March 29, 2010

Esteemed Shareholders,

Welcome to our meeting where we will discuss the activities of our Alkim Kağıt (Paper) Company performed in 2009. We respectfully greet you all in the name of our Board of Directors.

We do not wish to discuss here the global economic crisis and its reflections on Turkey, factories shut down one after the other and unfortunately the figures representing steadily growing unemployment, which are the facts we all know well. We certainly know that many leading companies quoted and traded in Istanbul Stock Exchange declared loss in 2009 and many of them had reduced profits compared to the preceding year.

We are extremely happy to tell you that under the conditions of such severe economic crisis our company, Alkim Kağıt succeeded to increase its turnover compared to the preceding year and the profitability of the company was shown in the balance sheet as TL 8,800,000.

As known, the first and most severe effects of the economic crisis manifest themselves in measures of savings taken by the companies. We can simply see how severe and deep the wound suffered by the Printing and Publishing Sector in this crisis considering that in 2009, a considerable reduction was experienced in printing of brochures, catalogues and promotional materials in the industrial and service sector which exhibited a considerable recession and also companies refraining from ordering calendars and planners which are traditional new year gifts of companies, within the scope of savings measures taken by the companies.

Despite all unfavorable conditions prevailing in the market, increase in the sales tonnage and turnover of Alkim Kağıt is a matter which must be seriously taken into consideration and sincerely examined. High profitability ensured by our advanced technology allows us to produce the best quality paper with lowest cost. This has lead Alkim Kağıt to increase its share and reinforce its position while the total paper market shrank due to the crisis experienced in 2009. Passing through such hard times successfully is important also in terms of that it is an indicator of the position Alkim Kağıt has acquired in the Turkish Paper Sector.

In addition to our financial success we have mentioned above there is one more matter that has to be emphasized here. None of our employees have resigned. Quality and productivity are the basis of the industry and production. We believe that this considerable success achieved by Alkim Kağıt during the biggest crisis experienced in the last 50 years will be carefully noted by our investors.

The following is a brief summary of our activities in 2009:
Our company produced 73.142 tons of paper of different unit weights (60 gr/m²-220 gr/m²) within the year in line with the demand of the market. A turnover of TL 93,181,274 was provided from a total sales of 69,051 tons of paper. In other words, our turnover increased by 4.2% despite the economic crisis experienced. In 2009, the profit of our company was TL 10,976,731 before tax. TL 8,816,236 remains as net profit for the period after deducting all taxes. As you will see in our balance sheet, the credit/debt ratio of the company is at such level that can hardly be seen in the industrial sector and also the cash position is excellently high. As will be discussed in following sections of the general meeting, the Board of Directors propose distribution of all of the profit to shareholders.

We are fully confident that the success of our company will continue identically also in 2010. Our General Manager and Executives mainly, in addition to our employees have the highest share in this achievement. We hereby would like to express our gratitude to them before you all.

With My Best Regards,

M. Reha KORA
Chairman
On behalf of the Board of Directors of Alkim Kağıt

I-GİRİŞ

I-1. REPORT PERIOD : 01.01.2009- 31.12.2009

I-2. COMPANY'S TRADE NAME : ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.

I-3. COMPANY'S BUSINESS LINE :

Manufacture and sale of offset papers, coated papers and photocopy papers.

I-4. BOARD OF DIRECTORS :

a) Names, surnames and office terms of persons elected as Members of Board of Directors and for a period of 1 year as Members of Board of Auditors for a period of 1 year under Articles 7 and 9 of our Articles of Association are specified below:

Title	Name & Surname	Beginning Date	Ending Date
Chairman of Board of Directors	M. REHA KORA	01.04.2009	01.04.2010
Vice Chairman of Board of Directors	ARKIN KORA	01.04.2009	01.04.2010
Vice Chairman of Board of Directors	FERİT KORA	01.04.2009	01.04.2010
Vice Chairman of Board of Directors	A. HALUK KORA	01.04.2009	01.04.2010
Member of Board of Directors	ÖZAY KORA	01.04.2009	01.04.2010
Member of Board of Directors	E.HALE KOSİF	01.04.2009	01.04.2010
Member of Board of Directors	TÜLAY ÖNEL	01.04.2009	01.04.2010
Member of Board of Directors	NİHAT ERKAN	01.04.2009	01.04.2010
Member of Board of Directors	M.FARUK YÜKSEL	01.04.2009	01.04.2010

Auditor	M.YÜKSEL KADIOĞLU	01.04.2009	01.04.2010

b) Boundaries of Empowerment:

As specified in Turkish Commercial Code and Company's Articles of Association

I-5. Amendments to Articles of Association During the Year:

I-4.1. No amendment has been made to the Articles of Association during the year.

I-6. Capital and Shareholdering Structure (Share Certificates)

I-.6.1 Capital

Our Company's capital is TL52.500.000. No capital increaese has been made in 2009. Share certificates corresponding to 45% of the capital are traded at the Istanbul Stock Exchange.

Paid-in capital and amounts and rates of dividend are shown below by years.

Paid-in Capital (TL)	Year	Dividend Share	Dividend Rate
11,200,000	1999	0.000003	0.33%
14,000,000	2000	(No profit distribution)	-
17,500,000	2001	0.000090	9.00%
17,500,000	2002	0.000165	16.50%
35,000,000	2003	(No profit distribution)	-
52,500,000	2004	(No profit distribution)	-
52,500,000	2005	((No profit distribution)	-
52,500,000	2006	(No profit distribution)	-
52,500,000	2007	(No profit distribution)	-
52.500.000	2008	0,000071	7,14%
52,500,000	2009	-	-

I-6.2. Share Certificates:

Each of share certificates representing Company's capital has a par value of YKr1.-, and group and number of shares held by each group are as follows:

GROUP A	REGISTERED	375.000	Share	0,01%
GROUP B	REGISTERED	300.000	Share	0,01%
GROUP C	REGISTERED	313.800	Share	0,01%
GROUP D	REGISTERED	11.200	Share	0,00%
GROUP E	REGISTERED	119.000.000	Share	2,27%
GROUP F	REGISTERED	1.000.000.000	Share	19,05%
GROUP F	BEARER	4.130.000.000	Share	78,67%
	TOTAL	**5.250.000.000**	**Share**	

I-6.3. Shareholdering Structure:

Number of shareholders having registered shares is 12. Number of shareholders having public offered bearer shares is unknown.

Shareholders having more than 10% of Company's share capital:

Name	Amount of Shares Held (TL)	Share in Capital (%)
ALKİM ALKALİ KİMYA A.Ş.	41.962.500	79,93

I-7 Affiliated Companies:

Trade investments (equity participations) in affiliates/subsidiaries have been accounted for according to equity method.These are companies in which the Company has, generally, 20% to 50% voting right or on which the Company has a significant impact with respect to their operations.

	Shareholdering Rate (%) 31 December 2009
Alkim Sigorta Aracılık Hiz. Ltd. Şti.	50

Aracılık Hizmetleri Ltd. Şti.

(01.01.2009 – 31.12.2009)

Activity Report

Alkim Sigorta Aracılık Hiz. Ltd. Şti. is a company co-established on 04.11.2002 by Alkim Alkali Kimya A.Ş. and Alkim Kağıt San. ve Tic. A.Ş., with 50% stake each, with a total capital of YTL20.000, and has increased its capital to TL80.000 by virtue of a resolution of Board of Shareholders in 2008. This capital increase has been registered on 24.10.2008 and announced in Trade Registry Gazette dated 31.10.2008 and No.7179.

Mr Nihat ERKAN has been elected as Company Manager by Board of Shareholders for company dealings and transactions. It has obtained agency authorization as of December, 2002, from Anadolu Sigorta (Anatolian Insurance) and Koç Allianz Sigorta A.Ş.

The company has started insuring operations by getting policies of buildings belonging to Alkim Alkali Kimya A.Ş, Alkim Kağıt San.ve Tic. A.Ş. and Sodaş Sodyum San.A.Ş., as well as to customers of companies concerned (as of end of 2009), and machine breakdown, fire contents, commodity, transport, motor vehicle traffic – casco insurances, as well as group personal accident and health insurances, issued through insurance companies general directorate and regional administrations, in line with its own apportionment.

Portfolio size of Alkim Sigorta Aracılık Hiz. Ltd. Şti. on gross premium basis is TL1.250.864, and it keeps up its status as “major institutional agency” in insurance sector with about TL174 million on sum insured basis.

Breakdown of Portfolio ; (on Sum Insured Basis)

AL ALKİM KİMYA A.Ş.	**TL52,5 Million**
ALKİM KAĞIT A.Ş.	**TL86 Million**
OTHER COMPANIES & PERSONS	**TL35,5 Million**
TOTAL	**TL 174 Million**

I-8. Securities

No securities such as bond, profit-sharing certificate, commercial paper, remeedable share, etc., have been issued during the operating year.

I-9. Company's business sector:

Our Company deals with and engages in paper manufacturing sector. Our offset, Coated, Photocopy and Office Papers are used by printing-houses, publishing-houses, stationer's trade and the Press, both at home and abroad. Our Company enjoys 22% of the installed capacity in its sector. It has one of the modern plants of the Middle East and the Balkans in terms of technology and capacity.

II- OPERATIONS

II-A. INVESTMENTS

With an eye to improving productivity in existing plants in a continuous way and as a part of refurbishment and improvement efforts in paralel to this, our Company has made machinery and equipment investment in the amount of TL 209.422 in 2009. In order to meet the possible capacity increase in the production volume, the land has been bought in the mount amount of 2.070.000TL. For Types, beginning and ending dates and values of investments completed and in progress in 2009 are given in the following table.

31 December 2009

INVESTMENTS IN PROGRESS	PREDICTED AMOUNT OF INVESTMENT TL	TOTAL EXPENDITURES TL	TOTAL CAPITALISED TL	BEGIN NING DATE	ENDING DATE	COMPLETION DEGREE
NEW NAPHTA INVESTMENT	235.857,57	235.857,57	235.857,57	Şub.09	Tem.09	100%
MEDIUM VOLTAGE INVESTMENT	46.000,00	1.318,76	0,00	Eyl.09	Devam Ediyor	3%
OTHER	3.876,74	3.876,74	3.876,74	Haz.08	Oca.09	100%
TOTAL	**285.734,31**	**241.053,07**	**239.734,31**			

II-B. OPERATIONS FOR PRODUCTION OF GOODS AND SERVICES

II-B.1. ATTRIBUTES OF PRODUCTION UNITS

Alkim Kağıt Sanayi ve Ticaret A.Ş. started doing business within Alkim Alkali Kimya A.Ş. and gained a separate legal personality on 30.06.1999. 20% of our paper manufacturing company's shares have been offered to public on 02.11.2000 and started to be traded at the Istanbul Stock Exchange with trading code ALKA.

Our offset paper - coated paper plants built with a maximum design capacity of 55.000 Tons/Year have been improved further with ongoing technological investments made as from its start-up day and has thus achieved technological superiority and productivity in 10 years to such an extent that they could now compete with major paper manufacturing plants in Europe.

Actual annual capacity reached 80.000 Tons/Year as the result of revision efforts made as from 2000 onwards for quality and capacity improvement, and it is possible to enhance such capacity up to 90.000 Tons/Years depending on type and grammage produced.

Each phase of production at Alkim Kağıt Plants is controlled by DCS (Distributed Control System) and QCS (Quality Control System) computer programs. Paper produced by such systems is of high quality in compliance with international paper standards. Ofset paper, photocopy, double- and single-faced coated print papers from 60 g/m^2 to 220 g/m^2 are produced at the plants. Production range also includes label paper, soap packaging paper, envelope paper and blue-print papers.

Produced paper is packed at modern converting plants in rolls in such dimensions as required for printing-house, publishing-house and other similar consumer groups. High-quality photocopy papers prepared on A3-A4 production line, being one of the most important sections of the plant, are the most preferred papers which are in great demand both in home and foreign markets.

Paper produced with mask (finished product warehouse stock control system) in use at our plants is automatically controlled by barcode system from each point of production phase until it is shipped to customer and all precautions are properly taken to ensure customer satisfaction.

Alkim Kağıt generates electricity and steam required for its production activities through its co-generation plant with a production capacity of 5.5 MW.

100% of Alkim Kağıt Plants caring about nature and environment a lot since from the beginning is capable of recovering waste water through biological and chemical treatment. Alkim Kağıt has ISO 9001, ISO 14001 and TS 18001 certificates.

Production for 2009 had been planned in view of home and foreign market conditions. Production so planned has been realized with highest quality under productivity conditions, with customers enjoying such quality.

Gross production quantity and capacity utilisation (availability) rate by years are given below.

CAPACITY

2009 Gross Production :	**73.142 Tons**	80.000 TONS	Capacity Utilisation Rate**: 91%**
2008 Gross Production :	**72.965 Tons**	80.000 TONS	Capacity Utilisation Rate**: 91%**

II-B.2. Net production of goods and services realized by the Company during the year, separately for each main production group;

	Unit	Quantity at 31.12.2009	Quantity at 31.12.2008
a-) Offset paper	Ton	53.012	54.713
b-) Coated paper	Ton	1.851	1.639
c-) Photocopy paper	Ton	13.409	9.445
	TOTAL	**68.272**	**65.797**

II-B.3. Net sales of goods and services realized by the Company during the year, separately for each main sales group;

	Unit	Quantity at 31.12.2009	Quantity at 31.12.2008
a-) Offset paper	Ton	53.803	53.497
b-) Coated paper	Ton	1.835	1.466
c-) Photocopy paper	Ton	13.413	9.330
	TOTAL	**69.051**	**64.293**

II-B.4. DEVELOPMENTS IN SALES OPERATIONS

Total quantity of sales realized during the 2009 operating year is 69.107 TONS. Home market sales account for 63.097 tons (91%) of such sales, while export sales accounting for 6.010 tons (9%). Total gross sales in 2009 amounted to TL92.354.679.

