent auditing techniques including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, is made by our professional judgment. In making those risk assessments; the internal control system of the entity is taken into consideration. However, this is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control but for displaying the relationship between the consolidated financial statements and the internal control system prepared by the entity in order to design audit procedures that are appropriate in the circumstances. Our 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, except for the matters mentioned above in introduction related to the financial statements of Sakarya Elektrik Dağıtım A.Ş., the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Akenerji Elektrik Üretim A.Ş. (the Parent Company), its subsidiaries, and affiliates as of 31 December 2009, and of their consolidated financial performance and consolidated cash flows for the year then ended in accordance with the TAS/TFRS issued by the TASB.

Without further qualifying our opinion, we draw attention to the following matters:

a) The subsidiary Aken BV in which the Parent Company has 100% interest as of 31 December 2009 does not materially affect the consolidated financial statements; hence, the said company is stated at cost in the accompanying consolidated financial statements.

As will be seen in the accompanying consolidated financial statements, the short term liabilities of the entity exceed its current assets as of 31 December 2009 by a total of TL 61.398.536 which suggests deficiency in working capital. In order to make up for this deficiency, the Parent Company needs to provide cash capital and/or replace short term sources of finance with long term sources. Pursuant to the resolution of the Parent Company dated 28 December 2009 which is also stated in Note 30(m) to the consolidated financial statements, the Company's share capital will be increased from TL 65.340.000 to TL 375.814.000 and the increased portion of TL 310.474.000 will be fully paid in cash.

İstanbul,
25 February 2010

Denet Bağımsız Denetim
Yeminli Mali Müşavirlik A.Ş.
Member firm of BDO International

Ömür Günel
Partner in charge

Akenerji Elektrik Üretim A.Ş.

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

(TL)

	Notes	31 December 2009	31 December 2008
ASSETS			
Current Assets		355.375.851	238.049.931
Cash and Cash Equivalents	2, 3	188.368.722	100.919.999
Trade Receivables			
-Other Trade Receivables	2, 6	90.780.377	86.269.717
-Due from Related Parties	2, 6, 26	11.358.222	19.469.721
Other Receivables	7		
-Other Receivables		427.590	1.569.038
-Due from Related Parties		12.220.518	-
Inventories	2, 8	3.876.275	5.831.547
Other Current Assets	15	48.344.147	11.381.909
Sub Total		355.375.851	225.441.931
Long term assets held for sale	2, 23	-	12.608.000
Long Term Assets		1.145.494.184	622.744.754
Other Receivables	7	89.795	63.515
Financial Assets	2, 4	1.988.942	1.988.942
Investments Valued by Equity Method	2, 9	219.874.966	-
Tangible Assets	2, 10	767.938.690	465.508.156
Intangible Assets	2, 11	43.696.186	32.016.913
Goodwill	2, 12	36.758.891	36.758.891
Other Long Term Assets	15	75.146.714	86.408.337
TOTAL ASSETS		1.500.870.035	860.794.685

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

Akenerji Elektrik Üretim A.Ş.

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

(TL)

	Notes	31 December 2009	31 December 2008
LIABILITIES			
Short Term Liabilities		416.774.387	111.161.309
Financial Liabilities	2,5	342.441.173	34.541.857
Trade Payables			
-Other Trade Payables	2,6	57.464.134	52.808.645
-Due to Related Parties	2,6,26	7.577.672	12.988.578
Other Payables	7	6.067.188	4.734.078
Current Period Tax Liability	2,13,24	1.216.092	976.755
Debt Provisions	2,13	1.997.888	5.099.172
Other Short Term Liabilities	15	10.240	12.224
Long Term Liabilities		365.244.225	270.428.208
Financial Liabilities	2,5	363.278.347	260.447.398
Provisions for Employee Benefits	2,14	1.364.922	1.460.409
Deferred Tax Liabilities	2,24	600.956	8.520.401
EQUITY		718.851.423	479.205.168
Parent Company Equity		716.447.039	477.783.295
Share Capital	16	65.340.000	65.340.000
Capital Adjustment Differences	16	101.988.910	101.988.910
Issue Premiums	16	48.869.596	48.869.596
Other Capital Reserves	30	231.994.931	-
Restricted Profit Reserves	16	11.071.608	8.045.482
Retained Earnings/(Accumulated Losses)	16	232.932.655	164.588.387
Net Profit/(Loss) For The Period		24.249.339	88.950.920
Non-controlling Interest	2,16	2.404.384	1.421.873
TOTAL LIABILITIES AND EQUITY		1.500.870.035	860.794.685

Akenerji Elektrik Üretim A.Ş.

Consolidated Statements of Comprehensive Income for the years ended 31 December 2009 and 2008

(TL)

	Notes	31 December 2009	31 December 2008
INCOME FROM CONTINUING OPERATIONS			
Sales Income	17	463.746.016	607.056.048
Cost of Sales (-)	17	(396.685.792)	(507.494.679)
GROSS PROFIT/(LOSS)		67.060.224	99.561.369
General Administration Expenses (-)	18	(32.774.375)	(34.366.376)
Research and Development Expenses (-)	18	(738.511)	(992.931)
Other Operating Income	20	42.318.476	15.648.208
Other Operating Expenses (-)	20	(52.289.317)	(12.647.668)
OPERATING PROFIT/(LOSS)		23.576.497	67.202.602
Shares in Profit/(Loss) of Investments valued by Equity	2,9	1.212.493	-
Financial Income	21	25.456.340	44.037.621
Financial Expenses (-)	22	(31.456.046)	(12.176.856)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		18.789.284	99.063.367
Tax Income/(Expense) for the Period	2,13,24	(1.813.258)	(1.390.237)
Deferred Tax Income/(Expense)	2,24	7.919.445	(8.520.401)
Tax Income/(Expense) of Continuing Operations	2,24	6.106.187	(9.910.638)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		24.895.471	89.152.729
PROFIT/(LOSS) FOR THE PERIOD		24.895.471	89.152.729
OTHER COMPREHENSIVE PROFIT/(LOSS)		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS)		24.895.471	89.152.729
Distribution of Profit/(Loss) for the Period			
Non-controlling Interest		646.132	201.809
Parent Company Equity		24.249.339	88.950.920
Distribution of Total Comprehensive Profit/(Loss)			
Non-controlling Interest		646.132	201.809
Parent Company Equity		24.249.339	88.950.920
Parent Company			
Earnings/(Loss) Per Share	2,25	0,37	1,36

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

Akenerji Elektrik Üretim A.Ş.

Consolidated Statements of Changes in Equity for the years ended 31 December 2009 and 2008

(TL)

	Notes	Share Capital	Capital Adjustment Differences	Issue Premiums	Other Capital Reserves	Restricted Profit Reserves	Retained Earnings/ (Accumulated Losses)	Net Profit/ (Loss) for the Period	Parent Company Equity	Non-controlling Interest	Total
Balance as at 1 January 2008		65.340.000	101.988.910	48.869.596	-	8.045.482	204.126.975	(39.530.968)	388.839.995	1.209.268	390.049.263
Capital increase		-	-	-	-	-	-	-	-	16.250	16.250
Transfer	16	-	-	-	-	-	(39.530.968)	39.530.968	-	-	-
Effect of rate change of the subsidiary included in the consolidation	16	-	-	-	-	-	(7.620)	-	(7.620)	(5.454)	(13.074)
Profit/(loss) for the period	25	-	-	-	-	-	-	88.950.920	88.950.920	201.809	89.152.729
Balance as at 31 December 2008		65.340.000	101.988.910	48.869.596	-	8.045.482	164.588.387	88.950.920	477.783.295	1.421.873	479.205.168
Transfer of 2008 profit	16	-	-	-	-	-	88.950.920	(88.950.920)	-	-	-
Transfer to reserves	16	-	-	-	-	3.026.126	(3.026.126)	-	-	-	-
Dividend payment	16	-	-	-	-	-	(17.530.000)	-	(17.530.000)	-	(17.530.000)
Capital Commitment		-	-	-		-	-	-	-	335.869	335.869
Capital Advance		-	-	-	231.994.931	-	-	-	231.994.931	-	231.994.931
Effect of subsidiary included in the consolidation	16	-	-	-	-	-	(50.526)	-	(50.526)	510	(50.016)
Profit/(loss) for the period	25	-	-	-	-	-	-	24.249.339	24.249.339	646.132	24.895.471
Balance as at 31 December 2009		65.340.000	101.988.910	48.869.596	231.994.931	11.071.608	232.932.655	24.249.339	716.447.039	2.404.384	718.851.423

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

Akenerji Elektrik Üretim A.Ş.
Consolidated Statements of Cash Flows for the years ended 31 December 2009 and 2008
(TL)

	Notes	31 December 2009	31 December 2008
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (+)/loss (-) before tax		18.789.284	99.063.367
Adjustments:			
Depreciation (+)	19	27.961.442	31.545.885
Provision for termination indemnity	14	(95.487)	(14.780)
Debt provisions	13	(3.101.284)	359.410
Other provisions	12	-	25.880
Provision for doubtful trade receivables, net	6,7	(649.698)	1.129.136
Rediscount income (-)/expense (+), net	21,22	153.685	155.206
Income from marketables securities or long term investments (-)	21	(1.711.840)	(9.447.637)
(Profit)/loss on fixed asset sales	20	16.545.672	(4.750.737)
Loss on sales of financial assets		-	20.350
Interest expense (+)	22	23.912.608	8.855.553
Income Before Working Capital Changes (+)		81.804.382	126.941.633
Increase (-)/decrease (+) in trade receivables	6,26	4.356.158	(51.092.869)
Increase (-)/decrease (+) in inventories	8	1.955.272	1.583.906
Increase (-)/decrease (+) in other receivables	7	(11.098.391)	(849.905)
Increase (-)/decrease (+) in other assets	15	(36.962.238)	5.107.029
Increase (+)/decrease (-) in trade payables	6,26	(1.021.682)	24.976.473
Increase (+)/decrease (-) in other payables	7	1.333.110	2.805.716
Increase (+)/decrease (-) in other liabilities	15	(1.984)	(620.827)
Interest payments (-)		(13.571.632)	(8.438.367)
Tax payments (-)	13	(1.573.921)	(413.482)
Net cash flows provided from operating activities		25.219.074	99.999.307
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition (-)/disposal (+) of financial assets, net	9	(219.874.966)	-
Cash inflows from sale of financial assets (+)		-	199.650
Tangible asset acquisitions (-)	10	(351.799.761)	(211.593.956)
Intangible assets acquisitions (-)	11	(12.696.742)	(28.447)
Cash inflows from sales of tangible and intangible assets(+)		18.487.582	19.178.764
Increase (-)/decrease (+) in other long term assets	15	11.261.623	(42.798.954)
Interests collected (+)	21	1.711.840	9.447.637
Net cash (used in)/provided from investment activities		(552.910.424)	(225.595.306)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash inflows/(outflows) related to short and long term liabilities	5	400.389.289	138.907.911
Dividend paid (-)	16	(17.530.000)	-
Capital advances		231.994.931	-
Effect of rate change of the subsidiary included in the consolidation		-	(13.074)
Change in non-controlling shares		336.379	16.250
Effect of subsidiary included in the consolidation		(50.526)	-
Net cash flows provided from financing activities		615.140.073	138.911.087
Increase/(decrease) in cash and cash equivalents		87.448.723	13.315.088
Cash and cash equivalants at the beginning of the period	2,3	100.919.999	87.604.911
Cash and cash equivalents at the end of the period	2,3	188.368.722	100.919.999

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

Akenerji Elektrik Üretim A.Ş.
Notes to the Consolidated Financial Statements for the years ended 31 December 2009 and 2008
(TL)

1. Organization and Principal Activities

The principal activity of Akenerji Elektrik Üretim A.Ş. (the Parent Company) is electrical energy and steam production. The principal activities of the subsidiaries are production, transfer, distribution, purchase and sales of electrical energy and to establish plants to serve such purposes and to realize local wholesale activities related to electrical energy and/or capacity with respect to the electrical energy legislation.

The Parent Company, its subsidiaries and affiliates consist of the following:

Parent Company:

Akenerji Elektrik Üretim A.Ş. - Turkey

Subsidiaries and Affiliates:

Ak-El Yalova Elektrik Üretim A.Ş. - Turkey *
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret A.Ş. - Turkey *
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. - Turkey *
Akkur Enerji Üretim Ticaret ve Sanayi A.Ş. - Turkey *
Akka Elektrik Üretim A.Ş. - Turkey **
Aken BV - the Netherlands***
Akcez Enerji Yatırımları Sanayi ve Ticaret A.Ş. - Turkey ****
Egemer Elektrik Üretim A.Ş. - Turkey *****
Sakarya Elektrik Dağıtım A.Ş. - Turkey ******

* Included in the consolidated financial statements in accordance with the full consolidation method
** Established as at 1 May 2008 and included in the consolidated financial statements in accordance with the full consolidation method.
*** The total assets of this entity constitutes 0,16% of the total consolidated assets as of 31 December 2009 (31 December 2008 - 0,15%) and it has no operating income; hence, it is not included in the consolidation and it is stated in the consolidated financial statements at cost.
**** Established as at 21 November 2008 and included in the consolidated financial statements in accordance with the equity method.
***** Acquired at 25 March 2009 and included in the consolidated financial statements in accordance with the full consolidation method.
****** An indirect affiliate of the Parent Company acquired at 11 February 2009, and included in the consolidated financial statements in accordance with the equity method.

