

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INTERIM FINANCIAL STATEMENTS FOR THE PERIOD
1 JANUARY- 30 SEPTEMBER 2008
TOGETHER WITH AUDITOR'S REVIEW REPORT
(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH**

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Board of Directors of Türk Prysmian Kablo ve Sistemleri A.Ş.

Introduction

1. We have reviewed the accompanying balance sheet of Türk Prysmian Kablo ve Sistemleri A.Ş. ("the Company") as of 30 September 2008 and the related interim statement of income, changes in shareholders' equity, cash flows for the nine-month period then ended and a summary of significant accounting policies and other explanatory notes. The Company management is responsible for the preparation and fair presentation of these interim financial statements in accordance with financial reporting standards issued by Capital Market Board ("CMB"). Our responsibility is to express the results of the review of these interim financial statements.

Scope of review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in Section 34 of the Communiqué No: X-22 on the auditing standards issued by the Capital Markets Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of Türk Prysmian Kablo ve Sistemleri A.Ş. as at 30 September 2008, and its financial performance and its cash flows for the nine-month period then ended in accordance with financial reporting standards issued by the Capital Market Board (Note 2).

Without qualifying our conclusion we draw your attention to the following matter :

4. As explained in Note 40 and 41, the Company received 'Tax investigation report' and 'Tax penalty declarations' related with 2002 on 31 December 2007. In the mentioned tax investigation report, it was stated that there were irregularities related with purchases from one supplier in 2002. It was also stated in the report that although the Company had no wrong intention by the usage of the documents which cause the irregularities, Tax Office calculated a VAT loss and penalty amounting to total YTL10.183.104. The Company opened a lawsuit related with this tax investigation report in Bursa Tax Court. Also, the Company received a further 'Tax investigation report' on 27 October 2008 related with the year 2003. In the mentioned tax investigation report, it was stated that there were again irregularities related with the VAT of the purchases from the same supplier performed in 2003. It was also stated in the report that although the Company had no wrong intention by the usage of the documents which cause the irregularities, Tax Office calculated a VAT loss and penalty amounting to total YTL16.584.851. Company management is waiting for the 'Tax penalty declarations' related with the mentioned tax investigation report.

There is an uncertainty related with the outcomes of the above tax penalties at the report date and no provision has been accounted for in the financial statements as of 30 September 2008.

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

ORIGINAL TURKISH VERSION WAS SIGNED OFF

Coşkun Şen, SMMM
Partner

İstanbul, 14 November 2008

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2008**

(Amounts expressed in New Turkish Lira (“YTL”) unless otherwise indicated.)

CONTENTS	PAGE
BALANCE SHEETS.....	1-2
STATEMENTS OF INCOME	3
STATEMENTS OF CASH FLOW.....	4
STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY	5
NOTES TO THE FINANCIAL STATEMENTS.....	6-50
NOTE 1 ORGANISATION AND PRINCIPAL ACTIVITIES	6
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	7-14
NOTE 3 BUSINESS COMBINATION	14
NOTE 4 BUSINESS PARTNERSHIP	15
NOTE 5 SEGMENT REPORTING	15
NOTE 6 CASH AND CASH EQUIVALENTS	15
NOTE 7 FINANCIAL INVESTMENT	15
NOTE 8 FINANCIAL LIABILITIES.....	16
NOTE 9 OTHER FINANCIAL LIABILITIES	16
NOTE 10 TRADE RECEIVABLES AND PAYABLES	16-18
NOTE 11 OTHER RECEIVABLES AND PAYABLES	18
NOTE 12 RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES.....	18
NOTE 13 INVENTORIES.....	19
NOTE 14 BIOLOGICAL ASSETS.....	19
NOTE 15 ASSETS RELATED TO CONSTRUCTION CONTRACTS	19-21
NOTE 16 INVESTMENTS VALUED AT EQUITY METHOD.....	22
NOTE 17 INVESTMENT PROPERTIES	22
NOTE 18 PROPERTY, PLANT AND EQUIPMENT.....	22-23
NOTE 19 INTANGIBLE ASSETS	23-24
NOTE 20 GOODWILL.....	24
NOTE 21 GOVERNMENT GRANTS.....	24-25
NOTE 22 PROVISIONS, COMMITMENTS AND CONTINGENT LIABILITIES.....	26
NOTE 23 COMMITMENTS	26
NOTE 24 BENEFITS TO PERSONNEL.....	27
NOTE 25 RETIREMENT PLANS.....	28
NOTE 26 OTHER ASSETS AND LIABILITIES.....	28
NOTE 27 SHAREHOLDERS’ EQUITY	29-32
NOTE 28 SALES AND COST OF SALES	32-33
NOTE 29 RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATIVE EXPENSES.....	33
NOTE 30 EXPENSES BY TYPE.....	33-34
NOTE 31 OTHER INCOME AND EXPENSES	34
NOTE 32 FINANCIAL INCOME	35
NOTE 33 FINANCIAL EXPENSES	35
NOTE 34 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS.....	35
NOTE 35 TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES).....	35-38
NOTE 36 EARNINGS PER SHARE	39
NOTE 37 RELATED PARTIES DISCLOSURES.....	39-44
NOTE 38 CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS	45-47
NOTE 39 FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND HEDGING DISCLOSURES	47
NOTE 40 SUBSEQUENT EVENTS	48
NOTE 41 DISCLOSURE OF OTHER MATTERS, WITH MATERIAL AFFECT ON FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS.....	48-50

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

BALANCE SHEETS

AT 30 SEPTEMBER 2008 AND 31 DECEMBER 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes	<i>Reviewed</i> 30 September 2008	<i>Audited</i> 31 December 2007
ASSETS			
Current Assets		233.600.042	204.405.167
Cash and cash equivalents	6	3.554.992	15.580.851
Financial Investments		-	-
Trade receivables	10, 37	143.479.094	107.041.947
Receivables on construction contracts	15	3.161.124	-
Receivables from finance activities	12	-	-
Other current receivables	11	6.229.275	1.503.234
Inventories	13	68.086.501	65.226.673
Other current assets	26	9.089.056	15.052.462
<i>Subtotal</i>		<i>233.600.042</i>	<i>204.405.167</i>
Assets held for sale	34	-	-
Non-current assets		61.017.695	61.136.709
Trade receivables	10, 37	-	-
Receivables form finance activities	12	-	-
Other non-current receivables	11	-	-
Financial investments	7	2.920.351	2.920.351
Investments valued at equity method	16	-	-
Investment properties	17	-	-
Property, plant and equipment	18	56.549.591	56.289.064
Intangible assets	19	88.683	81.574
Goodwill	20	-	-
Deferred tax assets	35	801.384	706.588
Other non-current assets	26	657.686	1.139.132
TOTAL ASSETS		294.617.737	265.541.876

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

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

BALANCE SHEETS

AT 30 SEPTEMBER 2008 AND 31 DECEMBER 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Notes	<i>Reviewed</i> 30 September 2008	<i>Audited</i> 31 December 2007
LIABILITIES			
Current liabilities		149.396.684	124.842.830
Financial Liabilities	8	20.541.729	-
Other financial liabilities	9	-	-
Trade payables	10, 37	102.326.474	92.350.676
Construction contracts acquisition value	15	-	77.300
Other current payables	11	6.132.300	4.695.312
Payables due to finance activities	12	-	-
Government grants	21	-	-
Tax liabilities	35	2.990.411	6.058.621
Provisions	22	15.188.735	15.705.587
Other current liabilities	26	2.217.035	5.955.334
<i>Subtotal</i>		<i>149.396.684</i>	<i>124.842.830</i>
Liabilities related to assets held for sale	34	-	-
Non-current liabilities		11.002.336	10.790.243
Financial liabilities	8	-	-
Other financial liabilities	9	-	-
Trade payables	10, 37	-	-
Other non-current payables	11	-	-
Payables due to finance activities	12	-	-
Government grants	21	-	-
Provisions	22	3.431.716	3.084.396
Benefits to personnel	24	7.570.620	7.705.847
Deferred tax liabilities	35	-	-
Other non-current liabilities	26	-	-
SHAREHOLDERS' EQUITY		134.218.717	129.908.803
Shareholders' Equity of Parent Company			
Paid-in capital	27	39.312.000	39.312.000
Paid-in capital inflation adjustment differences	27	8.462.823	8.462.823
Share premium	27	-	-
Revaluation fund	27	-	-
Foreign currency translation differences	27	-	-
Restricted reserves	27	1.616.684	480.901
Retained earnings	27	72.654.896	64.569.574
Net income/(loss) for the period	27	12.172.314	17.083.505
Minority interests		-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		294.617.737	265.541.876

These financial statements as at and for the period ended 30 September 2008 were approved by Board of Directors on 14 November 2008.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

STATEMENTS OF INCOME FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2008 AND 2007