As to distribution of finished product sales in 2009; offset paper accounts for 77%, while photocopy papers accounting for 20% and coated paper accounting for 3%.

	SALES QUANTITY (TON)	IN HOME MARKET	IN OVERALL SALES	AVERAGE SELLING PRICE (TL/TON)	SALES AMOUNT (TL)
OFFSET	50.083	79%	72%	1.292	64.686.811
COATED	1.351	2%	2%	1.610	2.174.486
PHOTOCOPY	11.660	18%	17%	1.436	16.739.643
BLOCKNOTE	0	0%	0%	1.752	137
CONTINUOUS FORM	4	0%	0%	0	5.936
TOTAL HOME MARKET	**63.097**	**100%**	**91%**		**83.607.012**

	SALES QUANTITY (TON)	IN EXPORTS	IN OVERALL SALES	AVERAGE SELLING PRICE (TL/TON)	SALES AMOUNT (TL)
OFFSET	3.545	59%	5%	1.375	4.873.311
COATED	545	9%	1%	1.707	930.965
PHOTOCOPY	1.920	32%	3%	1.533	2.943.391
BLOCKNOTE	0	0%	0%	0	0
CONTINUOUS FORM	0	0%	0%	0	0
TOTAL EXPORTS	**6.010**	**100%**	**9%**		**8.747.667**

TOTAL TONNAGE	**69.107**	**TOTAL SALES AMOUNT**	**92.354.679**

II-C FINANCIAL STATUS AND LIQUIDITY MANAGEMENT:

Turkey had its share of the effects of the global crisis experienced throughout the world which was evidently felt after the first quarter of 2009. The effect of the unfavorable conditions prevailing in the sector in which our company is included was minimum thanks to its successful performance in production and quality, in addition to its strong financial structure. The product quality which is the outcome of a stabile management of Alkim Kağıt and the high technology used by the company has considerable share on this result. Our company has provided great advantage in competition and in maintaining its reliability in the minds of customers thanks to its superior position in the sector in terms of both financial structure and total quality.

This favorable position that our company maintained in this atmosphere of crisis was reflected on the financial results of 2009 and the company realized a sales volume timely meeting the demands of the market as the result of production activities almost nearing full capacity.

Our company was not influenced by high fluctuations in the financial market and in foreign currency rates caused by the global crisis, which was the result of purchasing policies followed, and an efficient control over liquid asset management and foreign currency position.

The liquidity ratio of the company is 2,91 as of the end of 2009. This ratio is 2,13 considering even the long term debts and shows that only the total cash and commercial receivables of the company is at an adequate level to pay also the long term debts of the company.

II-D RISK MANAGEMENT AND INTERNAL CONTROL MECHANISM

Our Company's Risk Management and internal control mechanism is handled by a committee composed of Members of the Boand of Directors, which is in charge of Audit. This committee audits internal control mechanism at definite periods under annual audit plans prepared in parallel to its own management and directives and passes its opinions about any findings to Board of Directors and makes suggestions as appropriate. This committee and Board of Directors, in turn, communicate actions that must be taken to Company's executives through the channel of General Manager.

Company's collection risk arises largely from trade receivables and is assessed by Company's management in view of current economic situation. Company's Financial Control unit controls whether transactions have been carried out with predictable limits or not.

Liquidity Risk

Company manages liquidity risk by keeping an adequate amount of cash and similar resources in order to be able to fulfill its existing and potential liabilities in a timely way.

Currency Risk

Company utilises its assets in good match with its liabilities, as far as possible, to avoid from likely effects of revaluation or devaluation of TL against other currencies.

ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.

BALANCE SHEETS AT
31 DECEMBER 2009 AND 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

	Notes	31 December 2009	31 December 2008
ASSETS			
Current Assets		**70.664.673**	**63.387.806**
Cash and Cash Equivalents	6	21.994.558	3.680.940
Trade Receivables	10	27.323.182	37.920.035
Other Receivables	11	858.385	535.594
Inventories	13	17.965.738	18.612.958
Other Current Assets	26	2.522.810	2.638.279
Non-Current Assets		**55.737.323**	**58.060.114**
Investment in Associates Accounted for Using Equity Method	16	55.063	40.855
Property, Plant and Equipment	18	55.599.678	57.892.356
Intangible Assets	19	82.582	126.903
TOTAL ASSETS		**126.401.996**	**121.447.920**

The financial statements prepared as at and for the year ended 31 December 2009 were approved and signed by the Board of Directors on 11 March 2010. These financial statements will be authorised following their approval at the General Assembly.

The accompanying notes form an integral part of these financial statements

ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.

BALANCE SHEETS AT
31 DECEMBER 2009 AND 2008
(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

	Notes	31 December 2009	31 December 2008
LIABILITIES			
Current Liabilities		**17.237.984**	**16.876.579**
Financial Liabilities	8	6.795.369	10.090.746
Trade Payables		8.636.715	3.887.770
-Due to Related Parties	37	409.855	391.619
- Other Trade Payables	10	8.226.860	3.496.151
Current Income Tax Liability	35	551.587	1.656.447
Other Current Liabilities	26	1.254.313	1.241.616
Non-Current Liabilities		**6.287.394**	**6.683.725**
Financial Liabilities	8	2.595.458	3.128.296
Provision for Employee Termination Benefits	24	1.379.366	1.065.130
Deferred Tax Liabilities	35	2.312.570	2.490.299
TOTAL LIABILITIES		**23.525.378**	**23.560.304**
EQUITY		**102.876.618**	**97.887.616**
Share Capital	27	52.500.000	52.500.000
Adjustment to Share Capital	27	32.414.361	32.414.361
Restricted Reserves	27	1.143.034	815.050
Retained Earnings	27	8.002.987	3.332.607
Net Profit for the Year		8.816.236	8.825.598
TOTAL EQUITY AND LIABILITIES		**126.401.996**	**121.447.920**

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

ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

	Notes	1 January - 31 December 2009	1 January - 31 December 2008
Sales	28	93.181.274	89.453.027
Cost of Sales	28	(78.812.813)	(76.451.705)
GROSS PROFIT		**14.368.461**	**13.001.322**
Research and Development Expenses	29	(82.019)	(80.686)
Marketing, Selling and Distribution Expenses	29	(2.770.389)	(2.415.283)
General Administrative Expenses	29	(2.933.673)	(2.256.675)
Other Operating Income	31	306.464	278.591
Other Operating Expense	31	(292.157)	(133.781)
OPERATING PROFIT		**8.596.687**	**8.393.488**
Share of Results of Investment in Associates Accounted for Using Equity Method	16	14.208	10.348
Finance Income	32	5.567.500	11.370.384
Finance Expense	33	(3.201.664)	(8.240.518)
PROFIT BEFORE TAX		**10.976.731**	**11.533.702**
Taxation on Income		(2.160.495)	(2.708.104)
- Current Income Tax Expense	35	(2.338.224)	(1.760.779)
- Deferred Tax Income/ (Expense)	35	177.729	(947.325)
NET PROFIT FOR THE YEAR		**8.816.236**	**8.825.598**
OTHER COMPREHENSIVE INCOME/ (EXPENSE)		**-**	**-**
TOTAL COMPREHENSIVE INCOME		**8.816.236**	**8.825.598**
EARNINGS PER SHARE	36	**0,0017**	**0,0017**

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

ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008
(Amounts expressed in Turkish lira ("TL") unless otherwise indicated.)

	Share capital	Adjustment to share capital	Restricted reserves	(Accumulated losses)/ Retained earnings	Net profit for the year	Total equity
1 January 2008	**52.500.000**	**32.414.361**	**815.050**	**(2.901.912)**	**6.234.519**	**89.062.018**
Transfers	-	-	-	6.234.519	(6.234.519)	-
Net profit for the period	-	-	-		8.825.598	8.825.598
31 December 2008	**52.500.000**	**32.414.361**	**815.050**	**3.332.607**	**8.825.598**	**97.887.616**
Dividend payment (Note 37.d)	-	-	327.984	(4.155.218)	-	(3.827.234)
Transfers	-	-	-	8.825.598	(8.825.598)	-
Net profit for the period	-	-	-	-	8.816.236	8.816.236
31 December 2009	**52.500.000**	**32.414.361**	**1.143.034**	**8.002.987**	**8.816.236**	**102.876.618**

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

ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

	Notes	1 January - 31 December 2009	1 January - 31 December 2008
Operating activities:			
Profit before taxation on income		10.976.731	11.533.702
Adjustments to reconcile profit before taxation on income to net cash generated from operating activities			
Depreciation and amortisation	18-19	4.968.039	5.142.679
Provision for employment termination benefits	24	388.500	306.712
Provision for doubtful receivables	31	250.920	-
Share from results of investment in associate	16	(14.208)	(10.348)
(Income)/ loss from sales of property, plant and equipment	31	(32.309)	108.569
Interest income	32	(1.275.838)	(530.231)
Interest expense	33	401.341	807.079
Taxes paid	35	(3.443.084)	(104.332)
		12.220.092	**17.253.830**
Changes in assets and liabilities			
Decrease/ (increase) in trade receivables	10	8.275.933	(15.779.733)
(Increase)/ decrease in other receivables	11	(322.791)	163.466
Decrease in inventories	13	647.220	192.612
Decrease/ (increase) in other current assets	26	115.469	(160.262)
Increase/ (decrease) in other trade payables	10	4.730.709	(1.580.840)
Increase in other current liabilities	26-35	12.697	144.515
Increase in due to related parties	37	18.236	83.663
Employment termination benefits paid	24	(74.264)	(159.082)
Net cash generated from operating activities		**25.623.301**	**158.169**
Investing activities:			
Interest received		1.275.838	591.186
Capital increase in investment in associate	16	-	(7.500)
Purchases of property, plant and equipment and intangible assets	18-19	(585.962)	(381.580)
Proceeds from sales of property, plant and equipment	18-19-31	57.231	15.574
Net cash generated from investing activities		**747.107**	**217.680**
Financing activities:			
Dividend paid	27	(3.827.234)	-
Decrease in financial liabilities		(3.839.969)	(2.624.630)
Interest paid		(389.587)	(772.730)
Net cash used in financing activities		**(8.056.790)**	**(3.397.360)**
Net increase/ (decrease) in cash and cash equivalents		**18.313.618**	**(3.021.511)**
Cash and cash equivalents at beginning of the year	6	3.680.940	6.702.451
Cash and cash equivalents at end of the year	6	**21.994.558**	**3.680.940**
Additional disclosure for non-monetary investment activities:			
Purchases of property, plant and equipment in exchange for trade receivables	18	**2.070.000**	**-**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Alkim Kağıt Sanayi ve Ticaret A.Ş.'nin ("Şirket") fiili faaliyet konusu, birinci hamur kağıt, kuşe ve
The nature of the operations of Alkim Kağıt Sanayi ve Ticaret A.Ş. (the "Company") is the manufacturing and sales of offset, glossy and photocopy papers. The main shareholder of the Company is Alkim Alkali Kimya A.Ş. ("Alkim Kimya") (Note 27).

The Company is registered in the Turkish Capital Markets Board ("CMB") and its shares have been traded on the Istanbul Stock Exchange ("ISE"). As at 31 December 2009, the shares traded on ISE are 20% (2008: 20%) of the total shares.

The address of the registered office is as follows:

Organize Sanayi Bölgesi Kırovası Mevkii
Kemalpaşa-İzmir

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation of Financial Statements

The financial statements of the Company have been prepared in accordance with the accounting and reporting principles published by the CMB, namely "CMB Financial Reporting Standards".

The CMB regulated the principles of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué XI, No: 29, "Principles of Financial Reporting in Capital Markets" (the "Communiqué"). The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes Communiqué XI, No: 25, "The Accounting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB, which do not contradict with the aforementioned standards shall be applied.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the CMB Financial Reporting Standards. Accordingly, IAS 29, "Financial Reporting in Hyperinflationary Economies", issued by the IASB, has not been applied in the financial statements for the accounting year starting from 1 January 2005.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these financial statements, the financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the announcements in weekly newsletters of 2008/16, 2008/18, 2009/02, 2009/04 and 2009/40, including the mandatory disclosures. Within the framework of Communiqué XI, No: 29 and related

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

promulgations to this Communiqué as issued by the CMB, enterprises are obliged to present hedging rate of their total foreign exchange liability and total export and import amounts in the notes to the financial statements (Note 38.c.i)

Financial statements have been prepared under the historic cost convention except for the financial assets and liabilities which are stated at fair values and presented in TL, which is the functional and presentation currency of the Company.

All items with significant amounts and nature, even with similar characteristics, are presented separately in the financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function. When the nature of transactions and events necessitate offsetting, presentation of these transactions and events over their net amounts or recognition of the assets after deducting the related impairment are not considered as a violation of the rule of non-offsetting. As a result of the transactions in the normal course of business, revenue other than sales described in "Revenue Recognition" are presented as net provided that if the nature of the transaction or the event qualify for offsetting.

2.2 Amendments in International Financial Reporting Standards

a) New and amended standards adopted by the Company:

The Company adopted the following new and amended standards as of 1 January 2009:

- IFRS 7 "Financial Instruments - Disclosures (amendment)", - (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

- IAS 1 (Revised), "Presentation of financial statements", (effective from 1 January 2009). Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has chosen the option presenting one performance statement (the statement of comprehensive income). Comperative information has been presented in confirmity with the revised standard.