The address of the Parent Company's head office is as follows:

Miralay Şefik Bey Sokak No:15 Akhan Kat: 3-4 Gümüşsuyu/İstanbul - Turkey

The Parent Company is registered at the Capital Markets Board and 52,82% of its shares are offered to public and traded at the Istanbul Stock Exchange (ISE) since 3 July 2000.

As of 31 December 2009, the shareholding structure of the Parent Company is as follows:

Name	31 December 2009 Shareholding
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	20,43%
ČEZ a.s.	37,36%
Akarsu Enerji Yatırımları San. ve Tic.A.Ş.	16,94%
Other *	25,27%
	100,00%

Akenerji Elektrik Üretim A.Ş.
Notes to the Consolidated Financial Statements for the years ended 31 December 2009 and 2008
(TL)

As of 31 December 2008, the shareholding structure of the Parent Company is as follows:

Name	31 December 2008 Shareholding
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	40,86%
Ömer Dinçkök	11,57%
Ali Raif Dinçkök	11,57%
Emniyet Ticaret ve Sanayi A.Ş.	10,38%
Other *	25,62%
	100,00%

* Represents shareholdings of less than 5%.

As stated in Note 29, the share transfer from the shareholders owning 16,94% of the total shares within the partnership, namely, Ömer Dinçkök, Ali Raif Dinçkök, and Emniyet Ticaret ve Sanayi A.Ş. to Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş., a company whose establishment is registered at 2 November 2009, has been realized.

As of 31 December 2009, the average number of employees is 235 (31 December 2008 - 217).

2. Presentation of the Financial Statements

i. Basis of Presentation:

The Parent Company and its subsidiaries and affiliates maintain their books of account and prepare their statutory financial statements in accordance with the prevailing commercial and financial legislation. The accompanying consolidated financial statements are prepared in accordance with the Capital Markets Board (CMB) Communiqué Nr. XI/29 “Communiqué Related to the Financial Reporting Principles at the Capital Markets”. This Communiqué has come into force starting with the first interim consolidated financial statements subsequent to 1 January 2008 and bears in its Article 5 the provision stating that the enterprises subject to CMB apply the International Accounting/Financial Reporting Standards as accepted by the European Union (EU) taking as basis the harmonic standards, namely the Turkish Accounting/Financial Reporting Standards (TAS/TFRS), issued by the Turkish Accounting Standards Board (TASB).

Furthermore, in the provisional Article 2 of the same Communiqué it is stated that the IAS/IFRS are to be applied taking as basis the harmonic standards, TAS/TFRS, issued by the TASB until the differences between the IAS/IFRS accepted by the European Union and those issued by the International Accounting Standards Board (IASB) are published by the TASB.

However, the Turkish Accounting Standards Board (“TASB”) has not issued the differences between the IAS/IFRS accepted by the EU and the standards issued by the International Accounting Standards Board (“IASB”) to date; hence, the accompanying consolidated financial statements are prepared in accordance with the IAS/IFRS taking as basis the harmonic standards TAS/TFRS issued by the TASB. As required by the TFRS 1, comparative financial statements are prepared on the same basis. As stated below, certain adjustments and classifications have been made during the preparation of the accompanying financial statements in order to comply with the TAS/TFRS.

The accompanying consolidated financial statements and explanatory notes are presented in accordance with the mandatory formats and principles announced by CMB in its Weekly Bulletin dated 14-18 April 2008 Nr. 2008/16. In line with the revisions in TAS1 which is valid for the financial periods starting on or subsequent to 1 January 2009, the balance sheet is presented under the name of the statement of financial position, and the profit/loss sections are presented under a single statement of comprehensive income.

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

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

The consolidated financial statements of the Parent Company and its subsidiaries prepared as of 31 December 2009 as per the Communiqué XI/29 are approved at 19 February 2010 by the Company’s Board of Directors.

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

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

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

iii. Consolidation Principles:

Consolidation is realized within Akenerji Elektrik Üretim A.Ş. (the Parent Company) and its direct and indirect shareholdings within its affiliates and subsidiaries are as follows:

	31 December 2009	31 December 2008
Subsidiaries and Affiliates		
Ak-El Yalova Elektrik Üretim A.Ş. *	90,01%	90,01%
Akenerji Elektrik Enerjisi İthalat-İhracat ve Toptan Ticaret A.Ş. *	90,00%	90,00%
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. *	99,00%	99,00%
Akkur Enerji Üretim Ticaret ve Sanayi A.Ş. *	99,00%	99,00%
Akka Elektrik Üretim A.Ş. *	90,00%	90,00%
Egemer Elektrik Üretim A.Ş. *	99,00%	-
Akcez Enerji Yatırımları Sanayi ve Ticaret A.Ş. **	45,00%	45,00%
Aken BV ***	100,00%	100,00%
Sakarya Elektrik Dağıtım A.Ş.****	45,00%	-

* Stated in the accompanying consolidated financial statements by full consolidation method.
** Stated in the accompanying consolidated financial statements by equity method.
*** Stated at cost in the accompanying consolidated financial statements.
**** Stated in the accompanying consolidated financial statements by equity method. Represents the indirect shareholding of the Parent Company.

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

Full Consolidation Method

- All items of the statement of financial position except for the paid in capital of the Parent Company and its subsidiaries and their equities at the acquisition date are added, and inter-company balances are eliminated.

- The Parent Company's interest in the subsidiaries is set off against the Long Term Financial Assets account of the Parent Company and the Share Capital accounts of the subsidiaries.

- As of the acquisition date, the Parent Company's shareholding in its subsidiaries is set off against the portion of share capital it owns in the subsidiary's equity for one single time. The equity of the subsidiary at the acquisition date should be drawn up according to the market value of the subsidiary's net assets at that date. If the cost value of the Parent Company's shareholding in its subsidiary is more than the nominal value of the part of the share capital in the subsidiary's equity, the difference is recorded as positive goodwill in the consolidated statement of financial position as a separate item. If the cost value of the investment is less than the nominal value of the share capital of the subsidiary, the difference is recorded as negative goodwill and correlated with the statement of comprehensive income. The Parent Company has acquired 99% the shares of Akkur Enerji Üretim Ticaret ve Sanayi A.Ş., a company with a TL 5.000.000 capital of which TL 4.541.600 is unpaid, for a total of USD 15.592.500 at 20 November 2006. The installed capacities of the hydroelectic power plants of the acquired company, Akkur Enerji Üretim Ticaret ve Sanayi A.Ş., owning manufacturing licenses are as follows:

Burç Bendi ve Hidroelektrik Santrali (planned to be established in Adıyaman):	18,84 MWm/17,52 MWe
FEKE - I HES (planned to be established in Adana):	25,64 MWm/24,61 MWe
FEKE -II HES (planned to be established in Adana):	149,57 MWm/143,58 MWe

Furthermore, the said power plants have Water Consumption contracts entered into with Public Waterworks Administration within the scope of application for manufacturing license. The term of license for each of the three power plants is 49 years.

Akenerji Elektrik Üretim A.Ş.

Notes to the Consolidated Financial Statements for the years ended 31 December 2009 and 2008

(TL)

The Parent Company has acquired 99% of the shares of Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş., a company with a capital of TL 2.000.000, on 11 May 2007 at a total price of USD 10.642.500. The installed capacity of the Bulam Regulator and Hydroelectric Power Plant of the acquired company, Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş., which is planned to be established in Adıyaman is 7,90 MWm/7,11 MWe. Furthermore, Yamanlı III project which is planned to be established in Adana by the acquired company Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. has an installed capacity of 58,76 MWm/57 MWe. The said power plant has a Water Consumption contract with Public Waterworks Administration. The term of license for the power plant is 49 years. The Parent Company has acquired 99% of the shares of Egemer Elektrik Üretim A.Ş., a company with a share capital of TL 650.000, at the nominal value of TL 643.493 on 25 March 2009. The installed capacity of Erzin DGKÇ Plant, a natural gas operated thermal-combined cycle plant owning a manufacturing license of the acquired company Egemer Elektrik Üretim A.Ş. and planned to be established in Hatay is 900 MWm/882 MWe. The term of license for the power plant is 49 years.

- As the cost of acquired subsidiaries is higher than the value of shares stated among equities in the statements of financial position prepared in accordance with TAS/TFRS at the acquisition dates of the subsidiaries, a total positive goodwill of TL 36.758.891 has been formed (Note 12). In the event that there is any value decrease related to the goodwill amount, it is reflected to the statement of income. An impairment test is performed at the same date of each year in order to determine if there is any value decrease in the goodwill.

- Shares that are not related to the Parent Company are deducted from all equity account group items including the paid in/issued share capital of subsidiaries included in the consolidation and are recognized as “Non-controlling Interests” in the consolidated statement of financial position in the equity account group and in the statement of comprehensive income, as a separate item from the Parent’s ownership interests.

- The purchases and sales among the Parent Company and its subsidiaries and the profit and losses arising from these transactions are reversed in the Consolidated Statement of Comprehensive Income. Furthermore, the profits and losses arising from purchases and sales of financial assets, stocks, tangible and intangible assets, and other assets subject to purchase and sales among the shareholders of the consolidation are also included among the reversed profits and losses mentioned above.

Equity Method:

- As per the equity method, the equity investment is initially recorded at cost and subsequently adjusted to reflect the investor’s share of the net profit or loss of the associate. Dividends and similar grants received from an associate in which the said investment has been made decrease the book value of the investment.

- If the Parent Company’s share of losses of an associate equals or exceeds its “interest in the associate”, the Parent Company discontinues recognising its share of further losses.

- For the purpose of participating in the tender put out by the High Board of Privatization for the privatization of 100% of the shares of Sakarya Elektrik Dağıtım A.Ş. by block sales method, Akkök Sanayi Yatırım ve Geliştirme A.Ş. (Akkök) has constituted a joint venture group under the name of “AkCez” bringing together one of its affiliates, namely, Akenerji Elektrik Üretim A.Ş. and an energy company of Czech Republic, namely, ČEZ a.s. The said joint venture group has won the tender held on 10 June 2008 against a total of USD 150.000.000; and a company with a share capital of TL 250.000.000, namely, Akcez Enerji Yatırımları Sanayi ve Ticaret A.Ş. (Akcez) has been established in accordance with the tender specifications on 21 November 2008 where Akkök, Akenerji Elektrik Üretim A.Ş. and ČEZ a.s. have 4,9999992%, 45%, and 50% interest, respectively. Resolution is made to increase the share capital of Akcez to TL 499.750.000 on 26 January 2009. Akcez has acquired 100% of Sedaş Elektrik Dağıtım A.Ş shares by block sales method against a total of USD 600.000.000 half of which will be down payment and the balance will be paid at Libor +2,5 in two years. The share transfer of Sedaş Elektrik Dağıtım A.Ş. has been realized on 11 February 2009. It is included in the accompanying consolidated financial statements by equity method.

iv. Adjustments:

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

- Rediscount calculation for post-dated cheques, customers, suppliers, and bank loans
- Depreciation adjustment
- Reversal of establishment and organization expenses
- Deferred tax adjustment
- Provision for doubtful receivables
- Provision for litigation
- Provision for impairment of tangible assets
- Provision for impairment of affiliates
- Elimination of intra-group balance and transactions as per the consolidation procedure
- Provision for impairment over the sales value of long term assets ready for sale
- Recognition of effects of valuation by equity method

Akenerji Elektrik Üretim A.Ş.
Notes to the Consolidated Financial Statements for the years ended 31 December 2009 and 2008
(TL)

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

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

vi. Offsetting:

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

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

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

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

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

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

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

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

- TFRS 8 - “Operating Segments”
- TAS 16 - “Tangible Assets - Recoverable Value, Disposal of Assets Held for Leasing”
- TAS 19 - “Employee Benefits - Curtailments and Negative Past Service Cost, Plan Management Cost, Change of the term “Matured”, Guidelines to Contingent Liabilities”
- TAS 20 - “Accounting for Government Grants and Disclosure of Government Assistance-Government Loans at a Below-Market Rate of Interest”

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

- TFRS 1 - “First-Time Adoption of International Financial Reporting Standards”
- TAS 31 - “Interests in Joint Ventures”
- TFRS Comment 17 - “Distribution of Non-Cash Assets to Owners”

ix. Significant Accounting Policies and Valuation Procedures Applied:

(a) Financial Instruments:

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

i. Cash and Cash Equivalents

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

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

Bank accounts consist of demand and time deposit accounts and the related interest accrued. Turkish Lira deposit accounts are stated at face values and foreign currency accounts are translated into Turkish Lira at the foreign currency rate issued by the Central Bank as at the reporting date.

Akenerji Elektrik Üretim A.Ş.
Notes to the Consolidated Financial Statements for the years ended 31 December 2009 and 2008
(TL)

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

Fair Value

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

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

ii. Trade Receivables

Trade receivables are financial assets created by the Parent Company and its subsidiaries through selling goods and services directly to the customers. Trade receivables and post dated cheques are subject to rediscount. Provisions for doubtful trade receivables are made with regard to the amount of uncollectible receivables, collaterals received, past experiences, and, the current economic outlook.