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

		<i>Reviewed</i>		<i>Not Reviewed</i>	
	Notes	1 January- 30 Sep 2008	1 July- 30 Sep 2008	1 January- 30 Sep 2007	1 July- 30 Sep 2007
<u>CONTINUING OPERATIONS</u>					
Sales Income	28	476.714.451	154.143.538	471.412.794	167.852.573
Cost of Sales (-)	28	(410.991.146)	(134.238.905)	(411.031.453)	(144.407.080)
Gross operating profit/ (loss)		65.723.305	19.904.633	60.381.341	23.445.493
GROSS PROFIT/ (LOSS)		65.723.305	19.904.633	60.381.341	23.445.493
Marketing, Sales and Distribution Expenses (-)	29, 30	(26.654.408)	(6.961.791)	(23.915.671)	(8.993.407)
General Administrative Expenses (-)	29, 30	(16.807.749)	(5.349.973)	(14.724.199)	(5.279.236)
Research and Development Expenses (-)	29, 30	(1.464.226)	(948.483)	(716.414)	(229.495)
Other Operating Income	31	1.947.810	728.671	3.431.024	1.193.352
Other Operating Expenses (-)	31	(2.007.071)	(274.174)	(14.645.886)	(359.958)
OPERATING PROFIT/ (LOSS)		20.737.661	7.098.883	9.810.195	9.776.749
Profit/(Loss) From Investments Valued at Equity Method	-	-	-	-	-
Financial Income	32	12.375.632	1.729.013	14.216.447	5.864.235
Financial Expenses (-)	33	(18.045.364)	(3.861.666)	(15.935.694)	(6.091.278)
INCOME/ (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES		15.067.929	4.966.230	8.090.948	9.549.706
Taxes on (income)/loss		(2.895.615)	(893.534)	(5.640.636)	(4.187.158)
Taxes on income/(loss) for the period	35	(2.990.411)	(144.190)	(5.930.464)	(3.082.216)
Deferred tax income/(loss)	35	94.796	(749.344)	289.828	(1.104.942)
NET INCOME/ (LOSS) FROM CONTINUING OPERATIONS		12.172.314	4.072.696	2.450.312	5.362.548
NET INCOME/ (LOSS) FOR THE PERIOD		12.172.314	4.072.696	2.450.312	5.362.548
Earnings Per Share	36	0,31	0,10	0,06	0,13
Diluted Earnings per Share		-	-	-	-
Earnings per Share from Operations		0,31	0,10	0,06	0,13
Diluted Earnings per Share from Operations		-	-	-	-

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

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**STATEMENTS OF CASH FLOW
FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2008 AND 2007**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	<i>Reviewed</i> 1 January- 30 September 2008	<i>Not Reviewed</i> 1 January- 30 September 2007
A. CASH FLOWS FROM OPERATING ACTIVITIES	(16.474.347)	(11.925.707)
Net profit before taxation (+)	15.067.929	8.090.947
Adjustments:		
Depreciation (+)	5.523.095	3.660.214
Employment termination benefits	965.183	1.084.152
Interest income (-)	(219.061)	(560.946)
Interest expense (+)	2.665.121	169.688
Change in provision for doubtful receivables	711.319	(1.353.149)
Change in deferred financial income	431.226	469.017
Change in deferred financial expense	(26.537)	426.166
Changes in assets and liabilities:		
Change in trade receivables	(37.579.692)	(6.225.893)
Change in other receivables	(4.726.041)	193.208
Change in inventories	(2.859.828)	1.440.018
Change in other current assets	8.207.110	-
Change in other long term receivables	481.446	956.909
Change in trade payables	6.763.911	(10.746.511)
Change in short term provisions	(516.852)	-
Change in other short-term liabilities	(2.684.818)	1.447.027
Change in other long-term liabilities	347.320	(731.203)
Taxes paid	(8.302.325)	(9.494.247)
Employment termination benefits paid	(722.853)	(751.104)
Net cash (used in)/generated from operating activities	(16.474.347)	(11.925.707)
B. CASH FLOW FROM INVESTMENT ACTIVITIES	(5.790.731)	(2.939.520)
Fixed asset additions (-)	(5.795.653)	(3.009.588)
Proceeds from sale of property, plant and equipment (+)	4.922	70.068
Net cash used in investment activities	(5.790.731)	(2.939.520)
C. CASH FLOW FROM FINANCIAL ACTIVITIES	10.239.219	8.428.693
Interest paid (-)	(2.665.121)	(169.688)
Interest received (+)	219.061	560.946
Change in borrowings	20.541.729	10.380.515
Increase in investment and property sales gains to be transferred to share capital	-	15.640
Dividends paid	(7.856.450)	(2.358.720)
Net cash generated from financial/(used in) activities	10.239.219	8.428.693
Net (decrease)/increase in cash and cash equivalents	(12.025.859)	(6.436.534)
Cash and cash equivalents at the beginning of the period	15.580.851	14.168.861
Cash and cash equivalents at the end of the period	3.554.992	7.732.327

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH -
SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2008 AND 2007**

(Amounts expressed in New Turkish Lira ("YTL") unless otherwise indicated.)

	Share Capital	Inflation Adjustment to Share Capital	Company's Own Shares	Share Premium	Revaluation Fund	Foreign Currency Translation Differences	Legal Reserves	Statutory Reserves	Other Reserves and Retained Earnings	Net Income/ (Loss) for the Period	Accumulated Profit/ (Loss)	Total
1 January 2007	39.312.000	8.462.823	-	-	-	-	15.863	-	10.813	5.281.456	62.085.423	115.168.378
Net income for the period	-	-	-	-	-	-	-	-	-	2.450.312	-	2.450.312
Dividends paid	-	-	-	-	-	-	-	-	-	(2.908.050)	-	(2.908.050)
Transfers	-	-	-	-	-	-	438.585	110.745	-	(2.373.406)	2.373.406	549.330
Investment and property sales gains to be transferred to share capital	-	-	-	-	-	-	-	-	15.640	-	-	15.640
30 September 2007	39.312.000	8.462.823	-	-	-	-	454.448	110.745	26.453	2.450.312	64.458.829	115.275.610
1 January 2008	39.312.000	8.462.823	-	-	-	-	454.448	110.745	26.453	17.083.505	64.458.829	129.908.803
Net income for the period	-	-	-	-	-	-	-	-	-	12.172.314	-	12.172.314
Dividends paid	-	-	-	-	-	-	-	-	-	(7.862.400)	-	(7.862.400)
Transfers	-	-	-	-	-	-	1.135.783	8.085.322	-	(9.221.105)	-	-
Investment and property sales gains to be transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-
30 September 2008	39.312.000	8.462.823	-	-	-	-	1.590.231	8.196.067	26.453	12.172.314	64.458.829	134.218.717

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira (“YTL”) unless otherwise stated)

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

The primary operations of Türk Prysmian Kablo ve Sistemleri A.Ş. (“the Company”), established and operating in Turkey are the production, import, export and trading of cables, conductors, machinery, apparatus, their spare parts and accessories. The Company was established in 1964. The main shareholder of the Company is Prysmian Cable Holding B.V. (83.75%). The Company is registered with the Capital Markets Board (“CMB”) and 15.55% of its shares have been quoted on the Istanbul Stock Exchange (“ISE”).

The Company’s previous name “Türk Pirelli Kablo ve Sistemleri A.Ş.” was changed to “Türk Prysmian Kablo ve Sistemleri A.Ş.” with respect to the General Assembly decision dated on 26 September 2005. The new name had been registered to T.C. Bursa Trade Register Office on 27 September 2005.

Company is operating in one sector, cable production and sale, and in one geographical region. Product range of the Company includes all energy cables up to 220 kV, copper conductive communication cables up to 3600 duplex and fiber optic cables. The factory of the Company is situated in Bursa Mudanya, and it contains thermic, mechanic, chemical, and electrical scientific research and test laboratories which have Turkish Standards Institute (TSI) adequacy, and a high level of technology.

The address of the registered office is Bursa Yolu No:1 16941 Mudanya Bursa. The Company has a 3.81% investment in Entek Elektrik Üretim A.Ş. (Note 7). The average number of employees of the Company as of the period is stated as follows:

30 September 2008

Personel Type	Union	Union Name	None-Union
Blue Collar	322	Birleşik Metal İş Sendikası	36
White Collar	-	-	83
TOTAL	322		119

31 December 2007

Personnel Type	Union	Union Name	None-Union
Blue Collar	331	Birleşik Metal İş Sendikası	13
White Collar	-	-	83
TOTAL	331		96

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation:

CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-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 the Communiqué No: XI-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 are in line with the aforementioned standards shall be considered.

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 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 commencing 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 interim 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 interim financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the announcement dated 14 April 2008, including the compulsory disclosures. Accordingly, necessary reclassifications have been made in the comparative financial statements.

The Company does not have any consolidated financial assets.

2.2 Changes in Accounting Policies:

There is not any accounting policy changed or planned to be changed in the period. All accounting policies applied are consistent with the prior periods' policies.