- IAS 23 (Revised), "Borrowing costs", (Relevant to the qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. Since the Company does not have any significant qualifying assets and financial costs corresponding to these assets, the amendment does not have a material effect on the financial statements of the Company.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

- IFRS 8 (Revised), "Operating segments", (effective for period beginning on or after 1 January 2009) Since the Company has a single reportable segment, the standard does not have an effect on the financial statements of the Company.

b) Standards, amendments and interpretations effective in 2009 that are not relevant to the operations of the Company

- IAS 32, "Financial Instruments: Presentation" Puttable Financial Instruments and Obligations Arising on Liquidation"
- IFRS 2, "Share Based Payments"
- IFRIC 15, "Agreements for the Construction of Real Estate
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"

c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Effective from 1 July 2009:

- IAS 27 (Revised), "Consolidated and separate financial statements"
- IAS 31 (Revised), "Interests in Joint Ventures"
- IAS 38 (Revised), 'Intangible Assets'
- IFRS 3 (Revised), "Business cobinations"
- IFRIC 17, "Distribution of Non-cash Assets to Owners"

Effective for accounting periods beginning on or after 1 January 2010:

- IAS 1 (Revised), "Presentation of financial statements"
- IAS 24 (Revised), "Related Party Disclosures"
- IFRS 2 (Revised), "Share Based Payments"
- IFRS 5 (Revised), "Measurement of non-current assets (or disposal groups) classified as held-for-sale"

The Company will evaluate the effects of the aforementioned changes within its operations and apply those changes starting from 1 January 2010. It's expected that the application of the standards and interpretations will not have a significant effect on the Company's financial statements.

2.3 Basis of Consolidation

The financial statements include the accounts of the Company and its associate, using the equity accounting method basis set out in the "Investment in Associates" section below. The financial statements of the associate included in these financial statements in accordance with equity accounting method have been prepared as of the same date.

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Investments in Associates

The investments in associates are accounted for using the equity method. These investments are the firms that the Company has a voting right of between 20% and 50% or exercises significant influence on their operations although no controlling power exists. The unrealised profits arising from the operations between the Company and its associate are taken into account in line with the participation ratio of the Company. Similarly, the unrealised losses are taken into account if the transactions do not imply impairment loss on the transferred assets. As long as the Company has not undertaken any commitment or liability in the mentioned manner, the equity method is not applied following the decrease of investments in associates down to zero or at the end of the Company’s significant influence on the operations. The carrying value of the investments in associate at the date when significant influence ceases is regarded as cost thereafter.

The following table shows all the investments in associates and their participation rates as of 31 December 2009 and 2008:

	Participation Rate (%)	
	31 December 2009	**31 December 2008**
Alkim Sigorta Aracılık Hiz. Ltd. Şti. (“Alkim Sigorta”)	50,00	50,00

2.4 Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements are summarised below:

2.4.1 Revenue recognition

Revenues are recognised on an accrual basis at the time deliveries are made, services are given and significant risks and rewards are transferred to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company at the fair value of considerations received or receivable. Net sales represent the invoiced value of goods shipped less sales returns, sales discounts and commissions and exclude related taxes (Note 28). Rent income are recognized on an accrual basis, interest income are recognized on an accrual basis with effective yield basis calculation. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income. Dividend income are recognized when the right to receive is possessed.

2.4.2 Inventories

Inventories are mainly comprised of cellulose, work-in-progress and finished goods either sized or in bobbin forms, chemicals, operational materials and spare parts. Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost of inventories consists of purchase of

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

raw materials, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on the monthly moving weighted average basis (Note 13).

2.4.3 Property, plant and equipment

Property, plant and equipment acquired before 1 January 2005 are carried at cost in purchasing power of TL as at 31 December 2004; less accumulated depreciation and impairment losses. Property, plant and equipment acquired after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses.

Property, plant and equipments are capitalized and depreciated when they are fully commissioned and in a physical state to meet their designated production capacity. Residual values of property, plant and equipment are deemed as negligible.

Depreciation is provided using the straight-line method based on the estimated useful lives of the assets (Note 18). Land is not depreciated as it is deemed to have an indefinite life. The annual depreciation rates accordingly the estimated useful lives for property, plant and equipment are as follows:

	Rates (%)
Land improvements	2 - 13
Buildings	2 - 4
Machinery and equipment	3 - 20
Motor vehicles	10
Furniture and fixtures	5 - 30

Where the carrying amount of a property, plant and equipment is greater than its estimated recoverable amount, it is written down to its recoverable amount. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their restated carrying amounts and are included in the other income and expense accounts, as appropriate (Note 31).

Repairs and maintanance are charged to the statements of comprehensive income during the financial period in which they are incurred. Subsequent costs are included in the asset's carrying value or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The Company derecognises the carrying amounts of the replaced parts related to renovations regardless of whether the replaced parts were depreciated separately. Subsequent costs included in the asset's carriying value or recognised as separate asset, are depreciated based on their useful lives.

2.4.4 Intangible assets

Intangible assets comprise of acquired rights, information systems and software. Those acquired before 1 January 2005 are carried at cost in the purchasing power of TL as at 31 December 2004;

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

less accumulated depreciation and impairment losses; those acquired after 1 January 2005 are carried at cost less accumulated depreciation and impairment losses, which are depreciated using the straight-line method over 3-10 years following the acquisition date in either case. Residual values of intangible assets are deemed as negligible. In case of an impairment, the carrying amount of an intangible asset is written down to its recoverable amount (Note 19).

2.4.5 Impairment of assets

At each reporting date, the Company assesses whether there is an impairment indication for the assets, except for the deferred income tax assets and financial assets stated at fair values. An impairment loss is recognised for the amount by which the carrying amount of the asset or any cash generating unit of that asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. Impairment losses are accounted for in the statement of comprehensive income. Impairment loss on an assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- For economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets.

2.4.6 Borrowings and borrowing costs

If the maturity of these instruments is less than 12 months, these loans are classified in current liabilities and if more than 12 months, classified in non-current liabilities (Note 8). Borrowings are stated at amortised cost using the effective yield method. Any proceeds and the redemption value is recognised in the statement of comprehensive income as borrowing cost over the period of the borrowings. Borrowing costs are expensed as incurred (Note 39).

Assets that necessarily take a substantial period of time to get ready for its intended use or sale are defined as qualifying assets. The Company has no qualifying assets during the reporting periods.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4.7 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method (Note 10).

2.4.8 Financial assets

Loans and receivables constitute non-derivative financial instruments, which are not quoted in active markets and have fixed or scheduled payments. Loans and receivables arise, without held-for-sale intention, from the Company's supply of goods, service or direct fund to any debtor. They are classified as current assets when they have a maturity less than 12 months, and non-current assets when they have a maturity more than 12 months as of balance sheet date. Loans and receivables are recognised initially at their fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. These loans and receivables are included in trade receivables and other receivables in the balance sheet. Loans and receivables are recorded at the proceeds received, net of any transaction costs incurred. In subsequent periods, loans are stated at amortised cost using the effective yield method.

2.4.9 Foreign currency transactions and balances

Transactions in foreign currencies during the year have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TL at the exchange rates prevailing at the balance sheet dates. Foreign exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the statement of comprehensive income.

2.4.10 Earnings per share

Earnings per share indicated in the statements of comprehensive income are determined by dividing net profit for the year by the weighted average number of shares that have been outstanding during the year concerned (Note 36).

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

In case of dividend distribution, earnings pers hare is calculated by dividing net income by the number of shares, rather than dividing by weighted average number of shares outstanding.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4.11 Subsequent Events

Subsequent events, announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when balance sheet was authorised for issue (Note 40).

In the case that events require a correction to be made occur subsequent to the balance sheet date, the Company makes the necessary corrections to the financial statements. Moreover, the events that occur subsequent to the balance sheet date and not require a correction to be made are disclosed in accompanying notes, when they may affect decision of making of users of financial statements.

2.4.12 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

In cases where the time value of money is material, provisions are determined as the present value of expenses required to be made to honor the liability. The rate used to discount provisions to their present values is determined taking into account the interest rate in the related markets and the risk associated with the liability. This discount rate does not consider risks associated with future cash flow estimates.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are treated as contingent assets or liabilities. The Company does not recognise contingent assets and liabilities (Note 22).

2.4.13 Accounting policies, changes in accounting estimates and errors

Significant changes in accounting policies and errors are applied on a retrospective basis and reflected upon previous periods' financial statements. Changes in accounting estimates involving single periods are reflected upon the current period when the change occurs; changes involving future periods are reflected both upon the current period when the change occurs and the future period, on a prospective basis.

2.4.14 Leases

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases (Note 8). Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term. (Note 18).

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4.15 Related Parties

For the purpose of these financial statements, Company's shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them and associated companies are considered and referred to as related parties (Note 37).

2.4.16 Segmented reporting

Operating segments are reported in a manner consistent with the internal reporting provided the chief operating decision makers. The chief operating decision makers, who are responsible for allocation resources and assessing performance of the operating segments, have been identified as the senior management that makes strategic decisions.

The senior managent of the Company makes strategic decisions as a whole over the operations of the Company as the Company operates in a single industry and operations outside Turkey do not present an important portion in overall operations. Based on those reasons, there is a single reportable segment in accordance with the provisions in IFRS 8 and segment reporting is not applicable.

2.4.17 Taxation on Income

Taxation on income includes current period tax liability and deferred income taxes. Current period tax liability includes the taxes payable calculated on the taxable portion of period income with tax rates enacted on the balance sheet date and the correction adjustments related to prior period tax liabilities (Note 35). The adjustments related to prior period tax liabilities are recognised in other operating income and expenses.

Deferred tax assets and liabilities are provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes with the enacted tax rates as of the balance sheet date (Note 35).

Deferred tax assets or liabilities are reflected to the financial statements to the extent that they will provide an increase or decrease in the taxes payable for the future periods where the temporary differences will reverse. Deferred tax liabilities are recognized for all taxable temporary differences, where deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. To the extent that deferred tax assets will not be utilised, the related amounts have been deducted accordingly.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset accordingly, if current tax assets can be offset against current tax liabilities (Note 35).

2.4.18 Provision for employment termination benefits

According to the enacted law, the Company is liable to make a lump sum payment to employees when employment is terminated for reasons other than retirement, resignation and others disclosed in the Labour Law. Provisions for employment termination benefits have been calculated estimating the present value of the future probable obligations arising from the retirement of the employees accordingly acturial assumptions and reflected in the financial statements (Note 24).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued

2.4.19 Statement of cash flow

In the statement of cash flows, cash flows are classified into three categories as operating, investing and financing activities. Cash flows from operating activities are those resulting from the Company's main operations. Cash flows from investing activities indicate cash inflows and outflows resulting from fixed asset and financial investments. Cash flows from financing activities indicate the resources used in financing activities and the repayment of these resources. For the purposes of the cash flow statement, cash and cash equivalents comprise of cash in hand accounts, bank deposits, mutual funds and loans originated by the Company by providing money directly to a bank under reverse repurchase agreements with a predetermined sale price at fixed future dates of less than or equal to 3 months.

2.4.20 Trade receivables and impairment of receivables

Trade receivables that are realised by the Company by way of providing goods or services directly to a debtor are carried at amortised cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the statement of comprehensive income (Note 31).

2.4.21 Share capital and dividends

Share capital are classified as capital and dividends distributed from common stocks are deducted at the period of the declaration from the retained earnings. Dividend income is recognised when the Company's right to receive the payment is established.

2.5 Significant Accounting Estimates and Judgements

Preparation of financial statements requires disclosure of reported assets and liabilities, contingent assets and liabilities as at balance sheet date and utilization of estimates and assumptions that can effect income and expense balances of the reporting period. Estimations and assumptions can differ from actual results in spite of these estimations and assumptions are based on the Company management's best estimate. Significant accounting estimates are as follows:

Income taxes
There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Company recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 3 - BUSINESS COMBINATIONS

None (2008: None)

NOTE 4 - JOINT VENTURES

None (2008: None).

NOTE 5 - SEGMENT REPORTING

None (Please refer to note 2.4.16).

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2009	31 December 2008
Cash on hand	14.481	4.200
Banks	21.980.077	3.676.740
- TL denominated time deposits	18.600.000	3.300.000
- TL denominated demand deposits	1.048.128	142.735
- Foreign currency denominated demand deposits	2.331.949	234.005
	21.994.558	**3.680.940**

As of 31 December 2009, maturity of TL denominated time deposits is less than one month (2008: one month) and the effective interest rate is 9,7% per annum ("p.a.") (2008: 18% p.a.). The details of the foreign currency denominated demand deposits are disclosed in Note 38.c. Based on the independent data with respect to the credit risk assessment of the banks at which the Company has deposits, are sufficient in terms of credit quality of the banks. The fair values of cash and cash equivalents approximate carrying values, including accrued income at the respective balance sheet dates.

NOTE 7 - FINANCIAL INVESTMENTS

None (2008: None).

NOTE 8 - FINANCIAL LIABILITIES

	31 December 2009	31 December 2008
Short-term bank borrowings	11.076	62.939
Short-term portion of long-term bank borrowings	6.604.607	9.739.163
Short-term finance lease obligations	179.686	288.644
Short-term financial liabilites	**6.795.369**	**10.090.746**
Long-term bank borrowings	2.595.458	2.947.822
Long-term finance lease obligations	-	180.474
Long-term financial liabilites	**2.595.458**	**3.128.296**
Total financial liabilities	**9.390.827**	**13.219.042**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 8 - FINANCIAL LIABILITIES (Continued)

a) Bank borrowings:

	31 December 2009		31 December 2008	
	Effective weighted average interest rate p.a. %	Amount	Effective weighted average interest rate p.a. %	Amount
Short-term bank borrowings:				
TL bank borrowings (*)	0,00	11.076	0,00	62.939
		11.076		**62.939**
Short-term portion of long-term bank borrowings:				
USD bank borrowings (**)	0,94	6.604.607	3,13	9.739.163
		6.604.607		**9.739.163**
Long-term bank borrowings:				
USD bank borrowings (**)	1,15	2.595.458	3,01	2.947.822
		2.595.458		**2.947.822**

(*) TL denominated short-term bank borrowings are comprised of spot borrowings without interest charge at 31 December 2009.