Fair Value

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

iii. Related Parties

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

Transactions with related parties regarding the Company's principal activities are realized at prices that comply with the prevailing market conditions.

iv. Trade Payables

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

Fair Value

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

v. Short and Long Term Bank Loans

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

Fair Value

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

vi. Derivative Instruments

The Parent Company enters into swap agreements for the purpose of hedging interest rate risk arising from foreign currency loans used.

(b) Inventories:

Inventories are stated at the lower of cost or net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined by the weighted average cost method.

(c) Financial Investments:

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

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

Financial investments do not have a market value and are recognized at their unit values restated as of 31 December 2004, less provision for value decrease, if any.

(d) Tangible Assets:

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

Tangible assets have been restated using the measuring unit current at 31 December 2004 from the dates of acquisition. Additions made subsequent to 1 January 2005 are stated at their nominal values. Tangible assets are depreciated over their inflation-adjusted values and the nominal values of additions subsequent to 1 January 2005 by straight-line method based on their useful lives stated below:

Land improvements	5-50 years
Buildings	19-50 years
Machinery, plant and equipment	3-40 years
Motor vehicles	5-8 years
Furniture and fixtures	3-49 years

(e) Intangible Assets:

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

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

Rights	2-49 years
Special Costs	5-46 years

(f) Assets and Liabilities in Foreign Currency:

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

(g) Impairment of Assets:

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

On the other hand, the recoverable value of cash generating assets is the higher of net selling price and the value in use. The value in use of those assets represents the net present value of net cash inflows to be acquired through continuous usage and sales of the assets, discounted at a reasonable discount rate.

Akenerji Elektrik Üretim A.Ş.
Notes to the Consolidated Financial Statements for the years ended 31 December 2009 and 2008
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(h) Deferred Taxes:

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

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

(i) Income Taxes:

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

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

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

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

For those benefiting from investment allowance according to the provisional article 69 of the Income Tax Law, the corporation tax and corporate provisional tax rate is 30%.

With respect to the article 298 (bis) of the Tax Law amended by Law 5024 to be enacted as of 1 January 2004, the financial statements of the tax payers whose earnings are determined on balance sheet basis are subject to inflation adjustment in the event that the increase in price indices exceed 100% for the last three accounting periods including the current period and 10% for the current accounting period. In the 2009 and 2008 accounting periods, the criteria of 100% and 10% have not been realized simultaneously in the Producers Price Index and for that reason no inflation adjustment has been applied.

The Income Tax Regulations related to investment allowance are suspended by Law Nr 5479 published in the Official Gazette of 8 April 2006 and the application of investment allowance is terminated with effect from 1 January 2006. Certain transition arrangements have been made for the purpose of partial protection of acquired rights by the provisional article 69 added to ITL by the same Law mentioned above; and by these arrangements, the following totals will continue to be subject to investment allowance from 2006, 2007, and 2008 profits.

- Investment allowance exemption amounts transferred to 2006;
- Investment allowance exemption amounts arising from investments made subsequent to 1 January 2006 within the scope of the investment incentive documents prepared for the applications made prior to 24 April 2003;
- Investment allowance exemption amounts to be calculated over the investment expenditures made subsequent to 1 January 2006 having economical and technical connection with investments which started prior to the said date within the scope of ITL article 19.

As the said provisional article limits the right for using investment allowance with the 2008 earnings, the possibility to use in or subsequent to 2009 the investment allowance rights which are valid but pending as of 2008 due to insufficient earnings has been legally suspended.

- In the said provisional article 69 of the ITL, the phrase stated as ".. only for 2006, 2007, and 2008.." which limits the application of investment allowance exemption to three years stipulating suspension of investment allowance rights that are not used until the end of 2008 has been cancelled by the Constitutional Court and the resolution is published in the Official Gazette dated 8 January 2010.

Due to the cancellation of the legal decision for termination of investment allowance application right in 2008, the investment allowance amounts that the Parent Company could not use in the prior years are recognized in the tax calculations of the accompanying financial statements as of 31 December 2009.

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

(j) Employee Benefits:

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

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

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

- In calculating the current value of future liabilities that may arise due to the retirement or contract termination of an employee, it is assumed that the current salaries and wages or the value of the termination indemnity upper limit determined by the Labour Law for 31 December 2009 to remain constant for restatement purposes, and later on, this value is reduced by the actual discount rate of 5,92% (31 December 2008 - 6,26%) calculated upon the assumption that the expected annual inflation rate will be 4,8% (31 December 2008 - 5,4%) and the expected discount rate will be 11% (31 December 2008-12%) which represents the proposed average interest rate per annum of the government bonds, in order to determine the current net value of the termination indemnity liability at the reporting date.

As of 31 December 2009 and 2008, assumptions for calculating termination indemnity are as follows:

	31 December 2009	31 December 2008
Discount rate	5,92%	6,26%
The ratio of the number of employees who have gained the right to receive termination indemnity in the prior years to the total number of employees	100%	100%

(k) Revenues and Expenses:

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

Revenue is measured at the fair value of the consideration received or receivable.

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

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

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

(l) Earnings/(Loss) Per Share:

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

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

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(m) Accounting Estimates:

During the preparation of financial statements in accordance with the TAS/TFRS, the Management may make assumptions and estimates that might affect the book value of the assets and liabilities stated in the financial statements at the end of the reporting period, explanations regarding unrecognized liabilities, and income and expense totals related to the period. However, actual results may vary from these results.

(n) Events After the Reporting Period:

The Parent Company and its subsidiaries should update disclosures that relate to conditions that existed at the end of the reporting period to reflect any new information that they receive after the reporting period about those conditions. Non-adjusting events should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions.

(o) Conditional Assets and Liabilities:

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

(p) Borrowing Costs:

Borrowing costs are recognized as expense. Borrowing costs related to qualifying assets are included directly in the cost of the related qualifying asset. Upon completion of the necessary operations to make the qualifying asset ready for use or sale, the capitalization of the borrowing costs are discontinued. The borrowing costs amounting to TL 16.243.889 directly related to the investments in progress as of 31 December 2009 are added to the cost of the asset (31 December 2008 - TL 57.951.564).

(r) Non-Current Assets Held for Sale:

Assets whose book values are recovered only when sold and not as a result of usage are classified as non-current assets held for sale and their depreciation is discontinued. Long term assets held for sale are valued at the lower of their book value and the value representing their fair values less sales expenses.

3. Cash and Cash Equivalents

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

	31 December 2009	31 December 2008
Cash	26.697	38.815
Banks (Note 27(i))	188.342.025	100.357.789
-TL demand deposits	93.777	524.594
-Foreign currency demand deposits	10.989	626
-TL time deposits *	167.744.521	3.210.657
-Foreign currency time deposits **	20.492.738	96.621.912
Cheques received	-	523.395
Total	188.368.722	100.919.999

* As of 31 December 2009, the interest rate on TL time deposit accounts varies between 6,50% and 7,00%, net (31 December 2008 - 17,75%-22,50%).

** As of 31 December 2009, the interest rate applied to Euro time deposits varies between 0,75% and 1,91%, net; the interest rate applied to USD time deposits is 0,75%, net (31 December 2008-Euro 4,38%-6,00%,net; USD 3,00%-7,50%,net).

The sum of cash balances and cheque received is stated as “Other” in the Credit Risk Table in Note 27(i).

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4. Finansal Assets

Financial assets consist of the following (TL):

	Participation Rate	31 December 2009	31 December 2008
Aken BV	100,00%	1.988.942	1.988.942
		1.988.942	1.988.942

5. Financial Liabilities

Financial liabilities consist of the following (TL):

	31 December 2009	31 December 2008
Short term bank loans (Note 27 (ii))	94.238.502	204.206
Principal payments and interests of long term bank loans *	64.232.160	34.337.651
Financial debts to related parties (Notes 26, 27 (ii))	183.970.511	-
Short term financial debts	342.441.173	34.541.857
Long term financial debts *	363.278.347	260.447.398

The maturities of long term financial debts vary between 10.04.2012 - 31.08.2019.

As of 31 December 2009, a portion of TL 84.116.002 of the short term bank loans consist of spot credits with no interest (31 December 2008 - TL 204.206). TL 10.122.500 consists of the principal amount and interest of the TL loan.

As of 31 December 2009, the interest rate on long term Euro loans vary between 1,38% and 5,72%, and the interest rates on USD loans vary between 0,99% and 5,18% (31 December 2008-Euro: 6,18%-6,89%-USD: 4,01%-5,40%).

* As of 31 December 2009, the principal and interest payments of short term portion of long term loans and the total long term loans amount to TL 427.510.507 (31 December 2008 - TL 294.785.049) (Note 27(ii)).

6. Trade Receivables and Payables

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

	31 December 2009	31 December 2008
Customers	89.929.319	83.357.187
Notes receivable and post dated cheques	999.996	3.158.017
Rediscount on receivables (-)	(151.638)	(654.380)
Other short term receivables	2.700	408.893
Doubtful trade receivables	993.885	1.644.433
Provision for doubtful trade receivables (-)	(993.885)	(1.644.433)
Other trade receivables (Note 27 (i))	90.780.377	86.269.717
Trade receivables from related parties (Notes 26 and 27 (i))	11.358.222	19.469.721
Total trade receivables	102.138.599	105.739.438

As of 31 December 2009 and 2008, changes in the provisions for doubtful trade receivables are set out in the table below (TL):

	31 December 2009	31 December 2008
Opening balance	1.644.433	515.297
Provisions no longer required (Note 20)	(650.548)	(189.594)
Cancelled receivables	-	(133.194)
Provision made during the period (Note 18)	-	1.451.924
Closing balance (Note 27 (i))	993.885	1.644.433

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Trade payables consist of the following (TL):

	31 December 2009	31 December 2008
Suppliers	57.658.668	53.269.036
Rediscount on payables	(194.534)	(460.391)
Other trade payables	57.464.134	52.808.645
Trade payables to related parties (Note 26)	7.577.672	12.988.578
Total trade payables (Note 27 (ii))	65.041.806	65.797.223

7. Other Receivables and Payables

Other receivables consist of the following (TL):

	31 December 2009	31 December 2008
Short term other receivables	377.930	1.527.187
Deposits and guarantees given	49.660	49.660
Other doubtful receivables	850	-
Provision for other doubtful receivables	(850)	-
Rediscount on other short term receivables (-)	-	(7.809)
Other receivables	427.590	1.569.038
Other receivables from related parties (Note 26)	12.220.518	-
Total	12.648.108	1.569.038

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

	31 December 2009	31 December 2008
Deposits and guarantees given	89.795	63.515

The sum of short and long term other receivables are stated as other receivables from other parties in the Credit Risk Table in Note 27(i).

Other payables consist of the following (TL):

	31 December 2009	31 December 2008
Taxes, duties and other withholdings payable	5.719.557	4.411.726
Social security premiums payable	313.747	293.762
Due to personnel	16.375	8.668
Other miscellaneous debts	2.687	5.098
Deposits and guarantees received	14.822	14.824
Other payables	6.067.188	4.734.078

8. Inventories

Inventories consist of the following (TL):

	31 December 2009	31 December 2008
Raw materials and supplies	3.876.275	5.831.547

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9. Investments Valued by Equity Method

Investments valued by equity method consist of the following (TL):

	Participation Rate %	31 December 2009	Participation Rate %	31 December 2008
Affiliates;				
Akcez Enerji Yatırımları Sanayi ve Ticaret A.Ş.	45,00	226.099.992	45,00	112.500.000
Capital commitments to affiliates;				
Akcez Enerji Yatırımları Sanayi ve Ticaret A.Ş.		(6.225.026)		(112.500.000)
Total investments valued by equity method		219.874.966		-

As of 31 December 2009, total amount of consolidated assets is TL 1.267.433.032, total amount of consolidated liabilities is TL 778.832.044, and the consolidated net profit is TL 2.694.428. As of 31 December 2008, total assets amounts to TL 2.379, total liabilities amounts to TL 103.513, and the net loss is TL 101.134. As of 31 December 2009, the Parent Company's share in the consolidated profit of the affiliate is TL 1.212.493.

10. Tangible Assets

Tangible assets consist of the following (TL):

As of 31 December 2009;

Cost;	Opening 1 January 2009	Additions	Capitalized Finance Cost	Transfers	Disposals	Closing 31 December 2009
Land	6.945.415	131.325	-		-	7.076.740
Land improvements	35.821.496	34.205	-	237.998	(22.563.009)	13.530.690
Buildings	4.089.157	21.656	-	-	(614.821)	3.495.992
Machinery and equipment	453.504.755	10.185	-	46.960.911	(89.420.814)	411.055.037
Motor vehicles	2.691.010	-	-	-	(35.523)	2.655.487
Furniture and fixtures	6.599.860	287.684	-	-	(951.001)	5.936.543
Investments in progress	317.993.841	347.217.970	16.243.889	(59.346.062)	-	622.109.638
Sub Total	827.645.534	347.703.025	16.243.889	(12.147.153)	(113.585.168)	1.065.860.127
Accumulated depreciation;						
Land improvements	(17.064.887)	(1.579.690)	-	-	13.843.812	(4.800.765)
Buildings	(334.175)	(74.987)	-	-	91.413	(317.749)
Machinery and equipment	(324.381.222)	(24.919.839)	-	-	68.521.408	(280.779.653)
Motor vehicles	(2.403.232)	(92.116)	-	-	35.524	(2.459.824)
Furniture and fixtures	(4.504.156)	(277.341)	-	-	947.491	(3.834.006)
Sub Total	(348.687.672)	(26.943.973)	-	-	83.439.648	(292.191.997)
Net Book Value	478.957.862	320.759.052	16.243.889	(12.147.153)	(30.145.520)	773.668.130
Provision for value decrease in fixed assets *	(13.449.706)	-	-	-	7.720.266	(5.729.440)
Grand Total	465.508.156	320.759.052	16.243.889	(12.147.153)	(22.425.254)	767.938.690

*As of 31 December 2008, provision for value decrease amounts to TL 13.449.706 out of which a total of TL 7.720.266 is reversed due to the sales realized.