2.3 Changes in accounting estimates and errors:

Material changes in accounting policies or material errors are corrected, retrospectively; restating the prior period financial statements. Effects of changes in accounting estimates are recognized prospectively; i.e. the effects of such changes on current and future periods are recognized in the current and future periods.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

2.4 Summary of significant accounting policies:

2.4.1 Revenue recognition:

Net revenues represent the invoiced value of goods shipped. Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, the amount of the 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 consideration received or receivable. Construction type contracts revenue are presented in the financial statements based on the percentage of completion method (Note 2.4.17). When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset (Note 32-33).

2.4.2 Inventories:

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories are materials, labor and an appropriate amount for factory overheads. The cost of inventories is determined on a process costing basis, the first in first out (FIFO) method. Inventories comprise of all raw material, direct labor, and other direct and indirect production costs. Financial expenses are not capitalized and are expensed as incurred. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 13).

The Company performs monthly stock counts. Cost of inventories include total purchase costs and other costs incurred in bringing the inventories to their present location and condition.

2.4.3 Tangible Assets:

Property, plant and equipment are carried at cost less accumulated depreciation (Note 18). Depreciation is provided on restated amounts of property, plant and equipment using the straight-line method based on the estimated useful lives of the assets, except for land. The depreciation periods for property and equipment, which approximate the economic useful lives of assets concerned, are as follows;

	<u>Economic Life</u>	<u>Method</u>
Buildings	20-50 years	Straight-line Method
Machinery and equipment	5-15 years	Straight-line Method
Vehicles	5 years	Straight-line Method
Furniture and fixture	2-5 years	Straight-line Method
Special costs	5-10 years	Straight-line Method
Rights	8-20 years	Straight-line Method

Lands are not depreciated due to its infinite economic life.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposals of property, plant and equipment are included in the related income or expense accounts, as appropriate.

Expenses for repair and maintenance of property, plant and equipment are normally charged against income. They are, however, capitalized in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

2.4.4 Intangible assets:

Intangible assets comprise acquired computer software and development costs. They are recorded at their acquisition cost and amortized using the straight-line method over their estimated useful lives for a period not exceeding five years from the date of acquisition. Where an indication of impairment exists, the carrying amount of any intangible asset is assessed and written down immediately to its recoverable amount (Note 19).

2.4.5 Impairment of assets:

Tangible and intangible non-current assets are examined for any impairment resulting from an event or change, which leads the carrying amount to exceed its recoverable amount. An impairment loss is charged to income for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use.

2.4.6 Trade Receivables:

Trade receivables that are originated by the Company by providing goods or services directly to a debtor are carried at amortized cost using the effective yield method. Short-term trade 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 operating income.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

2.4.7 Financial liabilities:

Financial liabilities are recognised initially at proceeds received, net of transaction costs incurred. Financial liabilities are subsequently stated at amortized cost using the effective yield method. Any difference between the proceeds and redemption value is recognised in the statements of income over the period of the borrowings.

2.4.8 Financial instruments:

a) Financial instruments and financial risk management

Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. Material trade receivable balances comprise of receivables from dealers and intercompanies. The Company has established an effective control system, which is monitored by the management. Guarantees taken from dealers is another tool used in credit risk management.

Funding risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate, committed funding lines from high quality lenders.

Interest-rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

Foreign currency risk

The Company is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency. These risks are monitored and limited by the analysis of the foreign currency position.

b) Fair value of the financial instruments

Fair value is the amount at which a financial instrument can 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.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

The estimated fair values of financial instruments have been determined by the Company using the following assumptions:

Monetary asset

The fair values of balances denominated in foreign currencies, which are translated at year-end bid rates declared by Central Bank of Turkey are considered to approximate its carrying value.

Financial assets including cash and amounts due from banks are considered to approximate their respective carrying values since they are translated at bid rates declared by the Central Bank of Turkey.

The carrying value of trade receivables along with the related allowances for uncollectibility is estimated to be their fair values.

Monetary liabilities

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long term borrowings and trade payables, which are denominated in foreign currencies, are translated at period-end ask rates declared by the Central Bank of Turkey and accordingly their carrying amounts approximate their fair values.

Since long-term borrowings which are denominated in foreign currencies, are translated at period-end rates, their fair values are considered to approximate their respective carrying values.

2.4.9 Business Combinations:

None (2007: None).

2.4.10 Foreign currency transactions:

Foreign currency transactions during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets denominated in foreign currencies have been translated into Turkish Lira at the ask rates prevailing at the balance sheet dates. Payables denominated in foreign currencies have been translated into Turkish Lira at the bid rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the statements of income.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

2.4.11 Earnings per share:

Earnings per share disclosed in the statements of income are determined by dividing net income by the weighted average number of shares in existence during the year concerned. 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 share issued without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and for each earlier year.

2.4.12 Subsequent events:

Subsequent events requiring additional disclosure have been explained in Note 40 and there are no subsequent events resulting in an adjustment to financial statements.

2.4.13 Provisions, contingent assets and liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation or a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Warranty expenses are recorded as a result of repair and maintenance expenses based on statistical information for possible future warranty services.

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 not included in financial tables and treated as contingent assets or liabilities (Note 22).

2.4.14 Leasing

None (2007: None).

2.4.15 Related parties:

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

2.4.16 Segment reporting:

None (2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

2.4.17 Construction type contracts:

Construction type contracts are presented in the financial statements based on the percentage of completion method.

2.4.18 Discontinued operations:

None (2007: None).

2.4.19 Government grants and incentives:

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the entity will comply with the conditions attached to them and that the grants will be received. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan. Even if the state incentives are obtained either by offsetting an obligation or in cash, they are recognised in the same method in financial statements.

2.4.20 Investment property:

None (2007: None).

2.4.21 Taxes on income:

Corporation tax is payable at a rate of 20% for the year 2008 (2007: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

2.4.22 Deferred income taxes:

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Deferred tax assets and deferred tax liabilities, related to income taxes levied by the same taxation authority, are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities (Note 35).

2.4.23 Employment termination benefits:

Provision for employment termination benefit represents the present value of the estimated total reserve of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labor Law (Note 24)..

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

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

2.4.24 Cash and cash equivalents:

Cash and cash equivalents are valued with their nominal values. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid assets, whose maturity at the time of purchase is less than six months (Note 6).

2.4.25 Capital and Dividends:

Ordinary shares are classified as equity. Dividends receivable are recognised as income in the period when the right to receive payment is established and dividends payable are recognised as an appropriation of profit in the period in which they are declared (Note 27).

2.4.26 Financial assets:

All the financial investments are initially valued over their costs which are the fair value of the acquisition including acquisition costs related to the investment. With respect to the financial assets where the Company has an interest below 20% or subsidiaries which are not included in the consolidation, when the financial investments do not have any quoted fair value; other methods to identify the fair value are not applicable; or a reasonable estimate cannot be performed, the face value of the financial asset is calculated by deducting, if any, the impairment provision from the cost. Gains and losses resulting from the changes in the fair values of held for sale financial assets are indicated in the end of period results (Note 7).

2.4.27 Statement of cash flow:

The cash and cash equivalents represented in cash flow statement comprise of cash in hand and, bank deposits, with a maturity of less than three months, and reverse repo agreements with banks.

2.5 Significant accounting estimates and assumptions:

Preparation of financial statements requires use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of balance sheet date, contingent assets and liabilities disclosed and amount of revenue and expenses reported. Although, these estimates and assumptions rely on the Group management's best knowledge about the current events and transactions, actual outcome may vary from those estimates and assumptions.

NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of the balance sheet dates. (2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 4 - BUSINESS PARTNERSHIP

There are no business partnerships as of the balance sheet dates. (2007: None).

NOTE 5 - SEGMENT REPORTING

The Company operates in one business (cable production and sale) and one geographical segment. Therefore, segment reporting is not required (2007: None).

NOTE 6 - CASH AND CASH EQUIVALENTS

	30 September 2008	31 December 2007
Cash – YTL	4.354	2.738
Cash – Foreign Currency	5.127	6.390
Bank – Demand Deposit	41.360	20.631
Bank – YTL – Time Deposit	373.000	5.620.509
Bank – Export Foreign Currency	-	-
Bank – Foreign Currency	53.934	20.204
Bank – USD – Time Deposit	-	3.033.113
Bank – EUR – Time Deposit	-	2.945.719
Cheques Received	3.077.217	3.931.547
TOTAL	3.554.992	15.580.851

Maturities and interest rates for the time deposits are as follows:

	<u>30 September 2008</u>		<u>31 December 2007</u>	
	Maturity	Interest rate (%)	Maturity	Interest rate (%)
YTL Time Deposits	-	-	7 Days	18,15
YTL Time Deposits	-	-	13 Days	18,25
YTL Time Deposits	O/N	16,50	O/N	16,00
Time Deposits USD	-	-	O/N	4,60
Time Deposits USD	-	-	O/N	4,50
Time Deposits EUR	-	-	O/N	3,75

NOTE 7 - FINANCIAL INVESTMENTS

	30 September 2008		31 December 2007	
	Rate %	Amount	Rate %	Amount
Name: Entek Elektrik Üretimi A.Ş.	3,81	2.920.351	3,81	2.920.351

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 8 - FINANCIAL LIABILITIES

Maturity of loans is overnight as of 30 September 2008 and interest rates are as follows:

	30 September 2008		31 December 2007	
	Annual effective interest rate (%)	Amount	Annual effective interest rate (%)	Amount
YTL Loans	17,65	20.541.729	-	-

	Carrying Value		Fair Value	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
Bank Loans	20.541.729	-	20.544.562	-

NOTE 9 - OTHER FINANCIAL LIABILITIES

None (2007: None).