(**) The interest rates of the USD denominated bank borrowings vary between Libor+0,15% p.a. with six month conractual repricing dates (2008: Libor+1%).

The redemption schedules of long-term bank borrowings at 31 December 2009 and 2008 are as follows:

	31 December 2009	31 December 2008
2010	-	2.947.822
2011	2.595.458	-
	2.595.458	**2.947.822**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 8 - FINANCIAL LIABILITIES (Continued)

The carrying amounts of the financial liabilities with floating and fixed rates which were classified in terms of periods remaining to contractual repricing dates are as follows:

	up to 3 months	3 months- 1 year	Total
- 31 December 2009:			
Financial liabilities with floating interest rate	5.508.504	3.691.561	9.200.065
Financial liabilities with fixed interest rate	-	-	190.762
Total	**5.508.504**	**3.691.561**	**9.390.827**
- 31 December 2008:			
Financial liabilities with floating interest rate	3.248.641	9.438.344	12.686.985
Financial liabilities with fixed interest rate	-	-	532.057
Total	**3.248.641**	**9.438.344**	**13.219.042**

b) Lease obligations:

	31 December 2009		31 December 2008	
	USD	TL equivalent	USD	TL equivalent
Short term	119.337	179.686	190.864	288.644
Long term	-	-	119.337	180.474
	119.337	**179.686**	**310.201**	**469.118**

Lease obligations are related with the purchase of gas turbine with an effective average interest rate of 8,5% p.a. (2008: 8,5% p.a.) and mature on 1 September 2010.

NOTE 9 - OTHER FINANCIAL LIABILITIES

None (2008: None).

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

	31 December 2009	31 December 2008
a) Short-term trade receivables		
Cheques and notes receivables	22.243.499	32.008.002
Customer current accounts	5.618.929	6.475.424
	27.862.428	38.483.426
Less: Provision for doubtful receivables	(322.600)	(78.350)
Unearned credit finance income	(216.646)	(485.041)
	27.323.182	**37.920.035**

As of 31 December 2009, the effective weighted average interest rates used in the calculation of unearned credit finance income of TL, USD and EUR denominated short-term trade receivables are 6,86% p.a., 0,28% p.a. and 0,44% p.a., respectively (2008: 16,56% p.a., 1,10% p.a. and 2,02%, respectively). Trade receivables mature within 2 months (2008: 2 months).

The aging analysis of trade receivables as of 31 December 2009 and 2008 is as follows:

	31 December 2009	31 December 2008
Overdue receivables	328.627	232.070
0-30 days	6.680.862	12.860.526
31-60 days	7.374.136	8.948.174
61-90 days	5.111.823	7.391.941
91-120 days	6.260.676	6.788.220
121 days and over	1.567.058	1.699.104
	27.323.182	**37.920.035**

The aging and credit risk analysis of overdue receivables as of 31 December 2009 and 2008 are disclosed in Note 38.a.

The movement in the provision for doubtful receivables during the year is as follows:

	2009	2008
1 January	**78.350**	**78.350**
Additions during the period (Note 31)	250.920	-
Unused provisions	(6.670)	-
31 December	**322.600**	**78.350**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (Continued)

The Company has accounted provision for doubtful receivables based on its past experiences. Therefore, the management believes that no additional credit risk exists beyond the Company's trade receivables, which have been identified as doubtful receivable and provisions have been accounted for.

	31 December 2009	31 December 2008
b) Short-term trade payables		
Supplier current accounts	8.241.610	3.526.931
Less: Unincurred credit finance expense	(14.750)	(30.780)
	8.226.860	**3.496.151**

As of 31 December 2009, the effective weighted average interest rates used in the calculation of unincurred credit finance expense of TL, USD and EUR denominated short-term trade payables are 6,86% p.a., 0,23% p.a. and 0,48% p.a., respectively (2008: 16,30% p.a., 0,65% p.a. and 2,63% p.a., respectively). Trade payables mature within 2 months (2008: 2 month).

NOTE 11 - OTHER RECEIVABLES

	31 December 2009	31 December 2008
Other short-term receivables		
Value Added Tax ("VAT") receivables	847.680	522.213
Deposits and guarantees given	10.705	13.381
	858.385	**535.594**

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None (2008: None).

NOTE 13 - INVENTORIES

	31 December 2009	31 December 2008
Raw materials	15.439.424	12.254.439
Work-in-progress	423.229	2.669.957
Finished goods	2.004.698	3.551.093
Other	98.387	137.469
	17.965.738	**18.612.958**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 13 – INVENTORIES (Continued)

Inventories are carried at their cost. TL 5.674.140 of raw materials is comprised of goods in transit as of 31 December 2009 (2008: TL 2.893.355).

The cost of inventories recognized as expense and included in cost of goods sold amounted to TL 56.529.763 (2008: TL 55.276.990) (Note 30).

NOTE 14 - BIOLOGICAL ASSETS

None (2008: None).

NOTE 15 - CONSTRUCTION CONTRACT ASSETS

None (2008: None).

NOTE 16 - INVESTMENT IN ASSOCIATES ACCOUNTED BY EQUITY METHOD

Investment in Associate:

	31 December 2009		31 December 2008	
	Carrying value	**Share (%)**	**Carrying value**	**Share (%)**
Alkim Sigorta	55.063	50,00	40.855	50,00
	55.063		**40.855**	

Movement of investment in associate during the years is as follows:

	2009	**2008**
1 January	**40.855**	**23.007**
Capital increase in investment in associate	-	7.500
Share of results of investment in associate	14.208	10.348
31 December	**55.063**	**40.855**

Financial information of Alkim Sigorta that is incorporated into financial statements using equity accounting method is summarized as follows:

	31 December 2009	**31 December 2008**
Total assets	754.529	706.902
Total liabilities	644.403	625.192
Net profit for the year	28.415	20.696

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 17 - INVESTMENT PROPERTY

None (2008: None).

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment for the period between 1 January- 31 December 2009 were as follows:

The movements of property, plant and equipment for the period between 1 January- 31 December 2009 were as follows:

	1 January 2009 Opening	Additions	Disposals	Transfers	31 December 2009 Closing
Cost:					
Land	1.496.240	2.070.000(*)	-	-	3.566.240
Land improvements	1.657.198	9.450	-	-	1.666.648
Buildings	10.187.264	2.250	-	-	10.189.514
Machinery and equipments	81.300.845	72.162	(52.141)	254.488	81.575.354
Motor vehicles	713.656	164.554	-	-	878.210
Furniture and fixtures	1.956.480	84.866	-	-	2.041.346
Construction in progress	3.127	252.680	-	(254.488)	1.319
	97.314.810	**2.655.962**	**(52.141)**	**-**	**99.918.631**
Accumulated depreciation:					
Land improvements	(283.580)	(83.058)	-	-	(366.638)
Buildings	(3.715.788)	(396.958)	-	-	(4.112.746)
Machinery and equipments	(33.565.427)	(4.177.911)	27.219	-	(37.716.119)
Motor vehicles	(327.789)	(107.140)	-	-	(434.929)
Furniture and fixtures	(1.529.870)	(158.651)	-	-	(1.688.521)
	(39.422.454)	**(4.923.718)**	**27.219**		**(44.318.953)**
Net book value	57.892.356				55.599.678

(*) Addition to land is comprised of land purchased from a customer of the Company in exchange for a part of trade receivables from that customer. Since the Company will use the aforementioned land in its operations in the future and does not hold the land for rental income or capital appreciation, the Company did not classify the land as investment property.

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (Continued)

The movements of property, plant and equipment for the period between 1 January- 31 December 2008 were as follows:

	1 January 2008 Opening	Additions	Disposals	Transfers	31 December 2008 Closing
Cost:					
Land	1.496.240	-	-	-	1.496.240
Land improvements	1.592.402	14.952	-	49.844	1.657.198
Buildings	10.186.014	1.250	-	-	10.187.264
Machinery and equipments	81.027.416	100.125	(151.037)	324.341	81.300.845
Motor vehicles	759.904	-	(46.248)	-	713.656
Furniture and fixtures	1.854.149	102.914	(583)	-	1.956.480
Construction in progress	217.909	159.403	-	(374.185)	3.127
	97.134.034	**378.644**	**(197.868)**	**-**	**97.314.810**
Accumulated depreciation:					
Land improvements	(202.377)	(81.203)	-	-	(283.580)
Buildings	(3.317.785)	(398.003)	-	-	(3.715.788)
Machinery and equipments	(29.315.197)	(4.284.033)	33.803	-	(33.565.427)
Motor vehicles	(255.830)	(111.528)	39.569	-	(327.789)
Furniture and fixtures	(1.315.751)	(214.472)	353	-	(1.529.870)
	(34.406.940)	**(5.089.239)**	**73.725**		**(39.422.454)**
Net book value	62.727.094				57.892.356

TL 4.871.937 (2008: TL 5.020.011) of the current year depreciation charge has been allocated to cost of production, TL 69.691 (2008: TL 87.818) to general and administrative expenses (Note 29), and TL 26.411 (2008: TL 34.850) to marketing, selling and distribution expenses (Note 29).

NOTE 19 - INTANGIBLE ASSETS

The movements of intangible assets for the period between 1 January and 31 December 2009 were as follows:

	1 January 2009 Openning	Additions	31 December 2009 Closing
Rights and software	665.628	-	665.628
Less: accumulated amortization	(538.725)	(44.321)	(583.046)
Net book value	**126.903**		**82.582**

The movements of intangible assets for the period between 1 January and 31 December 2008 were as follows:

	1 January 2008 Openning	Additions	31 December 2008 Closing
Rights and software	662.692	2.936	665.628
Less: accumulated amortization	(485.285)	(53.440)	(538.725)
Net book value	**177.407**		**126.903**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 20 - GOODWILL

None (2008: None).

NOTE 21 - GOVERNMENT GRANTS

None (2008: None).

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

	31 Aralık 2009	31 Aralık 2008
a) Guarantees received:		
Bails	12.000.000	2.000.000
Mortgage	9.750.000	6.000.000
Bank guarantee letters	5.357.148	4.582.900
Trade receivables protection (*)	4.884.438	5.345.578
Guarantee notes	597.000	597.000
Guarantee cheques	240.912	241.968
	32.829.498	**18.767.446**

(*) It is a service received from an international professional organization in order to cover credit risks like customer insolvency, bad debts, overdue accounts, commercial risks and political risks.

b) Guarentees given:		
Bank guarantee letters	11.750.409	10.018.884
	11.750.409	**10.018.884**

Collaterals, Pledges and Mortgages ("CPM") positions of the Company as of 31 December 2009 and 2008 are summarized as follows;

CPM given by the Company

A. Total amount of CPM given for the Company's own legal personality	11.750.409	10.018.884
B. Total amount of CPM given on behalf of fully consolidated companies	-	-
C. Total amount of CPM given for continuation of its economic activities on behalf of third parites	-	-
D. Total amount of other CPM	-	-
i) Total amount of CPM given on behalf of the majority shareholder	-	-
ii) Total amount of CPM given to on behalf of other group companies which are not in scope of B and C.	-	-
iii) Total amount of CPM given on behalf of third parties which are not in scope of C.	-	-
	11.750.409	**10.018.884**
Total amount of other CPM/ Equity	0%	0%

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 22 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

c) Contingent assets:

The Company has engaged in a lawsuit against J and A International Resources Inc. amounting to USD 124.786 related to quality problems in raw material purchased. Court does not come to a conclusion as of reporting date of financial statements dated 31 December 2009.

NOTE 23 - COMMITMENTS

None (2008: None).

NOTE 24 - EMPLOYEE TERMINATION BENEFITS

	31 December 2009	31 December 2008
Provision for employment termination benefits	1.379.366	1.065.130
	1.379.366	**1.065.130**

Provision for employment termination benefits has been calculated in accordance with explanations below

Under the Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of TL 2.365,16 for each year of service as of 31 December 2009 (31 December 2008: TL 2.173,18). The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees..

The Communiqué requires actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

Discount rate (%)	5,92	6,26
Turnover rate to estimate the probability of retirement (%)	98,43	98,90

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL 2.427,04 which is effective from 1 January 2010 (1 January 2009: TL 2.260,05) has been taken into consideration in calculating the provision for employment termination benefits of the Company.

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 24 - EMPLOYEE TERMINATION BENEFITS (Continued)

Movements of the provision for employment termination benefits during the year are as follows:

	2009	2008
1 January	**1.065.130**	**917.500**
Interest cost	63.056	57.436
Actuarial losses	106.459	70.663
Increase during the year	218.985	178.613
Paid during the year	(74.264)	(159.082)
31 December	**1.379.366**	**1.065.130**

Total provision for employee termination benefits of TL 388.500 (2008: TL 306.712) has been allocated to cost of production amounting to TL 328.571 (2008: TL 258.536), to marketing, selling and distribution expenses amounting to TL 29.612 (2008: TL 19.160) (Note 29) and to general and administrative expenses amounting to TL 30.317 (2008: TL 29.016) (Note 29).

NOTE 25 - PENSION PLANS

None (2008: None).

NOTE 26 - OTHER ASSETS AND LIABILITIES

	31 December 2009	31 December 2008
a) Other current assets:		
VAT deductible	1.603.127	2.086.559
Prepaid expenses	453.448	425.630
Job advaces given	371.743	-
Receivables from personnel	94.492	117.701
Other	-	8.389
	2.522.810	**2.638.279**

Prepaid expenses, are mainly comprised of insurance premiums paid by the Company.