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As of 31 December 2008;

Cost;	Opening 1 January 2008	Additions	Capitalized Finance Cost	Fixed Assets Available for Sale	Disposals	Closing 31 December 2008
Land	3.902.701	-	-	3.042.714	-	6.945.415
Land improvements	35.789.496	32.000	-	-	-	35.821.496
Buildings	4.089.157	-	-	-	-	4.089.157
Machinery and equipment	471.520.470	1.507.296	-	(1.689.317)	(17.833.694)	453.504.755
Motor vehicles	2.691.010	-	-	-	-	2.691.010
Furniture and fixtures	6.501.874	139.082	-	-	(41.096)	6.599.860
Investment in progress	108.078.263	151.964.014	57.951.564	-	-	317.993.841
Sub total	632.572.971	153.642.392	57.951.564	1.353.397	(17.874.790)	827.645.534
Accumulated depreciation;						
Land improvements	(14.298.689)	(2.766.198)	-	-	-	(17.064.887)
Buildings	(251.878)	(82.297)	-	-	-	(334.175)
Machinery and equipment	(313.869.749)	(27.300.315)	-	1.111.531	15.677.311	(324.381.222)
Motor vehicles	(2.276.933)	(126.299)	-	-	-	(2.403.232)
Furniture and fixtures	(4.286.638)	(258.614)	-	-	41.096	(4.504.156)
Sub total	(334.983.887)	(30.533.723)	-	1.111.531	15.718.407	(348.687.672)
Net Book Value	297.589.084	123.108.669	57.951.564	2.464.928	(2.156.383)	478.957.862
Provision for value decrease in fixed assets	(13.449.706)					(13.449.706)
Grand Total	284.139.378	123.108.669	57.951.564	2.464.928	(2.156.383)	465.508.156

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11. Intangible Assets

Intangible assets consist of the following (TL):

As of 31 December 2009;

Cost;	Opening 1 January 2009	Additions	Transfers	Disposals	Closing 31 December 2009
Rights	37.044.864	174.713	-	(126.725)	37.092.852
Special costs	1.846.515	374.876	12.147.153	(692.295)	13.676.249
Sub total	38.891.379	549.589	12.147.153	(819.020)	50.769.101
Accumulated amortisation;					
Rights	(5.052.503)	(917.824)	-	126.725	(5.843.602)
Special costs	(1.821.963)	(99.645)	-	692.295	(1.229.313)
Sub total	(6.874.466)	(1.017.469)	-	819.020	(7.072.915)
Net Book Value	32.016.913	(467.880)	12.147.153	-	43.696.186

As of 31 December 2008;

Cost;	Opening 1 January 2008	Additions	Disposals	Closing 31 December 2008
Rights	37.016.417	28.447	-	37.044.864
Special costs	1.846.515	-	-	1.846.515
Sub total	38.862.932	28.447	-	38.891.379
Accumulated amortisation				
Rights	(4.047.267)	(1.005.236)	-	(5.052.503)
Special costs	(1.815.037)	(6.926)	-	(1.821.963)
Sub total	(5.862.304)	(1.012.162)	-	(6.874.466)
Net Book Value	33.000.628	(983.715)	-	32.016.913

12. Goodwill

Goodwill consists of the following (TL):

As of 31 December 2009;

	Opening 1 January 2009	Additions	Disposals	Closing 31 December 2009
Akkur Enerji Üretim Ticaret ve Sanayi A.Ş.	22.548.997	-	-	22.548.997
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	14.209.894	-	-	14.209.894
	36.758.891	-	-	36.758.891

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As of 31 December 2008;

	Opening 1 January 2008	Additions	Disposals	Closing 31 December 2008
Akkur Enerji Üretim Ticaret ve Sanayi A.Ş.	22.548.997	-	-	22.548.997
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş.	14.209.894	-	-	14.209.894
	36.758.891	-	-	36.758.891

As of 31 December 2008, the registered value of the goodwill has been subjected to impairment test by comparing it with its recoverable value. In order to make this test, the Parent Company has used the independent valuation reports prepared for the abovementioned subsidiaries. The discounted cash flow method has been used in the valuation reports for determining the recoverable amounts. No value decrease has been determined as a result of the said test study. As of 31 December 2009, the booking value of the goodwill has been reviewed again and it is determined that there is no significant change that may create impairment.

13. Provisions, Conditional Assets and Liabilities

Debt provisions consist of the following (TL):

	31 December 2009	31 December 2008
Provision for cost expenses	1.235.545	4.049.492
Provision for litigation	762.343	1.049.680
	1.997.888	5.099.172

Taxes on profit for the period consists of the following (TL):

	31 December 2009	31 December 2008
Provision for current period tax (Note 24)	1.813.258	1.390.237
Prepaid taxes and funds	(597.166)	(413.482)
	1.216.092	976.755

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

a) The guarantees that the Parent Company and its subsidiaries have given for their own corporate body consist of the following (TL):

31 December 2009	78.321.620
31 December 2008	129.357.473

b) As of 31 December 2009, the guarantees given for the partnerships included in the Parent Company's full consolidation scope consist of the following (TL):

The Parent Company has stood as guarantor for Akkur Enerji Üretim Ticaret ve Sanayi A.Ş. (Akkur) in which it has 99% interest and given all related collaterals required by the banks as guarantee to be used in repayment of the 7-year loan of USD 75.000.000 to be received by Akkur with the condition of zero payback in the first two years. The loan to be received by the agreement entered into between Akkur and the London Agency of National Bank of Greece S.A. will be used by Akkur to finance the investment of Burç Bendi and Feke 1 HES projects.

The Parent Company has stood as guarantor for MEM Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (MEM) in which it has 99% interest and given all related collaterals required by the banks as guarantee to be used in repayment of the 8-year loan of Euro 28.000.000 and USD 79.000.000 to be received by MEM with the condition of zero payback in the first three years. The loan to be received by the agreement entered into between MEM and Türkiye Sınai Kalkınma Bankası A.Ş. will be used by MEM for financing the investments of Himmetli, Gökkaya, and Bulam HES projects in completion of the projects and covering the costs increased during the period of investment (31 December 2008 - None).

c) The total guarantees given by the Parent Company on behalf of other group companies that are not included in the scope of full consolidation is as follows:

31 December 2009	USD 300.000.000
31 December 2008	-

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As of 31 December 2009, the ratio to equity of all collaterals, sureties, and mortgages given by the Parent Company and its subsidiaries is 114,38% (31 December 2008-26,99%).

d) As of 31 December 2009, the guarantees received for short term trade receivables amount to TL 8.997.118 (31 December 2008 - TL 4.620.111, USD 832.724)

e) As of 31 December 2009, the ongoing litigation commenced by the Parent Company against third parties amounts to TL 439.677 and USD 1.110.000 (31 December 2008 - TL 241.771 and USD 1.110.000). As of 31 December 2009, the ongoing litigation commenced by third parties against the Parent Company amounts to TL 762.343 (31 December 2008 - TL 1.049.680).

f) As of 31 December 2009, overdue receivables of the Company and the related provisions amount to TL 994.735 (31 December 2008 - TL 1.644.433).

g) In order to guarantee payment of the balancing USD 300.000.000 of the total acquisition fee for Sedaş Elektrik Dağıtım A.Ş., a Bank Guarantee Agreement amounting to USD 300.000.000 has been entered into between Akcez Enerji Yatırımları Sanayi ve Ticaret A.Ş. (Akcez) acting as the loan holder, Akenerji Elektrik Üretim A.Ş. and ČEZ a.s. as guarantors, and Akbank T.A.Ş. (Akbank) and Türkiye İş Bankası (İşbank) acting as credit grantors and the issuing banks; In order to guarantee other liabilities to arise from this acquisition, a General Loan Agreement amounting to USD 1.030.000 has been entered into between Akcez acting as the loan holder regarding the bank guarantee letters to be given on behalf of Akcez, Akenerji Elektrik Üretim A.Ş. acting as the guarantor, and İşbank acting as the credit grantor; and a Side Letter has been made to state the conditions for Akkök, Akenerji Elektrik Üretim A.Ş., ČEZ a.s., and Akcez for their right for equivalent bidding to Akbank and İşbank for loans to be used by any loan agreement or other loans which are left out of the scope of agreement but which may be used in relation to the project as well as the conditions for their preemptive rights, on 4 February 2009. From the total transfer fee of USD 600 million, a portion of USD 300 million was paid on 11 February 2009 and the first installment of the balancing USD 300 million which amounts to USD 150 million is charged to the accounts of the Turkish Prime Ministry Privatization Administration on 26.01.2010. The said repayment of the first installment is financed through the loan agreement entered into between Akcez and the banks (Akbank N.V. , Yapı ve Kredi Bankası A.Ş. and Yapı Kredi Nederland N.V.) for a total of USD 160.000.000 payable in 1 year and 1 week. Akenerji has stood as guarantor for Akcez and paid all related collaterals to the banks as guarantee for the said loan agreements. The interest payment of USD 9.786.663,09 related to the said transaction has been made to the accounts of the Turkish Prime Ministry Privatization Administration on 11 February 2010.

14. Employee Benefits

Liabilities related to employee benefits consist of provisions for termination indemnity and leaves as follows (TL):

	31 December 2009	31 December 2008
Opening balance of provision for		
long term termination indemnity	1.460.409	1.394.211
Termination indemnity expense for the current period (Note 18)	241.888	236.737
Provisions for leaves for the current period (Note 18)	206.077	-
Provisions no longer required (Note 20)	(543.452)	(170.539)
Closing balance of provision for termination indemnity	1.364.922	1.460.409

15. Other Assets and Liabilities

Other current assets consist of the following (TL):

	31 December 2009	31 December 2008
Deferred VAT	36.265.095	9.257.470
Expenses related to future months	2.236.300	1.517.911
Prepaid taxes and funds	7.883.322	26.173
Personnel advances	103.501	177.899
Order advances given	1.716.285	252.943
Job advances	139.644	149.513
	48.344.147	11.381.909

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Other non-current assets consist of the following (TL):

	31 December 2009	31 December 2008
Order advances given	71.301.086	86.181.951
Expenses related to future years	3.845.628	226.386
	75.146.714	86.408.337

Other liabilities consist of the following (TL):

	31 December 2009	31 December 2008
Order advances received	4.247	4.236
Expense accruals	5.483	6.376
Other payables	510	1.612
	10.240	12.224

16. Equity

(a) Share Capital:

The Parent Company share capital consists of the following (TL):

	31 December 2009		31 December 2008	
Name	Shareholding	Nominal Value	Shareholding	Nominal Value
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	20,43%	13.350.834	40,86%	26.701.668
ČEZ a.s.	37,36%	24.411.946	-	-
Ömer Dinçkök	-	-	11,57%	7.561.000
Ali Raif Dinçkök	-	-	11,57%	7.561.000
Emniyet Ticaret ve Sanayi A.Ş.	-	-	10,38%	6.783.392
Akarsu Enerji Yatırımları San. ve Tic. A.Ş.*	16,94%	11.061.112	-	-
Other **	25,27%	16.516.108	25,62%	16.732.940
	100,00%	65.340.000	100,00%	65.340.000
Capital adjustment differences		101.988.910		101.988.910
Total adjusted capital		167.328.910		167.328.910

* As also stated in Note 29, the share transfer from Ömer Dinçkök, Ali Raif Dinçkök, and Emniyet Ticaret ve Sanayi A.Ş. which are three shareholders of the Company owning 16,94% of the total shares has been realized to Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş., a company whose establishment is registered on 2 November 2009.

** Represents shareholding of less than 5%.

As of 31 December 2009 the Parent Company's registered capital limit is TL 1.500.000.000 (31 December 2008 - 150.000.000 TL) and its paid-in capital amounts to TL 65.340.000 consisting of 6.534.000.000 shares of 1 kr nominal value each.

ČEZ a.s. has acquired 2.441.194.554 shares of Akenerji Elektrik Üretim A.Ş. representing 37,36% of its total share capital with TL 24.411.946 nominal value against a transfer fee of USD 302.627.424 from its shareholders on 14 May 2009.