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables:

	30 September 2008	31 December 2007
Trade Receivables (Domestic)	50.494.877	37.027.279
Trade Receivables (Foreign)	48.149.890	29.212.547
Trade Receivables (Foreign Related Parties) (Note 37)	17.460.806	2.565.104
Notes Receivables	28.855.001	39.287.270
Doubtful Receivables	11.061.377	10.350.058
Provision for Doubtful Receivables	(11.061.377)	(10.350.058)
Unearned Financial Income	(1.481.480)	(1.050.253)
TOTAL	143.479.094	107.041.947

Foreign exchange differences accrued for foreign currency doubtful receivables are included in the provision and reflected to the foreign exchange income/loss.

Movement of the provision for doubtful receivables during the periods is as follows:

	2008	2007
1 January	10.350.058	12.129.992
Additions and collections	178.468	216.047
Changes due to the foreign exchange rate differences	532.851	(1.569.196)
30 September	11.061.377	10.776.843

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (CONTINUED)

Aging analysis of Notes Receivables:

	30 September 2008	31 December 2007
0-30 Days Maturity	16.533.708	26.905.669
31-60 Days Maturity	9.811.695	8.734.772
61-90 Days Maturity	2.059.943	3.060.314
91 Days and Over	449.655	586.515
TOTAL	28.855.001	39.287.270

Guarantees received regarding trade receivables:

The company minimizes all risks regarding trade receivables by effective controls and by guarantees received. A trade relationship is formed between the Company and its customer after guarantees are obtained from the customers. All guarantee terms are kept under control both before order date and shipment date. As of 30 September 2008 the Company has YTL31.246.225 (31 December 2007: YTL30.977.835) of guarantees for its trade receivables.

Aging analysis of trade receivables:

As of 30 September 2008, maturities of trade receivables, for which no bad debt provision has been accounted, are as follows;

	30 September 2008	31 December 2007
Overdue receivables (*)	18.989.541	4.355.807
0-30 Days Maturity	53.561.328	26.291.732
31-60 Days Maturity	34.967.966	21.748.057
61-90 Days Maturity	4.904.442	603.634
91-120 Days Maturity	2.790.655	-
121 Days and Over	891.641	15.805.700
TOPLAM	116.105.573	68.804.930

(*) Overdue days	30 September 2008	31 December 2007
0-1 Month	18.132.575	4.088.499
1-3 Month	784.423	104.914
3 Months and Over	72.543	162.394
TOTAL	18.989.541	4.355.807

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 10 - TRADE RECEIVABLES AND PAYABLES (CONTINUED)

b) Short-Term Trade Payables:

	30 September 2008	31 December 2007
Trade Payables (Domestic)	62.259.128	42.345.455
Trade Payables (Foreign)	36.633.368	40.370.963
Trade Payables (Foreign Related Parties) (Note 37)	3.922.431	10.096.173
Deferred Financial Expenses	(488.453)	(461.915)
TOTAL	102.326.474	92.350.676

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

a) Other Receivables:

	30 September 2008	31 December 2007
VAT Receivable from Direct Export Sales	3.001.987	1.229
VAT Receivable from Export Sales	1.642.296	1.117.747
Receivables from Employees	162.220	116.795
Other Doubtful Receivables	32.695	32.695
Provisions for Other Doubtful Receivables	(32.695)	(32.695)
Deposits and Warranties Given	30.370	17.663
Other Miscellaneous Receivables	1.392.402	249.800
TOTAL	6.229.275	1.503.234

b) Other Payables:

	30 September 2008	31 December 2007
Due to Shareholders	9.132	3.182
Order Advances Received (Domestic)	4.663.131	4.663.591
Order Advances Received (Construction Contracts) (Note 15)	103.692	-
Order Advances Received (Foreign)	1.356.345	28.539
TOTAL	6.132.300	4.695.312

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES

None (2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 13 - INVENTORIES

	30 September 2008	31 December 2007
Raw materials and supplies	16.139.861	12.557.726
Semi-finished goods	19.006.122	18.738.929
Finished goods	31.155.848	32.664.810
Trade goods	2.601.517	1.942.788
Other inventories	167.826	286.401
Provision for diminution in value of inventories	(984.673)	(963.981)
TOTAL	68.086.501	65.226.673

As of 1 January - 30 September 2008, YTL360.132.793 (1 January-30 September 2007: YTL364.895.659) of cost of goods sold is related raw materials usage (Note: 28).

Movement for the provision of obsolete inventory:	2008	2007
1 January	963.981	1.675.165
Additions and deductions during the period	20.692	(740.255)
30 September	984.673	934.910

NOTE 14 - BIOLOGICAL ASSETS

None (2007: None).

NOTE 15 - ASSETS RELATED TO CONSTRUCTION CONTRACTS

The Company applies percentage of completion method for construction type contracts for revenue and cost recognition. There are seven different contracts that the Company has signed in this respect.

a) Karadeniz Coastal Way and 2,500 km Fiber Project:

Bidding Company : Türk Telekomünikasyon A.Ş. (TÜRK TELEKOM)
Contract Date / Amount : 10 September 2007 / USD10.651.778
Project Term : January 2009
Progress Payments : There are 11 progress payments as of 30 September 2008.

The Company has completed 72% of the project as of 30 September 2008. Revenue recognised in the current period is YTL4.048.211 and YTL3.923.603 was reflected to the cost of goods sold.

There are no detained progress payments related with the current period and advances received. Net receivable amount related with the project is YTL1.511.060 as of 30 September 2008.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 15 - ASSETS RELATED TO CONSTRUCTION CONTRACTS (CONTINUED)

b) Dudullu TM- Paşaköy TM 154 Kv Underground Cable Connection Project:

Bidding Company : Türkiye Elektrik İletim A.Ş. (TEİAŞ)
Contract Date/Amount : 12 February 2008 / YTL19.498.865
Project Term : April 2009
Progress Payments : There are 3 progress payments as of 30 September 2008..

The Company has completed 66% of the project as of 30 September 2008. Revenue recognised in the current period is YTL12.966.657 and YTL9.388.507 was reflected to the cost of goods sold.

Detained progress payments related with the current period amount to YTL2.268.310. Amount of advances received regarding the contract is YTL103.692. Net receivable amount related with the project is YTL658.691 as of 30 September 2008.

c) Edirnekapı – Topkapı Railway Route 154 kV Energy Cable Displacement Project:

Bidding Company : İstanbul Elektrik Tramvay ve Tünel İşletmeleri Genel Müdürlüğü (İETT)
Contract Date/Amount : 18 April 2008 / EUR1.831.360 + KDV
Project Term : April 2009
Progress Payments : There are no progress payments as of 30 September 2008.

The Company has completed 27% of the project as of 30 September 2008. Revenue recognised in the current period is YTL991.373 and YTL731.444 was reflected to the cost of goods sold.

There are no detained progress payments and advances received related with the current period. Net receivable amount related with the project is YTL991.373 as of 30 September 2008.

d) Atışalanı - Bağcılar 154kV Turnkey Underground Cable Connection Project:

Bidding Company : Türkiye Elektrik İletim Genel Müdürlüğü (TEİAŞ)
Contract Date/Amount : 27 December 2006 / USD8.504.736 + YTL9.429.082
Temporary Acceptance Date : 29 January 2008

The project has been completed 100% in 2008 and temporary acceptance reports have been approved. Operational acceptance date is 24 months after the temporary acceptance and Company's responsibilities related with the project continue to exist in this time interval. The amount that was added to sales revenue in the current period is YTL372.055 and the amount that was added to cost accounts is YTL277.326.

Total amount of detained progress payments, related with the current period is YTL947.211 and there are no advances received within the current period.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 15 – ASSETS RELATED TO CONSTRUCTION CONTRACTS (CONTINUED)

e) İsdemir 154 Kv GIS and 154 kV Power Station/ GPP Cable Connection and Montage Project:

Bidding Company : İskenderun Demir ve Çelik A.Ş.
Contract date/Amount : 15 March 2007 / EUR5.829.850
Temporary Acceptance Date : 22 January 2008

The project has been completed 100% in 2008 and temporary acceptance reports have been approved. Operational acceptance date is 24 months after the temporary acceptance and Company's responsibilities related with the project continue to exist in this time interval. The amount that was added to sales revenue in the current period is YTL1.373.801 and the amount that was added to cost accounts is YTL1.054.828.