	31 December 2009	31 December 2008
b) Other current liabilities:		
Taxes and funds payable	605.711	524.251
Payables to personnel	475.524	448.465
Advances received	126.824	268.894
Other	46.254	6
	1.254.313	**1.241.616**

As of 31 December 2009, advances received is amounted to TL 126.824 (2008: TL 268.894) and TL 47.240 of advances received comprised of cheques received from the customers (2008: TL 132.836).

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 27 - EQUITY

The Company fulfills principal share capital framework the Company's authorized and issued share capital consists of 5.250.000.000 shares of 1 Kr each paid in full (2008: 5.250.000.000). The Company's shareholders and their shareholding percentages as of 31 December 2009 and 2008 are as follows:

	31 December 2009		31 December 2008	
Shareholder	**Participation (%)**	**Amount (TL)**	**Participation (%)**	**Amount (TL)**
Alkim Kimya	79,93	41.962.500	79,93	41.962.500
Public quotation	20,00	10.500.000	20,00	10.500.000
Other	0,07	37.500	0,07	37.500
Total paid-in share capital	**100,00**	**52.500.000**	**100,00**	**52.500.000**
Adjustment to share capital (*)		32.414.361		32.414.361
		84.914.361		**84.914.361**

(*)"Adjustment to share capital" represents the difference between the amounts of cash and cash equivalents contributions, restated for inflation, to share capital and the amounts before the restatement.

The Company's capital consists of bearer shares of A, B, C, D, E and F groups; and F group shares are traded on ISE. In Ordinary and Extraordinary General Meetings of Shareholders, each of the A, B, C, D and E group shares, grants 100 (a hundred) voting rights to each bearer and bearer's attorney, F group shares grants 1 (one) voting rights to each bearer and bearer's attorney. The Board of Directors of the Company are selected by General Assembly, among the candidates, three from A group, two from B group, 2 from C group, one from E group, one from F group. Shares do not carry any other privilages.

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

The aforementioned amounts shall be classified in "Restricted Reserves" in accordance with CMB Financial Reporting Standards. At 31 December 2009, the restricted reserves of the Company amount to TL 1.143.034 (2008: TL 815.050).

NOTE 27 - EQUITY (Continued)

In accordance with the CMB regulations effective until 1 January 2008, the inflation adjustment differences arising at the initial application of inflation accounting which are recorded under "accumulated losses" could be netted off from the profit to be distributed based on CMB profit distribution regulations. In addition, the aforementioned amount recorded under "accumulated losses" could be netted off with net income for the period, if any, undistributed prior period profits, and inflation adjustment differences of extraordinary reserves, legal reserves and capital, respectively.

In addition, in accordance with the CMB regulations effective until 1 January 2008, "Capital, Share Premiums, Legal Reserves, Special Reserves and Extraordinary Reserves" were recorded at their statutory carrying amounts and the inflation adjustment differences related to such accounts were recorded under "inflation adjustment differences" at the initial application of inflation accounting. "Equity inflation adjustment differences" could have been utilised in issuing bonus shares and offsetting accumulated losses, carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses.

In accordance with the Communiqué XI, No: 29 and related announcements of CMB, effective from 1 January 2008, "Share capital", "Restricted Reserves" and "Share Premium" shall be carried at their statutory amounts. The valuation differences shall be classified as follows:

-the difference arising from the "Paid-in Capital" and not been transferred to capital yet, shall be classified under the "Inflation Adjustment to Share Capital";

-the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under "Retained earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Based on CMB Decree No. 02/51, dated 27 January 2010, there is no mandatory minimum profit distribution requirement for the quoted entities at the stock exchange for profits arising from operations in 2009. Regarding the dividend distribution for the current and following years, the entities are to distribute their profits for the current and following years under the scope of CMB Communiqué IV, No: 27, their articles of association and their previously publicly declared profit distribution policies.

In addition, based on the CMB Decree 7/242, dated 25 February 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the whole amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the whole amount of the statutory net distributable profit should be distributed. It is stated that dividend distributions should not be made if there is a loss in either the financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

Based on the decision of the General Assembly meeting on 1 April 2009, the Company has distributed 20% of the net income for the year 2008 amounting to TL 1.723.567 as first dividend, TL 2.024.717 as second dividend, and TL 78.950 as a bonus to members of Board of Directors, total of which amounted to TL 3.827.234.

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 27 - EQUITY (Continued)

Moreover, for the determination of the distribution principles of the profits acquired by publicly held corporations according to the CMB decision in question, it is resolved that:

The total amount of the profit for the period which remains after the deduction of the previous year's losses registered in the legal books of companies and other sources which can be distributed in the scope of profit distribution, shall be indicated in the footnotes of the financial statements to be prepared and announced to the public in accordance with the Communiqué XI, No: 29,

In the application of the dividend distribution period stated in Article 6 of the CMB Communiqué IV, No: 27, the following conditions apply:

i. If the whole dividend is to be distributed in cash, the distribution shall continue to be made until the end of the fifth month following the accounting period,

ii. If the dividend is to be distributed as shares, an application shall be made to the Board before the end of the fifth month following the accounting period, so that the shares to be issued for the distribution are registered by the Board and the share distribution shall be completed until the end of the sixth month following the accounting period,

iii. If both of the options mentioned in (i) and (ii) are preferred, the above-mentioned transactions shall be carried out separately but within the periods stated in the related paragraphs.

Composition of prior period's earnings (as per Statutory Financial Statements of the Company) is as follows:

	31 December 2009	31 December 2008
Legal reserves and special funds	1.424.163	1.096.179
Extraordinary reserves	3.692.273	3.692.273
Accumulated deficit	-	(5.941.326)
Net profit for the year	8.962.569	10.096.544
	14.079.005	**8.943.670**

NOTE 28 - SALES AND COST OF SALES

	1 January - 31 December 2009	1 January - 31 December 2008
Domestic sales	84.860.890	80.955.485
Exports	8.747.857	8.745.493
	93.608.747	89.700.978
Less: Discounts	(311.509)	(229.902)
Returns	(115.964)	(18.049)
Net Sales	**93.181.274**	**89.453.027**
Cost of sales	(78.812.813)	(76.451.705)
Gross profit	**14.368.461**	**13.001.322**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 29 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES

	1 January - 31 December 2009	1 January - 31 December 2008
Research and development expenses:		
Staff cost	79.267	74.897
Other	2.752	5.789
	82.019	**80.686**
Marketing, selling and distribution expenses:		
Transportation	1.070.665	786.102
Staff cost	861.483	735.877
Advertising	112.204	64.729
Taxes and funds (other than taxes on income)	93.887	83.423
Travel	85.444	58.415
Rent	84.940	65.024
Commission	79.775	235.556
Insurance	55.261	50.534
Communication	33.262	36.543
Employment termination benefits	29.612	19.160
Depreciation and amortisation	26.411	34.850
Other	237.445	245.070
	2.770.389	**2.415.283**
General administrative expenses:		
Staff cost	1.745.893	1.630.843
Consultancy	513.272	282.380
Taxes and funds (other than taxes on income)	110.184	43.303
Depreciation and amortisation	69.691	87.818
Employment termination benefits	30.317	29.016
Communication	18.130	10.320
Other	446.186	172.995
	2.933.673	**2.256.675**
	5.786.081	**4.752.644**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 30 - EXPENSES BY NATURE

	1 January - 31 December 2009	1 January - 31 December 2008
Raw materials	56.529.763	55.276.990
Energy	10.096.268	9.767.819
Staff cost	8.451.719	8.391.130
Depreciation and amortisation	4.968.039	5.142.679
Transportation	1.105.568	863.097
Consultancy	513.272	282.380
Employment termination benefits	388.500	306.712
Other	2.545.765	1.173.542
	84.598.894	**81.204.349**

NOTE 31 - OTHER OPERATING INCOME/ (EXPENSE)

	1 January - 31 December 2009	1 January - 31 December 2008
a) Other operating income:		
Compensation income from insurance companies	126.188	138.098
Scrap sales income	77.164	106.147
Gain from sales of property, plant and equipment	32.309	-
Other	70.803	34.346
	306.464	**278.591**
b) Other operating expense:		
Provision for doubtful receivables	(250.920)	-
Loss from sales of property, plant and equipment	-	(108.569)
Other	(41.237)	(25.212)
	(292.157)	**(133.781)**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 32 - FINANCE INCOME

	1 January - 31 December 2009	1 January - 31 December 2008
Foreign exchange gain	3.353.995	9.638.487
Interest income	1.275.838	530.231
Income from overdue charges	437.875	759.749
Other	499.792	441.917
	5.567.500	**11.370.384**

NOTE 33 - FINANCE EXPENSE

	1 January - 31 December 2009	1 January - 31 December 2008
Foreign exchange loss	2.567.333	6.780.244
Interest expense	401.341	807.079
Interest expense on credit purchases	232.990	525.464
Other	-	127.731
	3.201.664	**8.240.518**

NOTE 34 - NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (2008: None).

NOTE 35 - TAX ASSETS AND LIABILITIES

As of 31 December 2009 and 2008, corporation taxes currently payable are as follows:

	31 December 2009	31 December 2008
Corporation taxes currently payable	2.338.224	1.760.779
Less: Prepaid income taxes	(1.786.637)	(104.332)
Current income tax liabilities	**551.587**	**1.656.447**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

Breakdown of taxation on income for the years ended 31 December 2009 and 2008 are as follows:

	1 January - 31 December 2009	1 January - 31 December 2008
Current corporation tax expense	2.338.224	1.760.779
Deferred tax (income)/ expense	(177.729)	947.325
Total tax expense	**2.160.495**	**2.708.104**

Corporation tax is payable at a rate of 20% for 2009 (2008: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income (e.g income from associates exemptions, investment incentive allowance exemptions) and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10% (2008: 10%). An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of %20 (2008: %20) on their corporate income. Advance tax is declared by 14th and payable by the 17th (2008: 17) of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to be set off against other liabilities to the government.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to 5 years. However, tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate. Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

There are many exemptions in Corporate Tax Law regarding corporations. Those related to the Company are explained below:

According to Turkish Corporate Income Tax Law numbered 5520, effective from 21 June 2006, a 75% portion of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property, which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of five years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realised.

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

The dividend income obtained from the companies that are corporate taxpayers in share capital of which has been invested, are exempted from the corporate tax, except for the income retrieved from investment fund contribution certificates and investment fund shares.

Profits from sale of preferential right certificates and share premiums generated from sale of shares at a price exceeding face values of those shares during incorporations or capital increases of joint stock companies are exempt from corporate tax.

Accordingly, the aforementioned gains/ (losses) which have been included in trade profit/ (loss) have been taken into consideration in calculation of Company's corporate tax.

Apart from the exemptions mentioned in the preceding paragraphs, the deductions granted in 14th and recurring 14th articles of Corporate Tax Law and 40th article of the Income Tax Law have been taken into consideration in calculation of the Company's corporate tax.

Transfer Pricing

The Law numbered 5520 article 13, which made new arrangements to transfer pricing was effective from 1 January 2007. With the aforementioned law, considerable amendments have been made to transfer pricing regulations by taking EU and OECD transfer pricing guidelines as a basis. In this respect, corporations should set the prices in accordance with the arm's length principle while entering into transactions regarding the sale or purchase of goods and services with related parties. Under the arm's length principle within the new legislation related parties must set the transfer prices for purchase and sale of goods and services as if they would have been agreed between third parties. Depending on the circumstances, a choice of accepted methods in aforementioned law of arm's length transaction, has to be made by corporations for transactions with related parties. Corporations should keep the documentary evidence within the company representing how arm's length price has been determined and the methodology that has been chosen by use of any fiscal records and calculations in case of any request by tax authorities. Besides, corporations must report transactions with related parties in a fiscal period.

If a taxpayer enters into transactions regarding the sale or purchase of goods and services with related parties, where the prices are not set in accordance with the arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. The profit distributed in a disguised manner through transfer pricing completely or partially, will be assessed as distributed profit share or transferred amount to headquarter for limited taxpayers.

After the distributed profit share is considered as net profit share and complemented to gross amount, deemed profit will be subject to corporate tax. Previous taxation processes will be revised accordingly by taxpayer who distributes disguised profit. In order to make adjustments in this respect, the taxes assessed in the name of the company distributing dividends in a disguised manner must be finalized and paid.

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 35 - TAX ASSETS AND LIABILITIES (Continued)

The reconciliations of the taxation on income for the years ended 31 December 2009 and 2008 are as follows:

	1 January - 31 December 2009	1 January - 31 December 2008
Profit before tax	**10.976.731**	**11.533.702**
Taxes calculated on profit before tax	(2.195.346)	(2.306.740)
Expenses not deductible for tax purposes	(175.072)	(234.344)
Income not subject to tax	97.006	114.225
Other	112.917	(281.245)
Taxes on income	**(2.160.495)**	**(2.708.104)**

Deferred income taxes

The Company calculates deferred income tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with CMB Financial Reporting Standards and their statutory financial statements. Deferred income taxes are calculated on temporary differences that are expected to be realised or settled based on the taxable income in the following periods under the liability method using the enacted tax rate of 20% (2008: 20%).