(b) Restricted Profit Reserves:

Restricted profit reserves consist of the legal reserves which are divided as First Legal Reserve and Second Legal Reserve as per the Turkish Commercial Code, are appropriated as below:

a) First Legal Reserve: Appropriated out of net profit at the rate of 5% until such reserve is equal to 20% of issued and fully paid capital.
b) Second Legal Reserve: Appropriated out of net profit at the rate of 10% of distributions after providing for First Legal Reserve and an amount equal to 5% of capital as dividends.

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

(c) Retained Earnings/(Accumulated Losses):

Retained earnings/(accumulated losses) consist of the following (TL):

	31 December 2009	31 December 2008
Retained earnings/(accumulated losses)	164.588.387	204.126.975
2008 profit transfer	88.950.920	-
2007 loss transfer	-	(39.530.968)
Transfer to legal reserves	(3.026.126)	-
Dividend payment	(17.530.000)	-
Effect of rate change in the consolidation	-	(7.620)
Effect of subsidiary included in the consolidation	(50.526)	-
	232.932.655	164.588.387

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

	31 December 2009	31 December 2008
Retained earnings/(accumulated losses)	(176.852.392)	(236.387.376)
Legal reserves related to subsidiaries	503.314	171.979
Differences arising from inflation adjustment in Equity	318.073.409	318.073.409
Extraordinary reserves	91.208.324	82.730.375
	232.932.655	164.588.387

Inflation adjustment differences may be used in bonus issue and setting off losses. Furthermore, inflation adjustment differences arising from reserves bearing no record that disables profit distribution may be used in profit distribution. As of 31 December 2009, the other sources that may be subject to profit distribution amount to TL 97.348.445 (Note 25).

Differences arising from inflation adjustment in equity due to restatement of share premium, legal and extraordinary reserves are stated in the following for the respective periods (TL):

As of 31 December 2009;

	Historic Value	Restated Value	Restatement Differences
Share premium	48.869.596	173.250.498	124.380.902
Legal reserves	11.574.922	22.274.916	10.699.994
Extraordinary reserves	91.208.324	274.200.837	182.992.513
			318.073.409

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As of 31 December 2008;

	Historic Value	Restated Value	Restatement Differences
Share premium	48.869.596	173.250.498	124.380.902
Legal reserves	8.217.461	18.917.455	10.699.994
Extraordinary reserves	82.730.375	265.722.888	182.992.513
			318.073.409

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

(d) Non-controlling Interest:

Non-controlling interest consists of the following (TL):

	31 December 2009	31 December 2008
Share capital	2.322.970	1.247.623
Capital commitment	(1.016.478)	(283.502)
Legal reserves	31.466	19.604
Extraordinary reserves	447.714	221.966
Differences arising from inflation adjustment in Equity	1.710.955	1.710.955
Retained earnings/(accumulated losses)	(1.738.375)	(1.696.582)
Profit/(loss) for the period	646.132	201.809
	2.404.384	1.421.873

17. Sales and Cost of Sales

Sales income consists of the following (TL):

	31 December 2009	31 December 2008
Domestic sales	463.746.016	607.056.048

Cost of sales consists of the following (TL):

	31 December 2009	31 December 2008
Raw material and supply expenses	346.225.498	464.373.968
Depreciation expense (Note 19)	24.781.742	22.104.332
Overhead	20.841.200	15.309.518
Labour expense (Note 19)	4.837.352	5.706.861
	396.685.792	507.494.679

18. Research and Development Expenses; General Administration Expenses

Research and development expenses and general administration expenses consist of the following (TL):

	31 December 2009	31 December 2008
Research and development expenses	738.511	992.931
General administration expenses	32.774.375	34.366.376
	33.512.886	35.359.307

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General Administration Expenses

	31 December 2009	31 December 2008
Personnel expenses (Note 19)	8.758.859	7.329.907
Consultancy expenses	8.309.569	4.094.179
Depreciation expenses (Note 19)	1.383.292	1.451.785
Office expenses	2.247.531	1.768.995
Insurance expenses	1.078.334	704.017
Rent expenses	1.236.987	906.931
Miscellaneous tax expenses	2.488.595	5.416.110
Security expenses	547.170	712.701
Travel expenses	1.242.418	999.831
Provision for impairment in assets held for sale	-	25.880
Provision for leaves (Notes 14,19)	206.077	-
Provision for termination indemnity (Notes 14,19)	241.888	236.737
Advertisement expenses	719.399	396.935
EMRB license expenses	72.524	65.342
Disallowable expenses	2.271.907	3.404.927
Provisions for doubtful trade receivables (Note 6)	-	1.451.924
Provision for litigation	101.163	990.898
Expropriation expenses *	-	2.195.303
Other expenses	1.868.662	2.213.974
	32.774.375	34.366.376

* Includes the expropriation fees paid for Akocak and Feke-1 hydro-electrical power plants being constructed.

19. Expenses by Nature

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

	31 December 2009	31 December 2008
Overhead (Note 17)	24.781.742	22.104.332
General administration expenses (Note 18)	1.383.292	1.451.785
Idle section expenses (Note 20)	1.796.408	7.989.768
	27.961.442	31.545.885

	31 December 2009	31 December 2008
Depreciation (Note 10)	26.943.973	30.533.723
Amortisation (Note 11)	1.017.469	1.012.162
	27.961.442	31.545.885

Employee benefits consist of the following (TL):

	31 December 2009	31 December 2008
Cost of sales (Note 17)	4.837.352	5.706.861
General administration expenses (Note 18)	8.758.859	7.329.907
Provision for leaves (Note 18)	206.077	-
Provision for termination indemnity and payments in lieu of notice (Note 18)	241.888	236.737
	14.044.176	13.273.505

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20. Other Operating Income and Expenses

Other operating income consist of the following (TL):

	31 December 2009	31 December 2008
Reversal of TRT delay interest	-	2.547.798
Profit on sales of fixed assets	18.809.247	4.750.737
Provisions for doubtful trade receivables no longer required (Note 6)	650.548	189.594
Provisions for termination indemnity no longer required (Note 14)	543.452	170.539
Prior period income and profits	735.651	218.565
Maturity difference income *	20.364.303	-
Fuel - Oil sales income	-	3.968.039
Other income and profits	1.215.275	3.802.936
	42.318.476	15.648.208

* Maturity difference invoices prepared by the Parent Company to customers due to late payment of electricity sales invoices.

Other operating expenses consist of the following (TL):

	31 December 2009	31 December 2008
Prior period expenses and losses	566.830	1.650.658
Principal and interest of the difference in base value of TRT share (Note 30 (d))	10.676.253	1.155.134
Loss on disposal of fixed assets	35.354.919	-
Idle section expenses (Note 19)	1.796.408	7.989.768
Loss on disposal of affiliate	-	20.350
Other expenses and losses	3.894.907	1.831.758
	52.289.317	12.647.668

21. Financial Income

Financial income consists of the following (TL):

	31 December 2009	31 December 2008
Foreign exchange gains	22.812.470	34.011.183
Interest income	1.711.840	9.447.637
Rediscount interest income	932.030	578.801
	25.456.340	44.037.621

22. Financial Expenses

Financial expenses consist of the following (TL):

	31 December 2009	31 December 2008
Short term borrowing expenses	23.912.608	8.855.553
Foreign exchange losses	6.457.723	2.587.296
Rediscount interest expenses	1.085.715	734.007
	31.456.046	12.176.856

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23. Long Term Assets Held For Sale

Long term assets held for sale consist of the following (TL);

	Opening 1 January 2009	Additions	Disposals	Closing 31 December 2009
Cost	32.972.033		(32.972.033)	
Accumulated depreciation	(16.255.089)	-	16.255.089	-
Sub Total	16.716.944	-	(16.716.944)	-
Provisions for tangible and intangible assets held for sale	(4.108.944)	-	4.108.944	-
Net Book Value	12.608.000	-	(12.608.000)	-

	Opening 1 January 2008	Additions	Disposals	Closing 31 December 2008
Cost	134.716.350	2.002.913	(103.747.230)	32.972.033
Accumulated depreciation	(62.222.202)	(1.111.531)	47.078.644	(16.255.089)
Sub Total	72.494.148	891.382	(56.668.586)	16.716.944
Provisions for tangible and intangible assets held for sale	(45.123.698)	(25.880)	41.040.634	(4.108.944)
Net Book Value	27.370.450	865.502	(15.627.952)	12.608.000

The long term assets held for sale are sold to Aksa Akrilik Kimya Sanayi A.Ş. (a related party) at a total fee of TL 12.608.000 (Note 30(c)).

24. Tax Assets and Liabilities

a) Corporation tax;

The corporation tax rate for 2009 is 20% in Turkey (31 December 2008 - 20%). This rate is applicable to the tax base derived upon addition of disallowable expenses and deduction of exemptions and allowances stated in the tax legislation.

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

	31 December 2009	31 December 2008
Current period Corporation Tax	(1.813.258)	(1.390.237)
Deferred tax income/(expense)	7.919.445	(8.520.401)
Total tax income/(expense)	6.106.187	(9.910.638)

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Current period corporation tax is calculated as follows (TL):

	31 December 2009	31 December 2008
Per statutory books	30.569.994	126.278.263
Disallowable expenses	14.048.416	7.459.757
Tax exempt income	(2.808.287)	(4.923.075)
Investment allowance	(31.945.808)	(89.122.078)
Offsetting losses	(798.023)	(32.741.682)
Sub total	9.066.288	6.951.185
Tax rate (%)	20	20
Tax provision (Note 12)	1.813.258	1.390.237

b) Deferred Tax Assets and Liabilities;

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

	Total Temporary Differences		Deferred Tax Asset/(Liability)	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Adjustment on impairment of fixed assets	-	4.108.944	-	821.789
Provision for termination indemnity	1.364.922	1.460.274	272.984	292.055
Provision for doubtful receivables	801.376	1.451.924	160.275	290.385
Adjustment of rediscount on receivables	621.427	731.330	124.285	146.266
Provision for court cases	762.343	156.680	152.469	31.336
Investment allowance	25.280.959	-	5.056.192	-
Deferred Tax Assets	28.831.027	7.909.152	5.766.205	1.581.831
Difference between the book values oftangible/ intangible assets and their tax bases, net	(24.957.741)	(48.303.686)	(4.991.548)	(9.660.737)
Adjustment of loan discount	(2.454.198)	(1.743.185)	(490.840)	(348.637)
Adjustment of borrowing costs	(4.225.838)	-	(845.168)	-
Adjustment of rediscount on payables	(198.023)	(464.288)	(39.605)	(92.858)
Deferred Tax Liability	(31.835.800)	(50.511.159)	(6.367.161)	(10.102.232)
Deferred Tax Asset/(Liability) Net	(3.004.773)	(42.602.007)	(600.956)	(8.520.401)

Deferred Tax Income/(Expense) (TL):

	31 December 2009	31 December 2008
Current period deferred tax asset/(liability)	(600.956)	(8.520.401)
Reversal of prior period deferred tax (liability)/asset	8.520.401	-
Deferred tax income/(expense)	7.919.445	(8.520.401)

As of 31 December 2009, the total investment allowance that the Parent Company is allowed to use in the future periods amounts to TL 112.646.375 out of which TL 87.365.416 is subject to 19,8% withholding, and the balancing TL 25.280.959 consists of investment allowance without withholding. As the Parent Company management does not expect to use investment allowance subject to withholding in the future periods, only the investment allowance without withholding, that is, the part which amounts to TL 25.280.959 is considered in the deferred tax calculations made as of 31 December 2009.

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25. Earnings/(Loss) Per Share

Earnings/(Loss) per share is calculated as follows;

	31 December 2009	31 December 2008
Profit/(loss) for the period (TL)	24.249.339	88.950.920
Weighted average number of ordinary shares	65.340.000	65.340.000
(Per share of TL 1 nominal value) Earnings/(loss) per share of the Parent Company (TL)	0,37	1,36

With respect to the accompanying financial statements of the Company as of 31 December 2009, the Parent Company's profit amounts to TL 24.249.339 and the total of other sources that may be subject to profit distribution of the Parent Company amounts to TL 97.348.445 (Note 16 (c)).

26. Related Party Disclosures

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

	31 December 2009	31 December 2008
Aksa Akrilik Kimya San. A.Ş.	8.504.296	8.489.648
Akkim Kimya San. ve Tic. A.Ş.	189.574	3.054.940
Ak-Al Tekstil Sanayii A.Ş. *	457.736	8.857
Aktops Tekstil San. A.Ş.	-	565.552
Üçgen Bakım ve Yönetim Hiz. A.Ş.	392.336	444.218
Aken BV	-	5.200
Akport Tekirdağ Liman İşletmeleri A.Ş.	40.742	42.010
Aksu İplik Dokuma ve Boya Apre Fab. A.Ş.	-	695.041
Other **	2.243.327	6.236.073
Rediscount on receivables	(469.789)	(71.818)
Total (Note 6)	11.358.222	19.469.721

* As of 1 December 2009, Aksu İplik Dokuma ve Boya Apre Fab. A.Ş. has ceased its corporate body and merged with Ak-Al Tekstil Sanayii A.Ş. As of 31 December 2009, the balances due from related parties consist of the sum of balances of the two companies.

** As of 31 December 2009, there are 10 shareholding companies not included in the Akkök Group to which the Company effects sales and these companies are recognized altogether as "Other" (31 December 2008 - 21).