Company collected all of its receivable related with this construction type contract as of 30 September 2008 and there are no advances received within the current period.

f) Davutpaşa-İkitelli 380kV Turnkey Underground Cable Connection Project:

Bidding Company : Türkiye Elektrik İletim Genel Müdürlüğü (TEİAŞ)
Contract date/Amount : 09 November 2005 / EUR13.183.172 + YTL17.196.838
Temporary Acceptance Date : 22 August 2007

The project has been completed 100% in 2007 and temporary acceptance reports have been approved. Operational acceptance date is 12 months after the temporary acceptance and Company's responsibilities related with the project continue to exist in this time interval.

The Company collected all of its receivable related with this construction type contract as of 30 September 2008 and there are no advances received within the current period.

g) Hisar-Hasköy 89/154 kV Turnkey Underground Cable Connection Project:

Bidding Company : Türkiye Elektrik İletim Genel Müdürlüğü (TEİAŞ)
Contract Date/Amount : 17 June 2004 / YTL12.207.437 +
(Additional Order Amount: YTL1.577.381)
Temporary Acceptance Date : 3 May 2007

The project has been completed 100% in 2007 and temporary acceptance reports have been approved. Operational acceptance date is 24 months after the temporary acceptance and Company's responsibilities related with the project continue to exist in this time interval.

Total amount of detained progress payments related with the current period is YTL727.361. The Company collected all of its receivable related with this construction type contract as of 30 September 2008.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 16 - INVESTMENTS VALUED AT EQUITY METHOD

None (2007: None).

NOTE 17 - INVESTMENT PROPERTIES

None (2007: None).

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

2008	31 December 2007	Additions	Disposals	30 September 2008
Cost				
Land	3.780.040	-	-	3.780.040
Buildings	43.615.327	400.000	-	44.015.327
Machinery and equipment	208.274.706	5.051.324	(5.395.369)	207.930.661
Motor vehicles, furniture and fixtures	22.799.294	316.678	(9.986)	23.105.986
Special costs	77.543	-	-	77.543
Total	278.546.910	5.768.002	(5.405.355)	278.909.557
Accumulated Depreciation				
Buildings	(21.019.800)	(570.537)	-	(21.590.337)
Machinery and equipment	(180.534.877)	(4.441.522)	5.395.369	(179.581.030)
Motor vehicles, furniture and fixtures	(20.625.654)	(490.494)	5.064	(21.111.084)
Special costs	(77.515)	-	-	(77.515)
Total	(222.257.846)	(5.502.553)	5.400.433	(222.359.966)
Net Book Value	56.289.064	265.449	(4.922)	56.549.591

As of 30 September 2008, the Company has YTL5.523.095 depreciation expense; YTL5.502.553 for tangible assets and YTL20.542 for intangible assets. YTL4.815.616 of the current period depreciation expense is allocated to cost of goods sold and YTL707.479 of the depreciation expense is allocated to operating expenses.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2007	31 December 2007	Additions	Disposals	30 September 2008
Cost				
Land	3.780.040	-	-	3.780.040
Buildings	43.685.613	-	(54.758)	43.630.855
Machinery and equipment	204.016.929	1.860.110	-	205.877.039
Motor vehicles, furniture and fixtures	22.372.114	291.615	(105.041)	22.558.688
Special costs	77.543	-	-	77.543
Total	273.932.239	2.151.725	(159.799)	275.924.165
Accumulated Depreciation				
Buildings	(20.271.701)	(568.170)	5.053	(20.834.818)
Machinery and equipment	(185.092.748)	(2.688.799)	-	(187.781.547)
Motor vehicles, furniture and fixtures	(20.598.435)	(391.376)	84.678	(20.905.133)
Special costs	(77.527)	-	-	(77.527)
Total	(226.040.411)	(3.648.345)	89.731	(229.599.025)
Net Book Value	47.891.828	(1.496.620)	(70.068)	46.325.140

As of 30 September 2007, the Company has YTL3.660.214 depreciation expense; YTL3.648.345 for tangible assets and YTL11.869 for intangible assets. YTL3.153.457 of the current period depreciation expense is allocated to cost of goods sold and YTL506.759 of the depreciation expense is allocated to operating expenses.

The Company performed an impairment test as of 31 December 2004. As a result of the impairment test, impairment on fixed assets except land and buildings amounting to YTL16.897.330 was accounted for.

As a result of the impairment test performed by the Company as of 31 December 2007, it is understood that the impairment amount on fixed assets on the prior years' financial statements does not exist anymore and there is no additional impairment to be accounted for. Consequently, prior years' impairment charges which sum up to YTL8.803.069 have been reversed as of 31 December 2007.

NOTE 19 - INTANGIBLE ASSETS

2008	31.12.2007	Additions	Disposals	30.09.2008
Cost	903.895	27.651	-	931.546
Accumulated amortization	(822.321)	(20.542)	-	(842.863)
Net Book Value	81.574	7.109	-	88.683

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 19 - INTANGIBLE ASSETS (CONTINUED)

2007	31.12.2006	Additions	Disposals	30.09.2007
Cost	903.684	-	-	903.684
Accumulated amortization	(841.991)	(11.869)	-	(853.860)
Net Book Value	61.693	(11.869)	-	49.824

The Company does not have any acquisition resulting in goodwill as of 30 September 2008 (2007: None).

NOTE 20 -GOODWILL

None (2007: None).

NOTE 21 - GOVERNMENT GRANTS

a) Investment incentive:

Investment allowances utilized within the scope of investment incentive certificates granted prior to 24 April 2003 are eligible for investment incentive allowance of 40%. There are no stoppages calculated related to these investment allowances. If the income of the Company is not enough, investment incentive can be transferred to the following years. "Investment incentive document" is a must in order to make use of the investment incentive. A 19.8% stoppage is paid for the investment incentives received in accordance with the law before 24 April 2003.

In respect with investment incentive law which was valid until 24 April 2003, the Company has used its investment incentives. Starting from 1 January 2006, in respect with the change in Income Tax Law Article 19, investment incentive regulation was abolished and the Company did not use any investment incentive in 2007 and 2008.

In the scope of the investment certificate, the Company has an exemption from custom taxes for imports from the countries except European Union Members and VAT exemption related to foreign and domestic investment goods purchases. Company has the Investment Incentive Certificate details of which are below as of 30 September 2008.

INFORMATION ABOUT THE INVESTMENTS WITH INVESTMENT INCENTIVE CERTIFICATE	
Subject of the investment:	TELECOM AND ENERGY CABLES (AIR-GUARD, AFUMEX AND MV/HV)
Type of investment:	EXPANSION - MODERNISATION
Incentive no:	5161
Date of incentive:	25 April 2008
Date of start/end:	15 April 2008 / 15 April 2010
Total amount :	YTL4.434.788

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 21 - GOVERNMENT GRANTS (CONTINUED)

The Company's investment completion visa ,which falls into the scope of the encouragement certificate dated 4644 and expired on April 11, 2008, was prepared with the Turkish Treasury's letter dated July 16, 2008.

b) Research and development tax incentive:

In accordance with the Income Tax Law 89/9 and Corporate Tax Law 14/6, which has been changed through a law no 5228, starting from 31 July 2004, 40% of the research and development (R&D) expenditures on technology and knowledge research made by the Company itself are exempt from corporate tax. Stoppage is not applied on R&D expenditure allowance.

In order for an expense to be considered as a subject to R&D tax exemption, it has to be an expense realized in the structure of the enterprise for the exclusive use of new technology and information research. In other words, the expense has to be made within the scope of an R&D activity. An R&D exemption is not calculated over payments from the depreciation amounts calculated for the economical assets subject to depreciation, and expenses not directly linked with R&D activities.

There is tax allowance amounting to YTL375.812 (2007:YTL237.026) subject to research and development expenses as of 30 September 2008.

c) Research and development TÜBİTAK support:

The Company makes periodical applications to Turkish Scientific and Technical Research Association (TÜBİTAK) for the R&D project named as "CABLES MAKING LIFE EASIER" in order to obtain R&D grant in the scope of Communiqué related to Research and Development Grants, No 98/10 dated 4 November 1998 of the Monetary and Credit Coordination Board, obtained based on the authority granted by Article 4 of decision related to State Aids for Exports, no 94/6401 dated 27 December 1994, of the Council of Ministers.