Details of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided as of 31 December 2009 and 2008 were as follows:

	Taxable temporary differences		Deferred income tax assets/ (liabilities)	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Difference on property, plant and equipment and intangible assets	(13.466.710)	(13.932.681)	(2.693.342)	(2.786.536)
Provision for employment termination benefits (Note 24)	1.379.366	1.065.130	275.873	213.026
Provision for doubtful receivables	322.600	78.350	64.520	15.670
Other	201.895	337.705	40.379	67.541
Deferred tax liabilities - net	**(11.562.849)**	**(12.451.496)**	**(2.312.570)**	**(2.490.299)**

Movement for deferred tax liability can be analysed as follows:

	2009	2008
1 January	**(2.490.299)**	**(1.542.974)**
Credited/ (charged) to statements of comprehensive income	177.729	(947.325)
31 December	**(2.312.570)**	**(2.490.299)**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 36 - EARNINGS PER SHARE

In order to ensure the distribution of profit; it is required to allocate reserve over the statutory records, in accordance with the arrangements of Turkish Commercial Code. Net distributable profit calculated through financial statements adjusted in accordance with Communiqué should be distributed if it would be covered by statutory distributable profit; otherwise total amount calculated through statutory financial statements will be subject to distribution of profit.

		1 January - 31 December 2009	1 January - 31 December 2008
Net profit for the period	A	8.816.236	8.825.598
Weighted average number of the shares	B	5.250.000.000	5.250.000.000
Earnings per share	**A/B**	**0,0017**	**0,0017**

There are no differences between basic and diluted earnings per share.

NOTE 37 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Summary of the intercompany balances as of 31 December 2009 and 2008 and significant intercompany transactions were as follows:

	31 December 2009	31 December 2008
a) Due to related parties:		
Alkim Sigorta	403.944	378.141
Alkim Kimya	6.016	14.326
	409.960	**392.467**
Less: Unincurred credit finance expense	(105)	(848)
	409.855	**391.619**

As of 31 December 2009, the effective weighted average interest rate applied to TL and USD denominated due to related parties is 7,01% p.a. and 0,25% p.a., respectively (2008: TL and USD; 16,35% p.a. and 0,60% p.a., respectively). Due to related parties mature within 3 months (2008: 3 months).

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 37 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 31 December 2009	1 January - 31 December 2008
b) Product sales:		
Alkim Kimya	**3.692**	**12.325**
c) Service sales:		
Alkim Sigorta	488.930	384.304
Alkim Kimya	81.220	62.002
	570.150	**446.306**
d) Dividends paid:		
Alkim Kimya	2.995.950	-
Other	831.284	-
	3.827.234	**-**

e) Key management compensations:

Key management is comprised of the general manager, vice general manager and members of Board of Directors. The benefits provided to key management are as follows:

Short term benefits provided to key management	1.100.900	1.070.911
Bonus and profit-sharing	78.950	-
Benefits due to termination	-	-
Benefits after employment	-	-
Other long term benefits	7.123	7.505
	1.186.973	**1.078.416**

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow, fair value interest rate risk), capital risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Risk management is carried out by the senior management and finance department of the Company under policies approved by Board of Directors. The Board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and capital risk and closely monitors financial and operational (mainly due to the changes in cellulose prices) risks.

The financial risk management objectives of the Company are defined as follows:

- safeguarding the Company's core earnings stream from its major assets through the effective control and management of foreign exchange risk and interest rate risk;
- effective and efficient usage of credit facilities in both the short and long term through the adoption of reliable liquidity management planning and procedures;
- effective monitoring and minimizing risks sourced from counterparts.

a) Credit risk:

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are managed by collecting the Company's deposits at financially strong banks, by restricting risk from counterside (excluding related parties) through collecting collateral. The Company manages the credit risk from the direct customers by regularly updating their credit limits. The use of credit limits is regularly monitored and financial position of the customers, past experiences, reputation in the market and other factors are considered by the Management in order to evaluate the quality of the credits. The credit risk exposure in terms of financial instruments as of 31 December 2009 and 2008 were as follows:

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2009:

	Receivables					
	Trade Receivables (1)		Other Receivables			
	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	Total
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**-**	**27.323.182**	**-**	**858.385**	**21.980.077**	**50.161.644**
- The part of maximum credit risk covered with guarantees	-	12.749.043	-	-	-	12.749.043
A. Net book value of financial assets not due or not impaired (3)	-	23.640.680	-	858.385	21.980.077	46.479.142
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired (3,4)	-	3.353.875	-	-	-	3.353.875
C. Net book value of assets past due but not impaired (5)	-	328.627	-	-	-	328.627
- The amount covered by guarantees.	-	328.627	-	-	-	328.627
D. Net book value of financial assets impaired	-	-	-	-	-	-
- Past due (gross book value)	-	322.600	-	-	-	322.600
- Impairment (-)	-	(322.600)	-	-	-	(322.600)
- The amount covered with guarantees	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The amount covered with guarantees	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008:

	Receivables					
	Trade Receivables (1)		Other Receivables			
	Related Parties	Third Parties	Related Parties	Third Parties	Bank Deposits	Total
Maximum amount of credit risk exposed as of reporting date (A+B+C+D+E) (2)	**-**	**37.920.035**	**-**	**535.594**	**3.676.740**	**42.132.369**
- The part of maximum credit risk covered with guarantees	-	12.559.496	-	-	-	12.559.496
A. Net book value of financial assets not due or not impaired (3)	-	30.699.938	-	535.594	3.676.740	34.912.272
B. Net book value of financial assets whose conditions are renegotiated, otherwise will be classified as past due or impaired (3,4)	-	6.988.027	-	-	-	6.988.027
C. Net book value of assets past due but not impaired (5)	-	232.070	-	-	-	232.070
- The amount covered by guarantees.	-	232.070	-	-	-	232.070
D. Net book value of financial assets impaired	-	-	-	-	-	-
- Past due (gross book value)	-	78.350	-	-	-	78.350
- Impairment (-)	-	(78.350)	-	-	-	(78.350)
- The amount covered with guarantees	-	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-
- The amount covered with guarantees	-	-	-	-	-	-
E. Off balance items exposed to credit risk	-	-	-	-	-	-

(1) Trade receivables of the Company are mainly composed of offset, glossy and photocopy paper sales.
(2) Factors increasing credit reliability such as guarantees received are not taken into consideration while determination of aforementioned amounts.
(3) Considering the past experiences, the Company management believes that no additional credit risk for the collection of these receivables.
(4) The Company rescheduled its trade receivables due in June 2009 amounting to TL 3.353.875 as to be collected in first six months of 2010 based on verbal negotiatons with the related customers (2008: The Company rescheduled its trade receivables due in November and December 2008 amounting to TL 6.988.027 as to be collected in first six months of 2009 based on verbal negotiatons with the related customers).

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(5) Considering the past experiences, the Company management does not foresee any collection problem for the overdue receivables which are one month overdue (2008: one month). The aging of financial assets past due but not impaired is as follows:

31 December 2009	Trade Receivables		
	Related Parties	**Third Parties**	**Total**
1-30 days overdue	-	328.627	328.627
The amount covered with guarantees	-	(328.627)	(328.627)
	-	**328.627**	**328.627**

31 December 2008	Trade Receivables		
	Related Parties	**Third Parties**	**Total**
1-30 days overdue	-	232.070	232.070
The amount covered with guarantees	-	(232.070)	(232.070)
	-	**232.070**	**232.070**

c) Liquidity risk:

Prudent liquidity risk management comprises maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of fund providers lines from high quality lenders. In order to maintain liquidity, the Company management closely monitors the collection of trade receivables on time in order to and to prevent any financial burden that may result from late collections and arranges cash and non-cash credit lines with banks for the use of the Company. The Company's financial liabilities and liquidity analysis into relevant maturity groupings based on the remaining period as of 31 December 2009 and 2008 are as follows:

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2009:

Contractual maturity dates	Carrying Value	Total cash outflows per agreement (=I+II+III)	Less than 3 monts (I)	3 - 12 months (II)	1 - 5 years (III)
Non-Derivative Financial Liabilities					
Bank borrowings	9.211.141	9.249.420	2.182.382	4.432.516	2.634.522
Lease obligations	179.686	183.596	76.439	107.157	-
Trade payables to related parties	409.855	410.512	410.512	-	-
Other trade payables	8.226.860	8.241.610	8.125.162	116.448	-
Other current liabilities	1.254.313	1.254.313	1.254.313	-	-
	19.281.855	**19.339.451**	**12.048.808**	**4.656.121**	**2.634.522**

31 December 2008:

Contractual maturity dates	Carrying Value	Total cash outflows per agreement (=I+II+III)	Less than 3 monts (I)	3 - 12 months (II)	1 - 5 years (III)
Non-Derivative Financial Liabilities					
Bank borrowings	12.749.924	12.990.155	873.309	9.032.981	3.083.865
Lease obligations	469.118	504.750	76.062	242.489	186.199
Trade payables to related parties	391.619	392.467	222.277	170.190	-
Other trade payables	3.496.151	3.526.931	3.526.931	-	-
Other current liabilities	1.241.616	1.241.616	1.241.616	-	-
	18.348.428	**18.655.919**	**5.940.195**	**9.445.660**	**3.270.064**

c) Market risk:

i) Foreign exchange risk

The Company is exposed to currency risk on assets or liabilities denominated in foreign currencies. Management has set up a balancing policy to manage their foreign exchange risk. Existing risks are followed in meetings held by the Company's Audit Committee and Board of Directors and foreign currencies are followed closely in terms of the Company's foreign exchange position.

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Schedule for Foreign Currency Position

	31 December 2009				31 December 2008			
	TL Equivalent	USD	EUR	Other	TL Equivalent	USD	EUR	Other
1. Trade Receivables	12.777.567	7.844.379	447.292	-	22.158.397	13.962.143	487.410	-
2a. Monetary Financial Assets (Cash, Bank accounts included)	2.337.277	1.355.595	137.091	-	234.005	48.562	75.002	1
2b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
3. Other	-	-	-	-	-	-	-	-
4. Current Assets (1+2+3)	**15.114.844**	**9.199.974**	**584.383**	**-**	**22.392.402**	**14.010.705**	**562.412**	**1**
5. Trade Receivables	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-
6b. Non-Monetary Financial Assets	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-
8. Non-Current Assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9. Total Assets (4+8)	**15.114.844**	**9.199.974**	**584.383**	**-**	**22.392.402**	**14.010.705**	**562.412**	**1**
10. Trade Payables	6.328.466	3.956.737	171.439	447	1.631.116	819.974	182.674	-
11. Financial Liabilities	6.784.293	4.505.740	-	-	10.027.807	6.630.832	-	-
12a. Monetary Other Liabilities	79.584	13.744	27.260	-	-	-	-	-
12b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
13. Short-Term Liabilities (10+11+12)	**13.192.343**	**8.476.221**	**198.699**	**447**	**11.658.923**	**7.450.806**	**182.674**	**-**
14. Trade Payables	-	-	-	-	-	-	-	-
15. Financial Liabilities	2.595.458	1.723.755	-	-	3.128.296	2.068.569	-	-
16a. Monetary Other Liabilities	-	-	-	-	-	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-	-	-	-	-	-
17. Long-Term Liabilities (14+15+16)	**2.595.458**	**1.723.755**	**-**	**-**	**3.128.296**	**2.068.569**	**-**	**-**
18. Total Liabilities (13+17)	**15.787.801**	**10.199.976**	**198.699**	**447**	**14.787.219**	**9.519.375**	**182.674**	**-**
19. Net Asset/(Liability) Position of Off-Balance Sheet Derivative Instruments (19a-19b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19a. Amount of Hedged Asset	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
19b. Amount of Hedged Liability	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
20. Net Foreign Asset/(Liability) Position (9-18+19)	**(672.957)**	**(1.000.002)**	**385.684**	**(447)**	**7.605.183**	**4.491.330**	**379.738**	
21. Net Foreign Currency Asset/(Liability) Position of Monetary Items (=1+2a+5+6a-10-11-12a-14-15-16a)	**(672.957)**	**(1.000.002)**	**385.684**	**(447)**	**7.605.183**	**4.491.330**	**379.738**	**1**
22. Total Fair Value of Financial Instruments Used for Foreign Currency Hedging	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
23. Export	**8.747.859**	**5.736.949**	**-**	**-**	**8.745.493**	**6.967.717**	**-**	**-**
24. Import	**41.049.151**	**26.521.500**	**-**	**-**	**46.977.122**	**37.366.989**	**-**	**-**

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2009	Schedule for Sensitivity Analysis for Foreign Currency Risk			
	Profit/ Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset/ Liability denominated in USD - net	(150.570)	150.570	-	-
2- The part hedged for USD risk (-)	-	-	-	-
3- USD Effect - net (1+2)	**(150.570)**	**150.570**	**-**	**-**
Change of EUR by 10% against TL:				
4- Asset/ Liability denominated in EUR - net	83.319	(83.319)	-	-
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR Effect - net (4+5)	**83.319**	**(83.319)**	**-**	**-**
Change of Other Currencies by 10% against TL				
7- Assets/ Liabilities denominated in other foreign currencies - net	(45)	45	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**(45)**	**45**		
TOTAL (3+6+9)	**(67.296)**	**67.296**	**-**	**-**

The Company does not hedge foreign currency denominated liabilities by using hedge instruments.

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2008	Schedule for Sensitivity Analysis for Foreign Currency Risk			
	Profit/ Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TL:				
1- Asset/ Liability denominated in USD - net	679.224	(679.224)	-	-
2- The part hedged for USD risk (-)	-	-	-	-
3- USD Effect - net (1+2)	**679.224**	**(679.224)**	**-**	**-**
Change of EUR by 10% against TL:				
4- Asset/ Liability denominated in EUR - net	81.294	(81.294)	-	-
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR Effect - net (4+5)	**81.294**	**(81.294)**	**-**	**-**
Change of Other Currencies by 10% against TL:				
7- Assets/ Liabilities denominated in other foreign currencies - net	-	-	-	-
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign Currency Effect - net (7+8)	**-**	**-**	**-**	**-**
TOTAL (3+6+9)	**760.518**	**760.518**	**-**	**-**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

ii) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest rate risk of the Company is mainly resulted from bank borrowings. The interest rate risk of bank borrowings with floating interest rates is partially ofset by financial assets with floating rates. These exposures are managed by balancing interest rate sensitive assets and liabilities.