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

	31 December 2009	31 December 2008
Akcez Enerji Yatırımları San. ve Tic. A.Ş.	8.245.775	-
ČEZ a.s.	3.441.014	-
Sedaş Elektrik Dağıtım A.Ş.	533.729	-
Total (Note 7)	12.220.518	-

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

	31 December 2009	31 December 2008
Dinkal Sigorta Acenteliği A.Ş.	288.145	803.468
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	553.121	292.175
Ak-Han Bakım Yönt. Serv. Hizm. Güven. Malz. A.Ş.	54.268	58.687
Aktek Bilgi İletişim Teknolojisi San. ve Tic. A.Ş.	202.249	84.417
Ak-Pa Tekstil İhracat Pazarlama A.Ş.	40.793	-
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	-	-
Due to shareholders	2.073	1.250
Other *	6.440.512	11.752.478
Rediscount on payables	(3.489)	(3.897)
Total (Note 6)	7.577.672	12.988.578

*As of 31 December 2009, there is 1 shareholding company not included in the Akkök Group to which the Company effects sales and this company is recognized as “Other” (31 December 2008 - 21).

Financial debts to related parties consist of the following (TL):

	Currency	Amount	Interest Rate	TL equivalent
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	USD	57.222.580	6,13%-9%	86.160.039
ČEZ, a.s.	USD	35.014.583	5%	52.721.457
Akal Tekstil San. A.Ş.	USD	16.593.000	9%	24.984.080
Akkim Kimya San. ve Tic. A.Ş.	USD	13.352.550	9%-9,16%	20.104.935
Total (Note 5) **		122.182.713		183.970.511

** Short term loans received by the Company from related parties.

Sales to related parties for the years ended 31 December 2009 and 2008 consist of the following (TL):

	31 December 2009	31 December 2008
Aksa Akrilik Kimya Sanayii A.Ş.	50.350.619	86.808.303
Akkim Kimya San. ve Tic. A.Ş.	10.834.280	28.880.625
Ak-Al Tekstil Sanayii A.Ş.	4.980.172	8.955.511
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	171.370	200.525
Aktops Tekstil San. A.Ş.	2.482.866	7.826.987
Akpa Tekstil A.Ş.	80.078	61.641
Üçgen Bakım ve Yönetim Hiz. A.Ş.	3.342.114	4.274.447
Akport Tekirdağ Liman İşletmeleri A.Ş.	163.199	131.715
Other *	18.168.609	25.369.821
	90.573.307	162.509.575

*Total related to shareholders other than those included in the Akkök Group.

Sales to related parties consist of electricity and steam sales.

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Purchases from related parties for the years ended 31 December 2009 and 2008 (TL):

	31 December 2009	31 December 2008
Aksa Akrilik Kimya Sanayii A.Ş.	1.202.962	5.735.807
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	12.028.046	2.099.606
Ak-Han Bakım Yön Serv. Hizm.Güven. Malz. A.Ş.	493.073	295.904
Ak Havacılık ve Ulaştırma Hizmetleri A.Ş.	44.687	33.517
Akkim Kimya San. ve Tic. A.Ş.	1.917.598	346.591
Üçgen Bakım ve Yönetim Hiz. A.Ş.	153.416	112.066
Ak-Al Tekstil Sanayii A.Ş.	2.044.329	57.511
Aktek Bilgi İşlem Tekn.San.ve Tic.A.Ş.	1.586.293	595.016
Dinkal Sigorta Acenteliği A.Ş.	2.436.609	1.677.356
Akpa Tekstil A.Ş.	146.087	-
Akport Tekirdağ Liman İşletmeleri A.Ş	57	-
Other*	76.019.791	69.764.754
	98.072.948	80.718.128

* Total related to shareholders other than those included in the Akkök Group.

Purchases from related parties consist of natural gas, service, and consultancy purchases and rent expenses.

As of 31 December 2009, remuneration provided to top executives such as the CEO and members of the Board of Directors amount to TL 4.389.332 (31 December 2008 - TL 3.404.134).

As of 31 December 2009, the guarantees received from related parties amount to TL 2.178.170 the entire amount of which consists of TL guarantee letters. As of 31 December 2008, the total guarantees received from related parties amount to TL 5.233.956 and comprise the following:

-USD 344.270 and TL 4.126.941 in the form of guarantee letters
-USD 386.845 in the form of guarantee notes
-the balancing TL 1.350 in the form of cash collaterals

27. Nature and Extent of Risk Arising from Financial Instruments

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

The Finance and Risk Management Board meets once a month for the purpose of effective implementation of risk management at the Company. The meeting is chaired by the General Manager and the members comprise of two Executive Board members, Assistant General Manager (Finance) and Marketing Manager. At such meetings the Company's commercial and financial risks are evaluated as well as its financial performance. Primarily, the types of financial instruments to be used in receivables risk management are determined and the risk levels are evaluated on customer basis. The Company's net foreign currency position is monitored to avoid foreign currency risk.

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

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i. Credit Risk

The credit risks of the Parent Company and its subsidiaries mainly originate from its trade receivables. The management of the Parent Company and its subsidiaries evaluates the trade receivables taking into consideration past experience, guarantees received, and the current economic outlook and makes provisions for doubtful receivables when deemed necessary. The management does not foresee risks related to receivables other than those for which provisions have been made.

The following table displays information regarding the terms overrun and warranty structure of the receivables and the cash and cash equivalents of the Parent Company and its subsidiaries as of 31 December 2009 (TL):

	Receivables		Receivables			
	Trade Receivables		Other Receivables			
31 December 2009	Related Party	Other Party	Related Party	Other Party *	Bank Deposits	Other **
Maximum credit risk incurred as of the reporting date *** (A+B+C) (Notes 3, 6 and 7)	11.358.222	90.780.377	12.220.518	517.385	188.342.025	26.697
-Part of the maximum risk taken under guarantee through collaterals ****	2.178.170	6.818.948	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	8.483.151	38.623.248	12.220.518	517.385	188.342.025	26.697
B. Net book value of overdue assets that are not impaired	2.875.071	52.157.129	-	-	-	-
-Portion taken under guarantee through collaterals	20.956	71.666	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
-Overdue (gross book value)	-	993.885	-	850	-	-
-Impairment (-) (Note 6, 7)	-	(993.885)	-	(850)	-	-
-Part of net value taken under guarantees through collaterals	-	-	-	-	-	-

* Consists of the sum of balances related to short and long term other receivables.

** Consists of the sum of cash and cheques received stated among cash and cash equivalents.

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

**** Part of the maximum risk taken under guarantees through collaterals comprise of guarantee letters of TL 7.880.474, guarantees notes of TL 1.116.644.

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

	Receivables		Receivables			
	Trade Receivables		Other Receivables			
31 December 2008	Related Party	Other Party	Related Party	Other Party *	Bank Deposits	Other **
Maximum credit risk incurred as of the reporting date *** (A+B+C) (Notes 3, 6 and 7)	19.469.721	86.269.717	-	1.632.553	100.357.789	562.210
-Part of the maximum risk taken under guarantee through collaterals ****	5.233.956	645.483	-	-	-	-
A. Net book value of financial assets that are neither overdue nor impaired	15.249.441	44.315.403	-	1.632.553	100.357.789	562.210
B. Net book value of overdue assets that are not impaired	4.220.280	41.954.314	-	-	-	-
-Portion taken under guarantee through collaterals	5.233.956	645.483	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
-Overdue (gross book value)	-	1.644.433	-	-	-	-
-Impairment (-) (Note 6)	-	(1.644.433)	-	-	-	-
-Part of net value taken under guarantees through collaterals	-	-	-	-	-	-

* Consists of the sum of balances related to short and long term other receivables.

** Consists of the sum of cash and cheques received stated among cash and cash equivalents.

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

**** Part of the maximum risk taken under guarantees through collaterals comprise of guarantee letters of USD 361.970 and TL 4.616.261, guarantees notes of USD 386.845, guarantee cheques of USD 83.909, and cash collaterals of TL 3.850.

As of 31 December 2009, aging of assets past due but not impaired is as follows (TL):

	Trade Receivables
1-30 days past due	24.612.849
1-3 months past due	29.617.975
3-12 months past due	800.011
1-5 years past due	1.365
More than 5 years past due	-
	55.032.200
Portion taken under guarantee through collaterals (-)	92.622

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

	Trade Receivables
1-30 days past due	45.215.984
1-3 months past due	958.610
3-12 months past due	-
1-5 years past due	-
More than 5 years past due	-
	46.174.594
Portion taken under guarantee through collaterals (-)	5.879.439

ii. Liquidity Risk

Liquidity risk represents holding sufficient amount of cash or marketable securities, the employability of sufficient amount of loan transactions and funding resources, and the power to close out market positions. The Parent Company monitors the funding risk of current and future loan requirements through maintaining continuous access to sufficient number of high quality commercial credit companies and using long term investment loans.

As of 31 December 2009 and 2008, the liquid assets of the Parent Company and its subsidiaries (current assets - stocks) exceed its short term payables by TL (65.274.811) and TL 121.057.075, respectively.

As of 31 December 2009, the maturity distribution of the financial liabilities of the Parent Company and its subsidiaries are as follows (TL):

Maturities per contract	Book Value	Total cash outflows per contract (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	427.510.507	485.303.570	-	77.795.165	349.654.990	57.853.415
Bank loans (Note 5)	427.510.507	485.303.570	-	77.795.165	349.654.990	57.853.415

Expected maturities	Book Value	Total expected cash outflows (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	349.318.007	350.752.931	297.581.904	53.171.027	-	-
Bank loans (Note 5)	94.238.502	94.470.742	94.470.742		-	-
Other financial debts (Note 5)	183.970.511	184.975.172	131.804.145	53.171.027	-	-
Trade payables (Note 6)	65.041.806	65.239.829	65.239.829	-	-	-
Other payables (Note 7)	6.067.188	6.067.188	6.067.188	-	-	-

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

Maturities per contract	Book Value	Total cash outflows per contract (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	294.785.049	346.459.784	1.853.669	48.694.325	259.895.749	36.016.041
Bank loans (Note 5)	294.785.049	346.459.784	1.853.669	48.694.325	259.895.749	36.016.041

Expected maturities	Book Value	Total expected cash outflows (=I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years (III)	More than 5 years (IV)
Non-derivative financial liabilities	70.735.507	71.199.795	70.995.589	204.206	-	-
Bank loans (Note 5)	204.206	204.206	-	204.206	-	-
Trade payables (Note 6)	65.797.223	66.261.511	66.261.511	-	-	-
Other payables (Note 7)	4.734.078	4.734.078	4.734.078	-	-	-

iii. Interest Rate Risk

Interest risk arises from the probable effect of changes in interest rates on the financial statements. The financial loan agreements made by the Parent Company and its subsidiaries are denominated in USD and Euro with variable interest rate. The Parent Company and its subsidiaries manage long term market fluctuations, global ambiguities and financial risks through using swap instruments and hedging interest rate prospectively. For this purpose, the market conditions are monitored and the swap operations are made at the optimum conditions. The Parent Company and its subsidiaries have subsequently continued to monitor the market related to the said transactions while evaluating opportunities. The swap transactions made by the Parent Company and its subsidiaries for hedging interest risk are as follows:

Bank	Loan Amount USD	Contract Date	Maturity	Interest Rate
Credit Europe.	13.750.000	13 March 2009	19 January 2015	2,70%
Garanti Bankası A.Ş.	24.930.000	14 April 2008	28 June 2013	3,20%
Garanti Bankası A.Ş.	22.500.000	2 May 2008	30 December 2013	3,75%
Garanti Bankası A.Ş.	2.736.258	21 May 2008	25 April 2012	3,64%
Garanti Bankası A.Ş.	32.500.000	16 September 2008	19 January 2015	3,57%

Bank	Loan Amount Euro	Contract Date	Maturity	Interest Rate
Credit Europe.	6.000.000	27 April 2009	19 January 2015	2,60%
Credit Europe.	11.745.977	12 May 2009	7 December 2015	2,67%
Credit Europe.	17.986.000	14 April 2008	28 December 2013	2,50%
Garanti Bankası A.Ş.	19.500.000	16 March 2009	28 June 2013	2,49%
Credit Europe.	10.421.719	17 March 2009	10 April 2012	2,15%
Credit Europe.	1.172.786	26 June 2009	7 December 2015	2,79%
Credit Europe.	836.783	26 June 2009	7 December 2015	2,85%

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

	31 December 2009	31 December 2008
Financial instruments with fixed interest		
TL time deposits	167.744.521	3.210.657
Foreign currency time deposits	20.492.738	96.621.912
TL bank loans	10.122.500	-
Foreign currency bank loans	302.240.543	124.935.771
Other financial debts	183.970.511	-
Financial instruments with variable interest		
Foreign currency bank loans	125.269.964	169.849.278

As of 31 December 2009, if the variable interest rate on long term loans were higher/lower by 0,5% with all other variables remaining constant, the total assets would have been lower/higher by TL 3.959 (31 December 2008 - TL 400.118) due to capitalized financial cost, and the profit(loss) before tax would have been (lower)/higher by TL 7.097 (31 December 2008-TL 197.708) due to change in interest expenses.

iv. Foreign Currency Risk

The foreign currency balances arising from operating, investment and financial activities are disclosed below. Foreign currency risk is hedged through continuous analysis of foreign currency receivables and payables. The net foreign currency position of the Parent Company and its subsidiaries as of 31 December 2009 is TL (563.689.276) (31 December 2008 - TL (155.352.232)).