Evaluation of expenditures that is spent for research and development in 2007/1, 2007/2 and 2008/1 is still in progress, there is no grant accounted for in the financial statements as a result of such expenditures as of 30 September 2008.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 22 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short Term Provisions:

	30 September 2008	31 December 2007
Expense accruals related with construction type contracts	3.914.611	7.583.616
Provision for service and goods that invoices are not received	6.013.127	3.452.293
Expense accruals of order commissions	1.048.666	855.554
Expense accruals for warranty costs	784.321	1.195.812
Expense accruals of foreign service contracts	1.162.106	1.292.598
Expense accruals of forward contracts	583.296	1.152.286
Expense accruals of dealer sales premiums	1.682.608	173.428
TOTAL	15.188.735	15.705.587

b) Long Term Provisions:

	30 September 2008	31 December 2007
Provisions for court cases	2.465.970	1.849.613
Provisions for Warranty Expenses	532.225	430.262
Provision for Disabled Workers	433.521	433.521
Anadolu Bakır Share Transfer Court Provision (*)	-	371.000
TOTAL	3.431.716	3.084.396

(*) 20% shares of Anadolu Bakır Metal San. ve Tic. A.Ş. owned by the Company which are considered as long term financial assets of the company were transferred to the litigant and deducted from long term financial assets. Transfer cost of USD200.000 whose equivalent is YTL371.000 has been collected from the litigant and has been included in the financial statements. YTL371.000 provision which was accounted in 2007 because the case was at appeal, has been cancelled in 2008.

NOTE 23 - COMMITMENTS

	30 September 2008	31 December 2007
Bank Guarantee Letters Given	55.295.112	40.612.043
TOTAL	55.295.112	40.612.043

Guarantee letters given sum up to total of YTL55.295.112. Bank guarantee letters given include performance letters that were given the customs, authorities of different competitive biddings and customs due to sale contracts. Export commitments amount to USD2.415.480 as of 30 September 2008 (2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 24 - BENEFITS TO PERSONNEL

	30 September 2008	31 December 2007
Provision for employment termination benefits	5.985.344	5.743.014
Accruals related with personnel expenses	1.585.276	1.962.833
TOTAL	7.570.620	7.705.847

Employment Termination Benefits:

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and who achieves the retirement age (58 for women and 60 for men) and whose employment is terminated without due cause, is called up for military service, dies. Since legislation was changed on 23 May 2002 there are certain transitional provisions relating to lengthed of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of YTL2.173,18 for each year of service as of 1 July 2008 (31 December 2007: YTL2.030,19).

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 following actuarial assumptions were used in the calculation of the total liability:

	30 September 2008	31 December 2007
Discount rate (%)	5,71	5,71
Turnover rate to estimate the probability of retirement (%)	97,21	97,16

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. Since the ceiling for employee termination benefits is calculated twice a year, provision for employee termination benefits is calculated by using amounts applied at 1 July 2008 which is YTL2.173,18 (1 July 2007: YTL2.030,19). Movements of the provision for employment termination benefits during the period are as follows::

	2008	2007
1 January	5.743.014	5.198.000
Paid during the period	(722.853)	(751.104)
Increase during the period	965.183	1.084.152
30 September	5.985.344	5.531.048

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 25 - RETIREMENT PLANS

The Company does not have any retirement plans, except the employment termination benefits as disclosed in Note 24 (2007: None).

NOTE 26 - OTHER ASSETS AND LIABILITIES

a) Other Current Assets:

	30 September 2008	31 December 2007
Prepaid Taxes	3.167.151	6.873.862
Order Advances Given Related with Inventories	4.186.046	6.956.053
Job Advances	1.475.237	1.107.992
Prepaid Expenses	243.882	110.426
Personnel Advances	15.433	3.110
Other Current Assets	1.307	1.019
TOTAL:	9.089.056	15.052.462

b) Other Non-Current Assets:

	30 September 2008	31 December 2007
Advances Given for Purchase of Fixed Assets	550.868	958.494
Prepaid Expenses	106.818	180.638
TOTAL:	657.686	1.139.132

c) Other Liabilities:

	30 September 2008	31 December 2007
Taxes, Dues and Other Payables	1.856.494	4.490.144
Payables to the Personnel	315.602	288.151
Other Miscellaneous Payables	-	1.144.115
Other Liabilities	44.939	32.924
TOTAL	2.217.035	5.955.334

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 27 - SHAREHOLDERS' EQUITY

a) Paid-in Capital:

Shareholders who hold 5% or more of the shares of the Company as of 30 September 2008 and 31 December 2007 are as follows;

30 September 2008

Description	Percentage(%)	Amount (YTL)
Prysmian (Dutch) Holdings B.V.	83,75	32.922.392
Other	16,25	6.389.608
	100,00	39.312.000
Inflation Adjustment Differences		8.462.823
TOTAL		47.774.823

31 December 2007

Adı Soyadı/Ticaret Ünvanı	Percentage (%)	Amount (YTL)
Prysmian (Dutch) Holdings B.V.	83,75	32.922.392
Other	16,25	6.389.608
	100,00	39.312.000
Inflation Adjustment Differences		8.462.823
TOTAL		47.774.823

Prysmian S.p.A. possesses 100% of Prysmian Cavi e Energia S.r.l.'s shares. Prysmian Cavi e Energia S.r.l possesses 100% of shares of Prysmian (Dutch) Holdings B.V. who possesses 83.75% shares of Turk Prysmian Kablo Sistemleri A.Ş. All shares of Prysmian S.p.A. belong to Prysmian (Lux) II S.a.r.l.

Adjustment to share capital represents the restatement effect of cash contributions to share capital as of 31 December 2004 purchasing power. There are 39,312,000,000 (31 December 2007: 39,312,000,000) shares with nominal value of TL 1,000 each (31 December 2007: TL 1,000).

b) Restricted Reserves:

Retained earnings as per the statutory financial statements, other than legal reserve requirements, are available for distribution subject to the legal reserve requirement referred to below.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 27 - SHAREHOLDERS' EQUITY (CONTINUED)

In accordance with Capital Market Board Financial Reporting Standards, above-mentioned amounts should be classified under "Restricted Reserves". "Restricted Reserves" amount to YTL1.616.684 as of 30 September 2008 (31 December 2007: YTL480.901).

In accordance with the CMB requirements, effective up to 1 January 2008, the accumulated deficit amount arising from the first application of inflation accounting used to be deducted, when computing the distributable profit in line with CMB's profit distribution regulations. However, it was possible to offset such accumulated deficit initially against net income and retained earnings, and the remaining amount of deficit against extraordinary reserves, legal reserves and shareholders' equity restatement differences.

Furthermore, in accordance with the CMB implementations, effective up to 1 January 2008, items in statutory shareholders' equity such as "share capital, share premium, legal reserves, other reserves, special reserves and extraordinary reserves", used to be presented at their historical amounts and the total difference between the amounts adjusted for the effect of inflation and historical amounts of these items was presented under shareholders' equity inflation adjustment differences.

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

- the difference is arising from the "Paid-in Capital" and not been transferred to capital yet, it shall be classified under the "Inflation Adjustment To Share Capital";
- the difference is due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilized in dividend distribution or capital increase yet, it shall be classified under "Retained Earnings/(Accumulated Losses)".

The other capital components are shown with their evaluated sums in accordance with CMB Financial Reporting Standards.

Share capital adjustment differences can only be added to share capital.

In accordance with the decision of Capital Markets Board on 8 January 2008 no 4/138 the minimum profit distribution ratio shall be applied as 20% (31 December 2007: 20%) in relation to publicly-listed joint stock partnerships as of 1 January 2008. Accordingly, it has been made possible that shares, issued in cash or through the addition of dividend to the capital upon the decision of the Company's general assembly, can be distributed to the partners free of charge or that the distribution can be partly made in cash and partly through the free distribution of shares. It has been further enabled that initial dividend amount be left to the partnership without distribution, if such amount is lower than the 5% of the existing paid-up/issued capital amount. Nevertheless, with regard to the joint stock partnerships, which have increased its capital without performing a dividend distribution as to the previous period and which separates its shares as "new" and "old", it has been made obligatory for those partnerships, which will distribute dividend out of its 2007 profits, to distribute the initial dividend amount in cash.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 27 - SHAREHOLDERS' EQUITY (CONTINUED)

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.

Following is the decision of the Company the General Assembly held on 28 March 2008 to distribute a total cash dividend:

"The Company had YTL23.215.653 profit before tax for the year ended 31 December 2007. After taxes on income (YTL6.132.148) are deducted; YTL17.083.505 remained as net income. According to the generally accepted accounting principles published by CMB, from net income of YTL17.083.505, YTL546.103 first legal reserves is set aside and from the remaining amount of YTL16.537.505, dividends will be distributed starting from 21 April 2008. From the distributable profit, the Company will pay dividends (YTL7.862.400) amounting to 20% of YTL39.312.000 paid-in capital. For YTL1 nominal valued shares, the shareholders who are subject to withholding tax (Withholding tax rate: 15%) are paid YTL0,17 (net). According to Turkish Commercial Code Law No: 466, since the distributable dividend amount of the Company is more than 5% of the paid-in capital, the Company will set aside YTL589.680 as second legal reserves and the remaining balance of YTL8.085.322 as extraordinary reserves. "

As a result of the decision taken at the General Assembly, the Company started to pay dividends to shareholders which represent the YTL39.312.000 paid-in capital at 21 April 2008. For YTL1 nominal valued shares, the shareholders who are subject to withholding tax are paid YTL0,17 (net), the shareholders who are not subject to withholding tax are paid YTL0,20 (net).