Schedule for Interest Rate Position

	31 December 2009	31 December 2008
Financial instruments with fixed interest rate		
Financial assets	18.600.000	3.300.000
Financial liabilities	179.686	469.118
Financial instruments with floating interest rate		
Financial assets	27.323.182	37.920.035
Financial liabilities	17.836.780	16.574.755

According to interest rate sensitivity analysis performed by the Company as of 31 December 2009, if interest rates had been 1% higher while all other variables being constant, income for the period would be TL 180.308 (2008: TL 467.193) lower as a result of additional interest expense that would be incurred on financial instruments with floating rates.

iii) Price risk

The Company's operational profitability and cash inflows from its operations are exposed to risk arising from fluctuations in paper prices which are affected from the competition in the raw material prices. The Company management manages the risk by regularly reviewing the amount of inventory held on hand and take action for cost reduction to decrease the pressure of cost on the prices. The Company has not used derivative instruments or entered into a similar agreement. Existing risks are monitored through regular meetings by the Company's Board of Directors.

(Amounts expressed in Turkish lira (“TL”) unless otherwise indicated).

NOTE 38 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

d) Capital risk management:

The Company’s objectives when managing capital are safeguarding the Company’s ability to continue as a going concern in order to provide returns for shareholders and providing benefits for other stakeholders and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may change the dividend amount to be distributed, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of debt/equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities (including borrowings, trade payables, due to related parties and other payables, as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debt.

	31 December 2009	31 December 2008
Total debt	19.833.442	20.004.875
Less: Cash and cash equivalents (Note 6)	(21.994.558)	(3.680.940)
Net debt	-	16.323.935
Total Equity	102.876.618	97.887.616
Dept/equity ratio	**%0**	**%17**

NOTE 39 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES)

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company can realise in a current market exchange.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

NOTE 39 - FINANCIAL INSTRUMENTS (FAIR VALUE AND FINANCIAL RISK MANAGEMENT DISCLOSURES) (Continued)

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate to their carrying values. Cash and cash equivalents are carried at their fair values. The fair values of trade receivables are considered to approximate their respective carrying values due to their short-term nature.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts and they are considered to approximate to their fair values.

The carrying amounts and the fair values of the borrowings are as follows:

	Carrying Amount		Fair Value	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Bank borrowings	9.211.141	12.749.924	9.183.355	12.770.463

Fair value of the bank borrowings denominated in USD has been calculated regarding the discounted cash flow method using yearly effective weighted average interest rates of 0,64% p.a.
(2008: 1,46% p.a.)

DİPNOT 40 - SUBSEQUENT EVENTS

None.

NOTE 41 - DISCLOSURE OF OTHER MATTERS

None (2008: None).

NOTE 42 - EXPLANATION ADDED FOR CONVENIENCE TRANSLATION INTO ENGLISH

As of 31 December 2009, CMB Financial Reporting Standards described in Note 2 to the financial statements differ from IFRS issued by the IASB with respect to the application of inflation accounting and presentation of the basic financial statements and the notes to them. Accordingly, the financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

II-E. RATIOS OF THE OPERATING PERIOD

The basic ratios indicating the performance and the financial structure of the company are presented in the following tables in TL in comparison with the previous period.

				2009				2008			
1	**LİQUIDITY RATIOS**										
aa.	**Current Ratio**										
	Current Assets	/	Current Liabilities	70.664.673	/	17.237.984	**4,10**	63.387.806	/	16.876.579	**3,76**
bb.	**Acid – Test Ratio (Quick Ratio)**										
	Current Assets -Inventory	/	Current Liabilities	50.176.125	/	17.237.984	**2,91**	42.136.569	/	16.876.579	**2,50**
cc.	**Cash Ratio (Availability Ratio)**										
	Cash & Cash Equivalents	/	Current Liabilities	21.994.558	/	17.237.984	**1,28**	3.680.940	/	16.876.579	**0,22**
2	**FINANCIAL STRUCTURE ANALYSIS RATIOS**										
aa.	**Financial Leverage (Debt Ratio)**										
	Total Liabilities	/	Total Assets	23.525.378	/	126.401.996	**0,19**	23.560.304	/	121.447.920	**0,19**
bb.	**Equity Ratio**										
	Total Owner's Equity	/	Total Assets	102.876.618	/	126.401.996	**0,81**	97.887.616	/	121.447.920	**0,81**
cc.	**Current Liability Ratio**										
	Current Liability	/	Total Assets	17.237.984	/	126.401.996	**0,14**	16.876.579	/	121.447.920	**0,14**
dd.	**Long Term Debt to Total Assets**										
	Long Term Debt	/	Total Assets	6.287.394	/	126.401.996	**0,05**	6.683.725	/	121.447.920	**0,06**
ee.	**Fixed Assets to Equity**										
	Fixed Assets	/	Total Owner's Equity	55.737.323	/	102.876.618	**0,54**	58.060.114	/	97.887.616	**0,59**
ff.	**Fixed Assets to Long Term Sources**										
	Fixed Assets / Equity	/	Equity + Long Term Debt	55.737.323	/	109.164.012	**0,51**	58.060.114	/	104.571.341	**0,56**
3	**ACTIVITY RATIOS**										
aa.	**Iventory Turnover Ratio**										
	Cost of Goods Sold	/	Average Inventory	78.812.813	/	18.289.348	**4,31**	76.451.705	/	18.709.264	**4,09**
bb.	**Receivables Turnover Ratio**										
	Net Sales	/	Average Receivables	93.181.274	/	32.621.609	**2,86**	89.453.027	/	30.030.169	**2,98**
cc.	**Cash Turnover Ratio**										
	Net Sales	/	Average Cash & Cash Equivalents	93.181.274	/	12.837.749	**7,26**	89.453.027	/	5.191.696	**17,23**
dd.	**Net Working Capital Turnover**										
	Net Sales	/	Average Net Working Capital	93.181.274	/	49.968.958	**1,86**	89.453.027	/	40.058.784	**2,23**
ee.	**Current Assets Turnover**										
	Net Sales	/	Average Current Assets	93.181.274	/	67.026.240	**1,39**	89.453.027	/	57.137.081	**1,57**
ff.	**Fixed Assets Turnover**										
	Net Sales	/	Average Fixed Assets	93.181.274	/	56.898.719	**1,64**	89.453.027	/	60.493.811	**1,48**
gg.	**Asset Turnover**										
	Net Sales	/	Average Total Assets	93.181.274	/	123.924.958	**0,75**	89.453.027	/	117.630.892	**0,76**
hh.	**Equity Turnover**										
	Net Sales	/	Average Equity	93.181.274	/	100.382.117	**0,93**	89.453.027	/	93.474.817	**0,96**
4	**PROFITABILITY RATIOS**										
aa.	**Profit to Net Sales**										
	Gross Margin	/	Net Sales	14.368.461	/	93.181.274	**0,15**	13.001.322	/	89.453.027	**0,15**
	Operating Profit	/	Net Sales	8.596.687	/	93.181.274	**0,09**	8.393.488	/	89.453.027	**0,09**
	Income Before Tax	/	Net Sales	10.976.731	/	93.181.274	**0,12**	11.533.702	/	89.453.027	**0,13**
	Net Income	/	Net Sales	8.816.236	/	93.181.274	**0,09**	8.825.598	/	89.453.027	**0,10**
bb.	**Return on Investment (ROI)**										
	Net Income	/	Owner's Equity	8.816.236	/	102.876.618	**0,09**	8.825.598	/	97.887.616	**0,09**
cc.	**Economik Rentability Ratio**										
	Net Income + Interest Expense	/	Total Sources	11.378.072	/	126.401.996	**0,09**	12.340.781	/	121.447.920	**0,10**

II-F ADMINISTRATIVE OPERATIONS

II-F.1. Top managers:

TITLE	NAME AND SURNAME
General Manager	: Halil Sönmez
Ass. General Manager	: M. Tekin Salt

II.F.2. Status of Personnel and Severance Pay

The average number of our personnel per month basis during 2009 is 193.

Average number of our personnel working in the year per category:

	31 Aralık 2009 Kişi		31 Aralık 2008 Kişi	
Total employees at the beginning of the period		**192**		**193**
White collar (not a trade union member)	**51**		**51**	
Blue collar (not a trade union member)	**141**		**141**	
Total employees at the end of the period		**193**		**192**
White collar (not a trade union member)	**52**		**51**	
Blue collar (not a trade union member)	**141**		**141**	

II-F.3. Our company does not execute a Collective Labor Agreement.

II-F.4. As of the end of 2009 provision for employment termination benefits of TL 1,379.366 has been allocated.

II-F.5. Rights and benefits to the personnel

The working personnel is entitled to monthly salaries as well as traveling and food grants and children and family grants.

III- THE BOARD OF DIRECTORS PROPOSAL FOR THE PROFIT DISTRIBUTION

As required for the resolution of Board of Directors dated 12.03.2010 dated and Nr.2010/04 and special situation declaration made on the same day, the proposal for the dividend payment of net 0,12432 TL and gross 0,14626 TL for the share with a par value of 1 TL will be brought in the ordinary general assembly as to be confirmed.

TABLE OF THE PROFIT DISTRIBUTED BY ALKİM KAĞIT SANAYİ VE TİCARET A.Ş. FOR THE YEAR 2009 (in TL)			
1.	**Paid-in / İssued Capital**		**52.500.000,00**
2.	**Total Legal Reserves (as per legal records)**		**710.338,71**
Whether any precedence has been granted for distribution of profits as per articles of association:			**None**
		As Per the Capital Market Board	**As Per Legal Records (LR)**
3.	**Profit for the Period**	**10.976.731,00**	**11.300.792,87**
4.	**Taxation on Income (-)**	**2.160.495,00**	**2.338.224,20**
5.	**Net Profit for the Period (=)**	**8.816.236,00**	**8.962.568,67**
6.	**Accumulated Losses (-)**		
7.	**Legal reserves of first Class (-)**	**448.128,43**	**448.128,43**
8.	**NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)**	**8.368.107,57**	**8.514.440,24**
9.	Donations granted during the year (+)	0,00	
10.	**Net distributable profit for the period with the donations added, on which the first dividends are to be calculated.**	**8.368.107,57**	
11.	First dividends to shareholders - Cash - Free - Total	 1.673.621,51 0,00 1.673.621,51	
12.	Dividends distributed to holders of preference shares	0,00	
13.	Dividends to members of the board of directors, employees, and etc	167.362,15	
14.	Dividend to holders of redeemed shares	0,00	
15.	Second dividends to shareholders	6.005.023,21	
16.	Legal reserves of second Class (-)	522.100,69	
17.	Statuory Reserves	0,00	0,00
18.	Special Reserves	0,00	0,00
19.	**EXTRAORDINARY RESERVES**	**0,00**	**146.332,67**
20.	**Other resources to be distributed** -Profits of the previous years -Previous year Extraordinary Reserves -As required for the Association or legal legislations -Other distributable reserves	**0,00** 0,00 0,00 0,00 0,00	**0,00** 0,00 0,00 0,00 0,00

DETAILS OF PERCENTAGES OF PROFIT SHARES DISTRIBUTED (1)			
DETAILS OF DIVIDENS OF PER SHARE			
	TOTAL AMOUNT OF DIVIDENS (TL)	**ORDINARY SHARE WITH A PAR VALUE OF TL 1**	
		AMOUNT (in TL)	**Percentage (in %)**
GROSS	7.678.644,73	0,14626	14,626
NET	6.526.848,02	0,12432	12,432
RATIO OF PROFIT SHARES DISTRIBUTED TO THE DISTRIBUTABLE PROFIT FOR THE PERIOD WITH DONATIONS ADDED			
AMOUNT OF PROFIT SHARES DISTRIBUTED TO SHAREHOLDERS (in TL)	**RATIO OF PROFIT SHARES DISTRIBUTED TO THE DISTRIBUTABLE PROFIT FOR THE PERIOD WITH DONATIONS ADDED (%)**		
7.678.644,73	91,761		

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alkim Kağıt Sanayi ve Ticaret A.Ş.

1. We have audited the accompanying financial statements of Alkim Kağıt Sanayi ve Ticaret A.Ş. (the "Company") which comprise the balance sheet as of 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alkim Kağıt Sanayi ve Ticaret A.Ş. as of 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with financial reporting standards (see Note 2) published by the Turkish Capital Market Board.

Additional paragraph for convenience translation into English

5 The financial reporting standards adopted by the Turkish Capital Market Board as described in Note 2 to the accompanying financial statements differ from International Financial Reporting Standards (''IFRS'') issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying financial statements are not intended to present the financial position, financial performance and cash flows of the Company in accordance with IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

ORIGINAL COPY ISSUED AND SIGNED IN TURKISH

Baki Erdal, SMMM
Partner

İstanbul, 11 March 2010

ALKİM KAĞIT SANAYİ VE TİCARET A.Ş.
INDEPENDENT AUDITORS REPORT

Audited Company's

Corporate Name	:	Alkim Kağıt Sanayi ve Ticaret A.Ş.
Headquarter	:	Kırovası Mevkii 35170 Kemalpaşa / İZMİR
Capital	:	TL. 52.500.000
Nature of Activities	:	First quality print on coated paper.
Name of the Auditor and Term of Office, weather a partner or a staff	:	M.Yüksel KADIOĞLU (for 1 year) is not a partner or a staff.
Number of Board of Directors' meetings contributed	:	Contributed to the Board of Directors' meeting five times.
Scope of the audit on Partners Accounts, Books and Documents, Date of the Audit and the Conclusion	:	In accordance with Tax Legislations and Turkish Commercial Code, revision is made for the end of the 3, 6, 9 and 12. months and there are no matters to criticise.
In accordance with Turkish Commercial Code Article No.353 1st Paragraph 3rd clause, number of cash counts made and the results	:	Company's cash counted 3 times and the amounts matches to the company records.
Audit dates and results in accordance with Turkish Commercial Code Article No.353 1st Paragraph 4th clause	:	In audits made by the last day of each month, current letter of guarantees and securities' congruencies to the records tested.
Complainants and corruptions perceived and procedures	:	No complainants perceived.