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

	31 December 2009					31 December 2008				
	TL Equivalent (Functional Currency)	USD	Euro	GBP	CHF	TL Equivalent (Functional Currency)	USD	Euro	GBP	CHF
1. Trade Receivables	3.400.690	899.910	946.950	-	-	199.257	131.757	-	-	-
2a. Monetary Financial Assets	21.518.381	7.410.752	4.795.630	3	3	96.789.813	37.324.327	18.845.395	4	3
2b. Non-monetary Financial Assets	1.920.997	1.097.929	123.985	-	-	330.331	121.968	68.142	-	-
3. Current Assets (1+2a+2b)	26.840.068	9.408.591	5.866.565	3	3	97.319.401	37.578.052	18.913.537	4	3
4. Non-monetary Financial Assets	42.711.830	8.212.684	14.047.119	-	-	48.477.088	1.960.345	21.259.556	-	-
5. Non-current Assets (4)	42.711.830	8.212.684	14.047.119	-	-	48.477.088	1.960.345	21.259.556	-	-
6. Total Assets (3+5)	69.551.898	17.621.275	19.913.684	3	3	145.796.489	39.538.397	40.173.093	4	3
7. Trade Payables	19.304.670	1.092.322	8.174.772	-	-	6.362.490	853.593	2.369.022	-	-
8. Financial Liabilities	250.656.869	141.855.149	17.157.604	-	-	34.337.652	8.449.411	10.070.818	-	-
9a. Monetary Other Liabilities	686	-	-	-	473	576	381	-	-	-
9b. Non-monetary Other Liabilites	602	400	-	-	-	605	400	-	-	-
10. Short Term Liabilities (7+8+9a+9b)	269.962.827	142.947.871	25.332.376	-	473	40.701.323	9.303.785	12.439.840	-	-
11. Financial Liabilities	363.278.347	137.292.990	72.469.700	-	-	260.447.398	88.018.220	59.481.243	-	-
12. Long Term Liabilities (11)	363.278.347	137.292.990	72.469.700	-	-	260.447.398	88.018.220	59.481.243	-	-
13. Total Liabilities (10+12)	633.241.174	280.240.861	97.802.076	-	473	301.148.721	97.322.005	71.921.083	-	-
Net Foreign Currency Asset/(Liability) Position (6-13)	(563.689.276)	(262.619.586)	(77.888.392)	3	(470)	(155.352.232)	(57.783.608)	(31.747.989)	4	3
Monetary Items Net Foreign Currency Asset/(Liability) Position (1+2a-7-8-9a-11)	(608.321.501)	(271.929.799)	(92.059.496)	3	(470)	(204.159.046)	(59.865.521)	(53.075.688)	4	3
Imports *	103.505.303	2.211.127	48.375.111	-	-	39.511.741	7.879.331	13.706.172	2.300	-

*Import transactions are realized within the frame of investments in progress. Foreign exchange rates valid at the transaction date are taken as basis in translating import totals to Turkish Liras.

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As of 31 December 2009, if all foreign currencies were to gain/lose value against TL by 10% with all other variables remaining constant, the total assets would be lower/higher by TL 31.122.069 due to capitalized finance cost (31 December 2008 - TL 26.598.636).

Foreign currency sensitivity analysis as of 31 December 2009 is set out in the table below (TL):

	31 December 2009			
	Profit/Loss		Equity	
	Value increase in foreign currency	Loss in value of foreign currency	Value increase in foreign currency	Loss in value of foreign currency
When USD changes by 10% against TL:				
1-Net Assets/Liabilities in USD	(21.649.515)	21.649.515	-	-
2-Hedged from USD risk (-)	-	-	-	-
3-USD Net Effect (1+2)	(21.649.515)	21.649.515	-	-
When EURO changes by 10% against TL:				
4-Net Assets/Liabilities in Euro	(3.597.275)	3.597.275	-	-
5-Hedged from Euro risk(-)	-	-	-	-
6-Euro Net Effect (4+5)	(3.597.275)	3.597.275	-	-
When other currencies change by 10% against TL:				
7-Net Assets/Liabilities in other currencies	(69)	69	-	-
8-Hedged from other currency risks (-)	-	-	-	-
9-Other Net Effects (7+8)	(69)	69	-	-
TOTAL (3+6+9)	(25.246.859)	25.246.859	-	-

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

	31 December 2008			
	Profit/Loss		Equity	
	Value increase in foreign currency	Loss in value of foreign currency	Value increase in foreign currency	Loss in value of foreign currency
When USD changes by 10% against TL:				
1-Net Assets/Liabilities in USD	5.553.703	(5.553.703)	-	-
2-Hedged from USD risk (-)	-	-	-	-
3-USD Net Effect (1+2)	5.553.703	(5.553.703)	-	-
When EURO changes by 10% against TL:				
4-Net Assets/Liabilities in Euro	5.509.706	(5.509.706)	-	-
5-Hedged from Euro risk(-)	-	-	-	-
6-Euro Net Effect (4+5)	5.509.706	(5.509.706)	-	-
When other currencies change by 10% against TL:				
7-Net Assets/Liabilities in other currencies	2	(2)	-	-
8-Hedged from other currency risks (-)	-	-	-	-
9-Other Net Effects (7+8)	2	(2)	-	-
TOTAL (3+6+9)	11.063.411	(11.063.411)	-	-

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v. Capital Risk Management

For proper management of capital risk, the Company aims

- to maintain continuity of operations so as to provide earnings to partners and benefits to other shareholders, and
- to increase profitability through determining a service pricing policy that is commensurate with the level of risks inherent in the market.

The Company determines the amount of share capital in proportion to the risk level. The equity structure of the Company is arranged in accordance with the economic outlook and the risk attributes of assets.

The Company monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt, net, by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt (the sum of short and long term liabilities stated in the statement of financial position). The total share capital is the sum of all equity items stated in the statement of financial position.

The Company's general strategy has not changed with respect to last year. As of 31 December 2009 and 2008, the ratios of the total share capital to total liabilities, net, are as follows (TL):

	31 December 2009	31 December 2008
Total debt	782.018.612	381.589.517
Less: cash and cash equivalents	(188.368.722)	(100.919.999)
Net debt	593.649.890	280.669.518
Total equity	718.851.423	479.205.168
Debt/Equity Ratio	83%	59%

The change in debt/equity ratio arises from the loans used by the Company in 2009 in its investments made in the 8 power plants, namely, Uluabat Power Tunnel and Hydroelectric Power Plant, Araklı Karadere Project Akocak Regulators and Akocak Hydroelectric Power Plant, Ayyıldız Wind Power Plant, FEKE I Dam and Hydroelectric Power Plant, FEKE II Dam and Hydroelectric Power Plant, Burç Dam and Hydroelectric Power Plant, Bulam Regulator and Hydroelectric Power Plant, and Yamanlı III Hydroelectric Power Plant.

28. Financial Instruments

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

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29. Events After the Reporting Period

a) The termination indemnity upper limit which stood at TL 2.365,16 as of 31 December 2009 has been increased to TL 2.427,04 with effect from 1 January 2010 (31 December 2008 - TL 2.173,19).

b) The Parent Company's letter dated 25 January 2010 which has been forwarded to the Istanbul Stock Exchange is as follows:

"Pursuant to the resolution of our Board of Directors; our Company has stood as guarantor for AKCEZ ENERJİ YATIRIMLARI SANAYİ VE TİCARET A.Ş. and given all related collaterals required by the banks as guarantee to be used in the first repayment of the loan agreements amounting to a total of USD 160.000.000 payable in 1 year and 1 week to the T.C. Prime Ministry Privatization Administration and entered into between AKCEZ AKCEZ ENERJİ YATIRIMLARI SANAYİ VE TİCARET A.Ş. (an affiliate in which our Company has 45% interest) and the banks, namely, Akbank N.V., Yapı ve Kredi Bankası A.Ş. and Yapı Kredi Nederland N.V. in relation to the privatization of 100% shares of Sakarya Elektrik Dağıtım A.Ş. by block sales method.

We hereby declare and acknowledge that

- our above mentioned disclosures conform to the provisions of the Capital Markets Communiqué Nr VIII/54 and fully reflect the information provided to us,
- the data complies with our legal books, records and documents,
- we spent our utmost effort to gather full and correct information related to the subject, and
- we take full responsibility of the said disclosures."

c) The Parent Company's letter dated 26 January 2010 which has been forwarded to the Istanbul Stock Exchange is as follows:

"As is known, AKCEZ ENERJI YATIRIMLARI SANAYİ VE TİCARET A.Ş., a company in which our Company has 45% interest, has taken over the entire number of the shares of Sakarya Elektrik Dağıtım A.Ş. at a total fee of US 600 million as of 11.02.2009. USD 300 million of this total was paid on the day of transfer and USD 150 million was charged to the accounts of the Turkish Prime Ministry Privatization Administration on 26.01.2010 as the first capital repayment of the balancing USD 300 million."

d) The Parent Company's letter dated 11 February 2010 which has been forwarded to the Istanbul Stock Exchange is as follows:

"In the public announcement made on 26.01.2010, AKCEZ ENERJI YATIRIMLARI SANAYİ VE TİCARET A.Ş., a company in which our Company has 45% interest, has declared to have taken over the entire number of the shares of Sakarya Elektrik Dağıtım A.Ş. at a total fee of USD 600 million of which USD 300 million is paid on 11.02.2009 and the first capital repayment of the balancing USD 300 millon which amounts to USD 150 million is paid on 26.01.2010. The related interest of USD 9.785.613,98 is charged to the accounts of the Turkish Prime Ministry Privatization Administration on 11.02.2010."

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

a) Insurance total on assets as of 31 December 2009 amounts to TL 763.995.873 (31 December 2008 - TL 817.350.034).

b) The court resolution on the cancellation of the announcement made by the Parent Company at the Istanbul Stock Exchange on 21 March 2006 is as follows:

The resolution of the 13th State Council of Turkey dated 11.03.2008 Nr. 2008/3131 for the case commenced by the Chamber of Electrical Engineers by file 2005/9346 against the Energy Markets Regulatory Board, a case where the Company stands by the defendant, in regard to the 40 years production license for the Uluabat Power Tunnel and the Hydroelectric Power Plant (HEPP) granted by the Board to the Company with the request to cancel the Board decision dated 25.08.2005 nr. 540/2 related to the said grant and to cancel the "Regulation on Amendment in the Electricity Market License Regulation" published in the Official Gazette dated 26.01.2005 Nr. 25708 which constitutes the basis of the said decision, and to cancel 'the Communiqué on the Procedures Related to the Obligatory Selection in the event of Making More than One Application Regarding the Same Region and the Same Source for the purpose of Power Generation' is as follows:

- In relation to the plaintiff's request to cancel "Regulation on Amendment in the Electricity Market License Regulation" and "the Communiqué on the Procedures Related to the Obligatory Selection in the Event of Making More than One Application Regarding the Same Region and the Same Source for the purpose of Power Generation", a separate resolution is deemed groundless for the reason being that "the Communiqué is cancelled by the resolution of the same office by file no. 2005/6292 resolution 2008/2774 dated 26.02.2008 as per the rule of the Regulation subject to the court case;

b) The court resolution on the cancellation of the announcement made by the Parent Company at the Istanbul Stock Exchange on 21 March 2006 is as follows (continued):

- In relation to the plaintiff's request to cancel the resolution of the Energy Markets Regulatory Board dated 25.08.2005 Nr. 540/2 related to granting a 40 years production license to Uluabat Power Tunnel and Hyrdoelectric Power Plant located in Mustafa Kemal Paşa district of Bursa province, a separate resolution is deemed groundless for the reason being that a production license for a period of 48 years and 6 months has been granted in place of the former license to the Company for the Uluabat Power Plant and the HEPP in Mustafa Kemal Paşa district of Bursa province by the resolution of the Energy Markets Regulatory Board published in the Official Gazette dated 11.07.2007 nr. 26579 within the frame of the provision of the supplementary paragraph added by the Law 5625 Article 1 to the Provisional Article 3 of the "Law on establishment and operation of Electrical energy generation plants and Regulation of Energy Sales by Build-Operate Model" nr 4283, and that the plaintiff's request for suspension of execution of the said Board's resolution filed at the same Office by the plaintiff with file 2007/12033 has been rejected.

c) The Parent Company's letter dated 30 April 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

"Disclosure to public on disposal of tangible assets in accordance with the Capital Markets Communiqué Nr. VIII-54; As previously been disclosed by our Company to public, our currently active natural gas operated cogeneration-type facility with a total built-in capacity of 70.00-MW owned by our Company and located at Çiftlikköy District in Yalova (Yalova Plant) bearing the production license of the Electricity Markets Regulatory Board dated 01.04.2005 nr. EÜ/468-6/529 sold to our group company Aksa Akrilik Kimya Sanayi Anonim Şirketi has been transferred as per the transfer permission dated 24.10.2008 nr. 30500 of the Turkish Energy Market Regulatory Board within the frame of the license approval decision dated 12.02.2009 nr. 4628 and delivered in its current operating condition retaining the subscribers and existing busbar and in a manner free of any legal or actual encumbrances" (Note 23).

d) The legal case commenced at Ankara 1st Administrative Court with file nr. 2004/1716 by Power Generators Association together with Akenerji Elektrik Üretim A.Ş. against Turkish Radio and Television Institution (TRT Institution) with the demand to cancel the administrative act of payment of the TRT share to the TRT Institution has been declined by the said Court's resolution nr. 2005/167, however the local court resolution has been reversed by the State Council by file nr 2005/5560 and ruling nr. 2005/6151. The case resolved at the 1st Administrative Court as per the reversal decision of the State Council has been subject to general challenge and this resolution has been appealed; however the 10th Council of State acting as the court of appeal has rejected the request for appeal and approved the resolution of the local court.