According to the aforementioned principles above and in line with Comminiqué No: 29 shareholders' equity accounts of the Company as of 30 September 2008 and 31 December 2007 are as follows;

	30 September 2008	31 December 2007
Paid-in Capital	39.312.000	39.312.000
Paid-in Capital Inflation Adjustment Differences	8.462.823	8.462.823
Retained Earnings	72.654.896	64.569.574
<i>Shareholders' Equity Restatement Differences (*)</i>	<i>64.458.829</i>	<i>64.458.829</i>
<i>Extraordinary Reserves</i>	<i>8.196.067</i>	<i>110.745</i>
Restricted Reserves	1.616.684	480.901
<i>Legal Reserves</i>	<i>1.574.368</i>	<i>438.585</i>
<i>Legal Reserves Inflation Adjustment Differences</i>	<i>15.863</i>	<i>15.863</i>
<i>Investment and Property Sales Gains to be Transferred to the Share Capital (**)</i>	<i>26.453</i>	<i>26.453</i>
Net Income/Loss for the Period	12.172.314	17.083.505
TOTAL SHAREHOLDERS' EQUITY	134.218.717	129.908.803

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 27 - SHAREHOLDERS' EQUITY (CONTINUED)

- (*) The Company has offset "the Previous Year Losses" against other equity accounts in its inflation adjusted financial statements in accordance with the decision taken in the General Assembly on 25 October 2004. After the offset of the historic values of the other equity accounts, remaining inflation adjustment balances amounting to YTL64.458.829 have been represented as shareholders' equity restatement differences.
- (**) In accordance with the new Corporate Tax Law no 5520, exemptions on gain from sales of estates were rearranged and the obligation of the addition of those exemptions to the capital was abolished, which is different than the old Corporate Tax Law no 5422. Accordingly, 75% of the gain from the sales should be followed in a special fund account for 5 years from the beginning of the year in which the sales was realized. While during this period or at the end of it, the addition of this fund to capital is possible, the amount hold in the fund can also be used freely at the end of the fifth year.

NOTE 28 - SALES AND COST OF SALES

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Domestic Sales	375.110.243	376.682.867	116.971.999	159.177.688
Export Sales	174.069.141	160.152.307	58.135.565	38.152.341
Other Sales	11.964.469	9.618.096	3.179.994	3.401.357
Other Operating Income	1.099.643	197.436	956.437	46.376
Sales Discounts	(85.529.045)	(75.237.912)	(25.100.457)	(32.925.189)
Cost of Sales	(410.991.146)	(411.031.453)	(134.238.905)	(144.407.080)
TOTAL	65.723.305	60.381.341	19.904.633	23.445.493

Cost of sales as of 30 September 2008 and 30 September 2007 are as follows;

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Direct Material Costs	358.713.268	364.895.658	119.552.054	122.960.618
General Production Costs	11.014.559	11.953.051	2.378.694	8.737.755
Cost of Trade Goods Sold	16.582.992	12.425.547	4.978.310	5.184.244
Cost of Other Sales	11.006.911	10.144.632	2.714.562	3.865.586
Direct Labor Costs	8.857.800	8.459.108	2.985.532	2.589.991
Depreciation	4.815.616	3.153.457	1.629.753	1.068.886
TOTAL	410.991.146	411.031.453	134.238.905	144.407.080

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 28 - SALES AND COST OF SALES (CONTINUED)

Changes in quantity of groups of goods sold and services to be provided during the period are as follows;

Group of sales	Terms of quantity	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Telecom cables	Core-Km	4.819.752	1.509.040	4.544.962	3.212.510
Energy cables	Cable-Ton	38.750	12.311	36.766	36.137
Fiber optic cables	Faser-Km	116.196	28.073	106.408	94.710

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

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Selling and marketing expenses	26.654.408	23.915.671	6.961.791	8.993.407
General administrative expenses	16.807.749	14.724.199	5.349.973	5.279.236
Research and development expenses	1.464.226	716.414	948.483	229.495
TOTAL	44.926.383	39.356.284	13.260.247	14.502.138

NOTE 30 – EXPENSES BY TYPE

a) Selling and Marketing Expenses:

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Packaging Expenses	10.111.630	8.596.840	3.208.325	2.660.563
Sales and Guarantee Letters Commissions	5.589.569	6.469.871	471.849	3.598.790
Transportation Expenses	7.140.215	5.826.374	2.021.215	1.831.159
Personnel Expenses	2.092.649	2.016.281	621.157	605.651
Other Sales and Distribution Expenses	1.662.398	946.429	620.314	278.029
Depreciation Expenses	57.947	59.876	18.931	19.215
TOTAL	26.654.408	23.915.671	6.961.791	8.993.407

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 30 – EXPENSES BY TYPE (CONINUED)

b) General and Administrative Expenses:

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
License Expenses	11.084.237	9.661.610	3.548.795	3.227.871
Personnel Expenses	3.032.448	3.157.245	968.598	1.435.224
Other Administrative Expenses	1.723.869	1.267.635	546.920	400.546
Depreciation Expenses	609.879	418.300	175.243	134.369
Outsourced Service Expenses	357.316	219.409	110.417	81.226
TOTAL	16.807.749	14.724.199	5.349.973	5.279.236

c) Research and Development Expenses:

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Personnel Expenses	396.635	479.222	154.326	154.734
Project Costs	656.954	7.076	636.666	-
Depreciation Expenses	39.654	28.583	12.975	9.491
Other Expenses	370.983	201.533	144.516	65.270
TOTAL	1.464.226	716.414	948.483	229.495

NOTE 31 - OTHER INCOME/EXPENSES

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Rediscount income	825.824	774.872	-	-
Gains from reversal of provisions	383.506	11.575	-	5.445
Prior period income	696.061	1.323.677	694.317	747.307
Purchase premium income	-	1.074.109	-	395.717
Income from research and development (TUBITAK)	-	154.566	-	-
Other income	42.419	92.225	34.354	44.883
Other Operating Income and Profits	1.947.810	3.431.024	728.671	1.193.352
Rediscount expense	(1.230.513)	(1.670.055)	(44.393)	(110.982)
Provision expenses	(60.940)	(452.075)	296.584	(125.557)
Order of payments and expenses of legal issues	(182.844)	(12.304.978)	(844)	(104.744)
Other expense	(532.774)	(218.778)	(525.521)	(18.675)
Other Operating Expense and Losses	(2.007.071)	(14.645.886)	(274.174)	(359.958)

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 32 - FINANCIAL INCOME

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Foreign exchange difference income	11.429.696	13.655.501	1.706.557	5.743.555
Financial income from forward contracts (Note 39)	726.875	-	3.156	-
Interest income	219.061	560.946	19.300	120.680
TOTAL	12.375.632	14.216.447	1.729.013	5.864.235

NOTE 33 - FINANCIAL EXPENSE

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Foreign exchange difference expense	(12.213.229)	(15.450.144)	111.776	(6.179.777)
Financial expense from forward contracts (Note 39)	(2.328.635)	(181.081)	(2.328.635)	232.406
Bank transaction commissions and other financial expense	(798.984)	(121.637)	(170.189)	(5.355)
Interest expense	(2.665.121)	(169.688)	(1.455.494)	(133.319)
Guarantee letter expenses	(39.395)	(13.144)	(19.124)	(5.233)
TOTAL	(18.045.364)	(15.935.694)	(3.861.666)	(6.091.278)

NOTE 34 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (2007: None).

NOTE 35 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

a) Current period tax charge:

Corporate tax law was changed with the law no 5520 dated 13 June 2006. Many of the provisions of the law no 5520 came into effect effective from 1 January 2006. Accordingly corporate tax is payable at a rate of 20% in 2008. (2007: %20) after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance utilized within the scope of the Income Tax Law Temporary Article 61).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

**NOTE 35 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND
LIABILITIES) (CONTINUED)**

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 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains paid advance tax amount, it may be refunded or used to set off against other liabilities to the government

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira In accordance with the law in question, cumulative inflation rate for the last 36 months, and inflation rate for the last 12 months must exceed (DIE WPI increase rate)100% and 10% respectively. Since these conditions in question were not fulfilled in 2008 and 2007, no inflation adjustment was performed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 15th 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.