We have audited the accounts and transactions of ALKİM KAĞIT SANAYI VE TİCARET A.Ş. for the period January 01, 2009-December 31, 2009 in accordance with Turkish Commercial Code, main agreement of the partnership, Generally Accepted Principles of Accounting and other legislations.

Balance Sheet referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2009 and the Income Statement for the period January 01, 2009 –December 31,2009 present the results of its operations.

Earnings before tax for the peroid January 01, 2009 – December 31, 2009 is 11.300.793,00 TL as can be seen in the enclosed Balance Sheet and Income Statements.

We request the confirmation of the Balance Sheet and Income Statements and acquittal of Board of Directors to be voted in the General Board of Directors.

Auditor
M.Yüksel KADIOĞLU

KADIOĞLU YEMİNLİ MALİ MÜŞAVİRLİK VE ULUSLAR ARASI DENETİM LTD.ŞTİ.
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CORPORATE MANAGEMENT ADAPTATION REPORT

1. DECLARATION TO APPLY THE CORPORATE MANAGEMENT PRINCIPLES

Our Company applies the corporate management principles announced by the Capital Market Board, in the period ending on 31 December 2009.

PART I – SHAREHOLDERS

2. Shareholder relations unit

Information about our Company's shareholder's service departmant is as follows;

Mustafa Nafiz Güresti (m.guresti@alkimkagit.com.tr)
Murat Balpınar (m.balpinar@alkimkagit.com.tr)

Address : Kemalpaşa Organize Sanayi Bölgesi Kırovası Mevkii Kemalpaşa / İZMİR
Tel : 0232 877 06 06
Fax : 0232 877 06 05

3. Information Acquiring Rights of the Shareholders

Our company has not received any application within 2009 in written by the shareholders with the purpose to use the right of the vote. As for using this right, it has been limited to use and exchange of the information and news available in our portal. Our articles of association does not include any provision stating that assigning a private auditor is an individual right .

4. Info about General Assembly

Announcements in relation to the Ordinary General Assembly Meeting and Privileged Shareholders Ordinary General Assembly Meeting held on 01.04.2009 and have been published on Posta and Radikal newspapers dated 16.03.2009. Extraordinary General Assembly Meeting and Privileged Shareholders Extraordinary General Assembly Meeting in 2009 was not held. All the relevant documents of the agenda, annual report, financial tables, profit distribution suggestion, agenda of the General Assembly Meeting, are presented to all the shareholders who wish to have. The questions of the shareholders are answered one by one, applying the equality principle. The result of the meeting is presented to Istanbul Stock Exchange and published at the web site. Shareholders have a right to vote on behalf of others. Every decision regarding the amendment of articles of association is reached at the general Assembly meeting. No time limit to register has been brought in the share book for those the shareholders held the shares registered to name so that they would attend the meeting. Articles of association does not include an article in relation to important decisions to be taken at the General Assembly, such as diversification, huge amount asset selling, purchasing, renting.

5. Voting Rights and Minority Rights

In the meetings of General Assembly the shareholders of group A, B, C, D and E have 100 voting rights for each share, the shareholders of group F have 1 voting right for each share. Alkim Alkali Kimya A.Ş. has voted at the meeting. Minority rights have not been represented at the management. Cumulative voting method has not been applied.

6. 6. Profit Distribution Policy and Profit Distribution Term

There is no privilege on the profit distribution. Our profit distribution policy is as stated in our articles of association, general expenses, compulsory accruals are deducted from the revenues of the year-end, and net profit stated at the balance sheet is distributed as follows, after offsetting from the previous year loss if any.

First Allotment Legal Reserve

a) 5% legal reserve is allocated.

First Dividend

b) From the residual, first dividend is allocated at the rate and amount stated by Capital Market Board. From the residual, with the condition of not affecting the first dividend, an amount up to 3% of net profit is distributed to Board Members after the decision of General Assembly. That amount can not be more than 10% of the paid-in capital.

Second Dividend

c) General assembly is authorized to distribute the residual amount from articles a and b, totally or partially as second dividend or allocate as extraordinary reserve.

Second Allotment Legal Reserve

d) One tenth of the amount found after the deduction of 5% profit share of the paid-in capital from the decided profit distribution is allocated as second allotment legal reserve in accordance with the part 3, item 2 of article 466 of Turkish Commercial Code.

e) No decision may be taken to allocate other reserves, carry forward the profit, distribute profit to Board Members, employees, workers, privileged shareholders, institutions and foundations found for different aims, unless legal reserves and first dividend is allocated.

Profit distribution has been made within April 2009. Company is keen on distributing the profit until the end of the 5th month that follows the each operating year.

7. Transfer of Shares

Our articles of association includes the following articles in relation of the transfer and sale of shares

a.) Transfer and sale of registered to name shares:

Shareholder who want to sell all or any of the registered shares have to offer the shares firstly to other registered share owners. While using the option, shareholder will notify the company about the share he will sell, the amount offered to himself, the identification and address of the buyer nominee by a notary public announcement. The Company will at once deliver this sale demand to the partners by registered letter. If this letter is not received by the partners by any reason, the sale option is announced at a daily newspaper published around where the Company is located.
A partner who does not announce his wish to use purchasing option within 15 days of the delivery of the registered letter and within 7 days of the publishment and who does not block the necessary money to the Company within the same time limits will be presumed that he does not want to buy the shares. In any case, if the purchasing option is not used within 30 days after the notary public announcement, the partner has the right to sell the shares to nominee buyer freely. The sale of the shares either to existing partners or to nominee is realized by registration to share book.

b) Transfer of the registered shares to relatives and legal transfers

Partners may sell or transfer all or any of his shares to his wife, children, sisters and brothers by only registering to the share book. Legal rules apply in the case of inheritance.
Sale of bearer owned shares are subject to Turkish Commercial Code and Capital Market Law.
Rules of article 416 of Turkish Commercial Code are preserved.

PART II INFORMING THE PUBLIC AND TRANSPARENCY

8. Company informing Policy

Company informing policy, composed by the Capital Market Boards with communiqué No:VIII, article No:54 has been announced to public from our web site at the investor relations section. Also, shareholders department has been formed to inform the public and answer the questions to the Company. Responsible people of execution of informing policy are Nihat Erkan, Executive General Manager, Member of the Board of Directors and shareholders service department.

9. Donations and contributions

No donation and contribution have been made in 2009 as to be in accordance with the principles set in the article No.7 of the communique IV No.27 regulating the guadlines to be followed by the companies whose shares have been publicly traded on ISE.

10. Special Condition Explanations

Company has made 7 special condition explanations within this period. Capital Market Board and Stock Exchange have not demanded additional explanations. All these explanations have been made on time. Our shares are not marketed in the foreign markets. No sanction has been applied to our Company by CMB because of not making the special condition explanations on time.

11. Company web site and its content

The address of our web site is www.alkimkagit.com.tr. Corporate Management Principles have a special page at the site.

12. Explanation for ultimate owners as real person

Shareowners within the ultimate ownership frame are as follows after the exclusion of Alkim Alkali Kimya A.Ş. (31.12.2009)

Name Surname	Share on Capital (TL)	Share on Capital (%)
Offered to public	23.162.999,92	44,12
Arkın Kora	8.404.267,50	16,01
Cihat Kora	6.247.546,88	11,90
M.Reha Kora	4.513.781,25	8,60
A.Haluk Kora	4.117.950,00	7,84
Ferit Kora	1.946.580,31	3,71
Özay Kora	1.786.781,25	3,40
Tülay Önel	1.784.531,25	3,40
E.Şükran Tutaş	341.739,91	0,65
Gülen Kora	160.361,56	0,31
Mithat Kora	29.798,44	0,06
Z.Ayşegül Kora	2.812,50	0,01
Nihat Erkan	849,23	0,00
TOTAL	**52.500.000,00**	**100,00**

13. Informing the public about the possible insiding traders

Our Company has taken necessary precautions to obey the legal adjusments for insiding traders.A list of persons which "enables information from inside" is maintained and updated in accordance with principles set in the article of the communiqué VIII, No:54 of the Capital Maket Board.

PART III BENEFIT OWNERS

14. Informing the benefit owners

Our company informs the benefit owners in accordance with the article 8 of Company informing policy and uses web site, stock exchange and public informing platform for that aim. The benefit owners have not directly or indirectly applied to our Company in order to be informed.

15. Participation of benefit owners to management

Our Company has not applied a rule about the participation of benefit owners to management apart from the ones stated in the shareholders agreement.

16. Human Resources Policy

Our human resources policy sees our employees as the most valuable resource of our Company. Selection, recruitment and education in order to obtain the continous performance at the top level is an important part of this policy. Relations with the personnel are kept with Administration and Personnel Managers apart from their first seniors. In case they need they can also communicate with the General Manager. No complaint has been received from the employees about discrimination. Personnel manager is Burhanettin İpek.

17. Info about the relations with the customers and suppliers

Our Company has adopted a policy of customer satisfaction at marketing and sale of goods and services. The customer relations department with adequate personnel and equipment has reached a performance to give the pre-answers to customer complaints within 24 hours. The complaints are delivered to the factory with the notebooks and digital cameras of all personnel and the matter is analyzed by the experts. The most detailed answer is given to the customer by taking all the records of the product in question. In addition to these sale personnel are educated often.

18. Social Responsibility

Our Company creates valuable contributions to the district iti is present in on the education and employment issues. Our Company support school building and activities of the students with that aim. As another social activity, the organizations working for public benefit are suported and contributed by being sponsor. Great importance is given to environmental factors and no critique has been received after the controls made.

PART IV – BOARD OF DIRECTORS

19. The structure and organization of Board of Directors and independent members

The executive member of our Board of Director is Nihat Erkan. Members of board of directors are as follows:

Chairman of the Board of Directors	M.REHA KORA
Vice Chairman of the Board of Directors	H.ARKIN KORA
Vice Chairman of the Board of Directors	FERİT KORA
Vice Chairman of the Board of Directors	A.HALUK KORA
Member of the Board of Directors	ÖZAY KORA
Member of the Board of Directors	E.HALE KOSİF
Member of the Board of Directors	TÜLAY ÖNEL
Member of the Board of Directors	NİHAT ERKAN
Member of the Board of Directors	M.FARUK YÜKSEL

No restriction is applied to the members to obtain duties outside the Company.

20. The characteristics of the members of Board of Directors

The minimum characteristics required at the election of members are in accordance with the CMB Corporate Management Principles. This is not stated at the terms of association.

21. Vision, mission and strategic goals of the Company

Our Board of Directors has stated mission and vision of our Company and announced to public by different means.

Mission and vision of our Company

1- To reach the world's best quality in its sector,
2- To reach the best quality with the most economic conditions,
3- To keep and increase the export potential achieved in Europe and other foreign countries,
4- To keep the productivity at the top level,
5- To execute the team and group working at the top level,
6- To keep the motivation of our employees at the top level and to improve their life standards.

Strategic goals are stated by the managers, approved and quarterly audited by the Board of Directors.

22. Risk management and internal control mechanism

Necessary principles have been stated by the board of directors and relevant professionals have been determined. Follow-up of this issue will be made by two members of the Board of Directors and general manager.

23. The authority and responsibilities of the members of Board of Directors

The authority and responsibilities of the members of Board of Directors and managers are stated by the Board of Directors decision in accordance with the article 8 of articles of association. According to this:

Chairman of the Board of Directors	M.REHA KORA	(setting of general strategies)
Vice Chairman of the Board of Dir.	ARKIN KORA	(Member of Audit committee)
Vice Chairman of the Board of Dir.	FERİT KORA	(Commercial and financial issues)
Vice Chairman of the Board of Dir.	A.HALUK KORA	(Abroad relations, New projects)
Member of the Board of Directors	ÖZAY KORA	(Member of Audit committee)
Member of the Board of Directors	E.HALE KOSİF	(Corporate Communication)
Member of the Board of Directors	TÜLAY ÖNEL	
Member of the Board of Directors	NİHAT ERKAN	(Financial and Administrative Issues.)
Member of the Board of Directors	M.FARUK YÜKSEL	(Acounting and legislation of tax, CMB, CRA and ISE)

24. Operating basis of Board of Directors

14 meetings were held in 2009. Actual presence majorities have been achieved. Decisions are given by plurality. No right for veto has been privileged.

25. Operating and rivalry prohibition with the company

Board of Directors have been authorized by the General Assembly to operate pursuant to articles 334 and 335 of Turkish Commercial Code.

26. Ethic Rules

Our Company adopts the principles rooted to a 50 years business life of our group. Except the understanding of everything may be done in order to achieve success, accepts the way to success as a route where all human values and generally accepted ethic rules are taken into account and acts accordingly.

27. Number, structure and independence of the committees formed at the Board of Directors

Committee responsible from the audit of our Company has been formed within the legal time limits and acts in accordance with the CMB legislation. Members of this committee are Özay Kora and Arkın Kora.

28. Financial Rights granted to Board of Directors

Members of our Board of Directors are paid a monthly fixed amount, while they have been paid TL 750 per month within 2009. They have not been granted debt, loan and warranties.