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(TL)

While the case is pending, Turkish Radio and Television Institution has commenced a second administrative act against Akenerji Elektrik Üretim A.Ş. demanding a total of TL 30.202.811,74 including the capital of TL 18.592.372,90 and the related interest of TL 11.605.438,84. With regard to this act and taking the opinion of Legal Consultants of the Company, a total of TL 21.402.007,44 including the capital of TL 13.913.832,09 and the related interests of TL 7.488.175,35 has been paid to the Institution with a note of reservation upon notification of Beşiktaş 5th Notary dated 25.04.2006 nr. 10213. The Company management has stated that the TRT share demanded as stated above has been miscalculated, that this calculation is based on issues such as wholesale, steam sales, scrap sales, equipment sales, system utilization transmission fees, and distribution fees which are not to be taken as basis, and that the statement made by the Energy Markets Regulatory Board (EMRB) expresses that accrual of the total TRT share and energy fund calculated over the transmission and distribution tariffs added onto the same tariffs is not agreeable.

In addition to the above, the Company has filed for a case of suspension for execution of the TRT request in line with the resolution made to file for a separate case to cancel the administrative act. The 10th Council of State hearing the case has rejected the request for the suspension of execution by file nr 2006/3269, and the appeal made by the Company against this resolution to the Board of Administrative Acts of the State Council has not been accepted. As matters stand, the Company has paid to TRT a total of TL 10.676.253 (Note 20) comprising of the principal amount and interest of TL 8.303.552 and TL 2.372.701, respectively, originating from the prior period tax base difference with a note of reservation, and in accordance with the “Law on the Amendment of the Electricity Market Law and Some Laws “ nr 5784 published in the Official Gazette 09.07.2008, TRT has changed its base value understanding in line with that claimed by the Company; hence, as of the beginning of August 2008, tax base difference is no longer an issue between the Company and TRT. The writing of the TRT forwarded to the Company on 02.07.2009 declares that the Company has no debts. However, the court case is still pending.

e) The Parent Company’s letter dated 6 July 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

“As per the Board resolution of our company dated 06.07.2009;

1) Our company will receive in the name of our intra-group related company Egemer Elektrik Üretim Anonim Şirketi a total loan of TL 33.251.625 with 6 (six) months maturity and 12% annual interest payable at the period ends which is deemed fair and reasonable by the report of Kapital Karden Bağımsız Denetim ve YMM. A.Ş. in accordance with the Capital Markets Communiqué Nr IV-41.

2) This transaction shall be announced at the Stock Market in the Stock Market Bulletin as per the Communiqué of the CMB on the Disclosure of Special Circumstances to the Public; and

3) The above mentioned transaction will be communicated to our shareholders participating in the 2009 Ordinary General Meeting.

The legal nature of the said transaction is receiving loan money.”

f) The Parent Company’s letter dated 5 August 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

“The maturity of the loan of USD 10.000.000 received as previously disclosed in our special case disclosure we made on 07.05.2009 with 3 months maturity at 6.50% interest from AKKÖK SANAYİ YATIRIM VE GELİŞTİRME ANONİM ŞİRKETİ of which our company is a subsidiary has been extended by 7 months. The interest rate is determined as 5.40% which is a rate deemed fair and reasonable by the attached report of Kapital Karden Bağımsız Denetim ve YMM. A.Ş. prepared in accordance with the Capital Markets Communiqué Nr. IV-41.“

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g) The Parent Company's letter dated 28 August 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

"Selahattin Tunç Cecan, one of the shareholders of our Company, has filed an action with the claim that the decisions of the Ordinary General Meeting dated 12.05.2009 held at Miralay Şefik Bey Sokak, Akhan No:15 Gümüşsuyu Beyoğlu İstanbul are against law and good faith, demanding cancellation of the entire number of resolutions taken at the said meeting. The said action has been registered at the 2nd Commercial Court of First Instance by File nr 2009/364 and the date/time of hearing is given as 16.09.2009/15:30 hrs."

As a result of the hearing held on 15 February 2010, decision is made to have an expert's examination and the hearing is adjourned to 7 April 2010.

h) The Parent Company's letter dated 16 September 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

"Provisional acceptance has been given by the Ministry for Ayyıldız Wind Power Plant being constructed by our Company in Bandırma and planned to generate an annual electrical energy of 52.000.000 KWH, net; and the plant has started power generation operations."

i) The Parent Company's letter dated 18 September 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

The following resolutions have been made unanimously:

1 Our Company's finance demand for the years 2009 - 2010 exceeds our Company's registered capital limit; for that reason, the registered capital of our Company which is subject to registered capital system will be increased from TL 150.000.000 to TL 1.500.000.000 as per the provisions of the Capital Markets Board.

2. The Article 7 of the Articles of Association of our Company will be amended as described in the attachment.

3. The draft amendment of the registered capital increase will be submitted to the approval of the Capital Markets Board, the Energy Markets Regulatory Board, and the Ministry of Industry and Trade.

4. Upon receipt of the necessary permissions, the draft amendment will be submitted to the approval of the General Meeting.

5. The said decisions will be announced to public."

j) The Parent Company's letter dated 3 November 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

"Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş." ("Akarsu") whose establishment was announced to take place upon division of our shareholding company, namely, Emniyet Ticaret ve Sanayi A.Ş. ("Emniyet") in our Company's Special Case Disclosure of 09.07.2009 has been registered in the Istanbul Trade Registry on 02.11.2009; and our shareholders have put up capital in kind in Akarsu in the following manner:

- Emniyet has put up its entire number of shares which corresponds to 5.35% of our Company's total share capital;
- Ali Raif Dinçkök has put up his entire number of shares which corresponds to 5.78% of our Company's total share capital; and
- Ömer Dinçkök has put up his entire number of shares which corresponds to 5.78% of our Company's total share capital;

In order to fulfill the condition to have at least 5 partners in a stock corporation, Atlantik Holding A.Ş. and A.R.D. Holding A.Ş. have become the other partners in Akarsu each with a 0.000005% interest.

The total shareholding rate of Akarsu in Akenerji is 16.92%.

There has been no change in the indirect Akenerji interests of Emniyet, Ömer Dinçkök, and Ali Raif Dinçkök together or individually.

SHAREHOLDING STRUCTURE OF OUR COMPANY PRIOR TO THE ESTABLISHMENT OF AKARSU:

Name and Last Name/Title of the Shareholder	Shareholding
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	20,4328651%
Emniyet Sanayi ve Ticaret A.Ş.	5,356767%
Ömer Dinçkök	5,785889%
Ali Raif Dinçkök	5,785889%
ČEZ a.s.	37,361410%
Public offering	25,27718%
Total	100%

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CURRENT SHAREHOLDING STRUCTURE OF OUR COMPANY:

Name and Last Name/Title of the Shareholder	Shareholding
Akkök Sanayi Yatırım ve Geliştirme A.Ş.	20,4328651%
ČEZ a.s.	37,361410%
Akarsu	16,928545%
Public offering	25,27718%
Total	100%

j) The Parent Company's letter dated 3 November 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

SHAREHOLDING STRUCTURE OF AKARSU

Name and Last Name/Title of the Shareholder	Shareholding
Emniyet Ticaret Ve Sanayi A.Ş.	31,643486%
Ali Raif Dinçkök	34,178252%
Ömer Dinçkök	34,178252%
A.R.D. Holding A.Ş.	0,000005%
Atlantik Holding A.Ş.	0,000005%
Total	100%

k) The Parent Company's letter dated 22 December 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

" This is a public announcement made in accordance with the Capital Markets Board Communiqué Nr VIII/54. By the resolution of our Board of Directors; our Company has stood as guarantor for MEM Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (MEM), an affiliate in which our Company has 99% interest, regarding the loan to be received by MEM for financing Himmetli, Gökkaya, and Bulam HEPP projects and a loan agreement is entered into between MEM and Türkiye Sınai Kalkınma Bankası A.Ş. for an 8 year loan of EUR 28.000.000 and USD 79.000.000 with zero payback in the first three years to constitute guarantee for completion of the projects and for meeting the costs that have increased during the period of investment."

l) The Parent Company's special case disclosure of 28 December 2009 forwarded to the Istanbul Stock Exchange is as follows:

Board Resolution Date	:	28.12.2009
Actual registered capital (TL)	:	1.500.000.000,00
Paid-in/Issued Capital (TL)	:	65.340.000,00
Paid-in/Issued Capital subsequent to increase (TL)	:	375.814.000,00
Rights Issue (TL)	:	310.474.000,00
Warrants exercised (TL)	:	310.474.000,00
Warrants not exercised (TL)	:	0
Rate of exercise of warrants (%)	:	475,17
Warrant exercise price(TL)	:	1,00
Limitations on exercise	:	None
Disclosure on sale of shares when there is limitation of exercise on warrants	:	-
Disclosure regarding Commitment of Unsold Shares	:	-
Bonus Issue(TL)	:	0
From Dividends (TL)	:	0
From internal sources (TL)	:	0
-	:	0
Rate of Bonus Issue (%)	:	0
Information regarding change in Articles of Association (if any)	:	Paragraph 7 of the Articles of Association has been amended.

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(TL)

Pursuant to the unanimous resolution of our Company's Board of Directors dated 28.12.2009 nr 47;

1. Within the frame of the Capital Markets Law and the related communiqués, our Company's issued capital of TL 65.340.000 will be increased by TL 310.474.000 to reach a total of TL 375.814.000 which stays within our maximum registered capital of TL 1.500.000.000;
2. The increase of TL 310.474.000 will be made through cash payment;
3. A period of 15 days will be determined between the dates to be published in the circular for the use of the shareholders' pre-emptive rights at nominal value in relation to the shares to be issued representing the cash increase of TL 310.474.000;
4. The shares that are left unsold after the shareholders use their rights to acquire new shares will be offered to public for a period of 5 working days at the price constituted at the Istanbul Stock Exchange provided that it is paid in a single cash payment and that it is not below their nominal values;
5. The shares representing such capital increase will be written to the bearer,
6. Circulars related to acquisition of new shares and account owners will be published in two separate daily newspapers holding advertisements related to the public offering and sale of our Company shares;
7. Application will be made to the Capital Markets Board for registration of shares to be issued upon capital increase and to the Istanbul Stock Exchange for share quotes, and all transactions that would be required by the Central Registry Agency will be performed;
8. All transactions related to the said capital increase will be realized by the cosign of any one of our Company's authorized signatures of Group A or Group B together with any one of the authorized signatures of Group B or Group D."

m) The Parent Company's letter dated 30 December 2009 which has been forwarded to the Istanbul Stock Exchange is as follows:

"As per the resolution of our Company's Board of Directors dated 28.12.2009 Nr 47 and within the frame of the Capital Markets Law and the related communiqués, our Company's issued capital of TL 65.340.000 will be increased by TL 310.474.000 to reach a total of TL 375.814.000 which stays within our maximum registered capital of TL 1.500.000.000 and the said increase will be made in one single cash payment. The Special Case Disclosure related to the said resolution has been made on 28.12.2009.

Our shareholders, namely, Akkök Sanayi Yatırım ve Geliştirme A.Ş., Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş. and ČEZ, a.s. have informed us that they will use their pre-emptive rights arising within the frame of the resolution mentioned above and that they have paid the following amounts of their capital commitments to our Company as capital advance as of 29.12.2009.

Akkök Sanayi Yatırım ve Geliştirme A.Ş.	TL 56.283.734,00
Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş.	TL 47.295.854,97
ČEZ, a.s.	TL 115.997.465,26

The capital advance put up by Akkök Sanayi Yatırım ve Geliştirme A.Ş., one of our shareholders, was paid such that a portion corresponding to TL 56.283.734 from the inter-group loans of USD 10.000.000 and USD 68.400.000 used by our Company at 9% and 6,125% interest, respectively, from Akkök Sanayi Yatırım ve Geliştirme A.Ş. has been annulled by Akkök as of 29.12.2009, and this total is recognized as capital commitment advance. The balancing capital commitment of Akkök Sanayi Yatırım ve Geliştirme A.Ş. and Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş. will be settled with the capital advance payments previously made by the said shareholders."

As per the above disclosure, capital advance is distributed among the shareholders in the following manner (TL);

Akkök Sanayi Yatırım ve Geliştirme A.Ş.	63.438.734
Akarsu Enerji Yatırımları Sanayi ve Ticaret A.Ş.	52.558.732
ČEZ, a.s.	115.997.465
Total	231.994.931