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

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

Exemption for dividend income

Dividend income from participation in shares of capital of another full fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

**NOTE 35 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND
LIABILITIES) (CONTINUED)**

Investment Allowance Exception

Investment allowance which was calculated as 40 % of the fixed asset purchases that exceed a defined limit was annulled on 30 March 2006 by Law No 5479.

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
- Current period corporate tax	(2.990.411)	(5.930.464)	(144.190)	(3.082.216)
- Deferred tax income/expense	94.796	289.828	(749.344)	(1.104.942)
Total tax expense	(2.895.615)	(5.640.636)	(893.534)	(4.187.158)

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Income before tax	15.067.929	8.090.947	4.966.230	9.549.705
Corporate tax provision calculated with 20% tax rate (31 December 2007 20%)	3.013.586	1.618.189	993.246	1.909.941
Non-deductible expenses	1.097.418	4.316.523	(68.788)	3.806.020
Non-taxable income	(1.824.186)	(1.210.440)	(586.509)	(131.156)
Non-deductible expenses used in deferred tax	608.797	916.364	555.585	(1.397.647)
Total tax provision	2.895.615	5.640.636	893.534	4.187.158

b) Deferred tax assets and liabilities:

The Company calculates deferred tax assets and liabilities based on temporary differences between the financials prepared in accordance with the CMB Communiqué No: XI-29 and financial statements prepared according to the Turkish tax legislation. Deferred income taxes are calculated using a principal tax rate of 20% (2007: 20%) on temporary differences that are expected to be realised or settled in the following periods. The temporary differences giving rise to deferred tax assets and deferred tax liabilities calculated over enacted tax rate at 30 September 2008 and 31 December 2007 are as follows:

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

**NOTE 35 - TAX ASSETS AND LIABILITIES (INCLUDING DEFERRED TAX ASSETS AND
LIABILITIES) (CONTINUED)**

	Cumulative Temporary Differences		Deferred Tax Assets /(Liabilities)	
	30 September 2008	31 December 2007	30 September 2008	31 December 2007
Deferred Tax Assets				
Net difference between the tax base and carrying value of inventories	4.019.877	3.221.271	803.975	644.254
Provision for doubtful receivables	782.931	730.140	156.586	146.028
Deferred credit finance expense	993.028	588.339	198.606	117.668
Expense accruals	18.438.308	20.651.662	3.687.662	4.130.332
	24.234.144	25.191.412	4.846.829	5.038.282

Deferred Tax Liabilities				
Net difference between the tax base and the carrying value of property, plant and equipment	14.563.396	17.177.754	2.912.679	3.435.551
Construction type contracts income accruals	5.169.343	4.237.335	1.033.869	847.467
Other income accruals	494.487	243.378	98.897	48.676
	20.227.226	21.658.467	4.045.445	4.331.694

Net Deferred Tax Assets	4.006.918	3.532.945	801.384	706.588
--------------------------------	------------------	------------------	----------------	----------------

	1 January 2008	Charged to Income Statement	30 September 2008
Deferred Tax Assets	5.038.282	(191.453)	4.846.829
Net difference between the tax base and carrying value of inventories	644.254	159.721	803.975
Provision for doubtful receivables	146.028	10.558	156.586
Deferred credit finance expense	117.668	80.938	198.606
Expense accruals	4.130.332	(442.670)	3.687.662

Deferred Tax Liabilities	4.331.694	(286.249)	4.045.445
Net difference between the tax base and the carrying value of property, plant and equipment	3.435.551	(522.872)	2.912.679
Construction type contracts income accruals	847.467	186.402	1.033.869
Other income accruals	48.676	50.221	98.897

Net Deferred Tax Assets	706.588	94.796	801.384
--------------------------------	----------------	---------------	----------------

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 36 - EARNINGS PER SHARE

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Net profit for the period (YTL)	12.172.314	2.450.312	4.072.696	5.362.548
Number of shares with a nominal value TL1.000 each	39.312.000.000	39.312.000.000	39.312.000.000	39.312.000.000
Earnings per share (YTL)	0,31	0,06	0,10	0,13

NOTE 37 - RELATED PARTY DISCLOSURES

Amounts due from and due to related parties at the end of the period and transactions with the related parties during the period are summarized below:

	30 September 2008	31 December 2007
Due from group companies	17.460.806	2.565.104
Due from personnel	162.220	116.795
Due from related parties	17.623.026	2.681.899
Due to group companies	3.922.431	10.096.173
Due to shareholders	9.132	3.182
Due to related parties	3.931.563	10.099.355

a) Due from group companies:

<u>30 September 2008 :</u>	Currency	Original Amount	Exchange Rate	Total (YTL)
Group Companies				
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	EUR	8.132.371	1,7978	14.620.377
Prysmian Cavi e Sistemi Energia Italia S.r.l.	EUR	118.671	1,7978	213.347
Prysmian Kabel und System Deutschland GmbH	EUR	372.149	1,7978	669.050
Prysmian Telecom Cables & Systems UK Ltd.	EUR	656.830	1,7978	1.180.849
Prysmian Cables Ltd.	GBP	8.610	2,2631	19.485
Kablo Bratislava Spol S R.O.	EUR	37.558	1,7978	67.522
Prysmian Romania Cabluri Si Sisteme S.A.	EUR	54.292	1,7978	97.606
	USD	474.786	1,2316	584.746
Prysmian S.P.A.	EUR	4.352	1,7978	7.824
TOTAL				17.460.806

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 37 - RELATED PARTY DISCLOSURES (CONTINUED)

<u>31 December 2007 :</u>	Currency	Original Amount	Exchange Rate	Total (YTL)
Group Companies				
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	EUR	431.673	1,7102	738.247
Prysmian Cavi e Sistemi Energia Italia S.r.l.	EUR	4.917	1,7102	8.409
Prysmian Telekom Kabel und System Deutschland GmbH	EUR	397.234	1,7102	679.350
Prysmian Telecom Cables & Systems UK Ltd.	EUR	658.475	1,7102	1.126.124
Prysmian Cables Ltd.	GBP	5.578	2,3259	12.974
TOTAL				2.565.104

b) Due to group companies:

<u>30 September 2008 :</u>	Currency	Original Amount	Exchange Rate	Total (YTL)
Group Companies				
Prysmian Kabel und System GmbH	EUR	239.230	1,8065	432.169
Prysmian Cavi e Sistemi Energia S.r.l.	EUR	93.353	1,8065	168.642
	YTL	1.747.213	1	1.747.213
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	EUR	9.951	1,8065	17.976
Eurelectric S.A.	EUR	477.588	1,8065	862.763
Prysmian Spa	EUR	21.680	1,8065	39.165
Prysmian Cavi e Sistemi Telecom S.r.l.	YTL	575.571	1	575.571
Fibre Ottiche Sud - F.O.S. S.r.l.	EUR	28.774	1,8065	51.980
Prysmian Cables & Systems Limited	EUR	1.000	1,8065	1.807
Prysmian Cables & Systems Pte Ltd.	USD	20.319	1,2375	25.145
TOTAL				3.922.431

<u>31 December 2007 :</u>	Currency	Original Amount	Exchange Rate	Total (YTL)
Group Companies				
Prysmian Kabel und System GmbH	EUR	52.561	1,7184	90.321
Prysmian Cables & Systems Pte Ltd.	USD	3.903	1,1703	4.568
Prysmian Metals Ltd.	EUR	2.055.093	1,7184	3.531.472
Prysmian Cavi e Sistemi Energia S.r.l.	EUR	921.429	1,7184	1.583.384
	YTL	1.801.888	1	1.801.889
Prysmian Cavi e Sistemi Energia Italia S.r.l.	EUR	174.710	1,7184	300.222
Fibre Ottiche Sud - F.O.S. S.r.l.	EUR	174.105	1,7184	299.182
Eurelectric S.A.	EUR	917.969	1,7184	1.577.438
Prysmian Cavi e Sistemi Telecom S.r.l.	EUR	270.103	1,7184	464.145
	YTL	416.829	1	416.829
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	EUR	15.551	1,7184	26.723
TOTAL				10.096.173

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 37 - RELATED PARTY DISCLOSURES (CONTINUED)

c) Due to shareholders:

	1 January - 30 September 2008	1 January - 31 December 2007
Dividends payable for 2007	5.950	-
Dividends payable for 2006	2.118	2.118
Dividends from previous years	1.064	1.064
TOTAL	9.132	3.182

d) Sales to Group Companies:

Name	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Prysmian Cavi e Sist. Tel. Italia S.r.l.	40.600.524	14.580.970	19.748.230	543.032
Prysmian Cavi e Sist. En. Italia S.r.l	354.749	-	205.951	-
Prysmian Cavi e Sistemi Energia S.r.l	13.847	221.658	-	116.998
Prysmian Cavi e Sistemi Telecom S.r.l	-	-	(17.442)	-
Prysmian Kabel und Systeme GmbH	3.432.740	6.442	911.772	-
Prysmian Tel. Kabel und System GmbH	-	7.625.939	-	2.185.686
Prysmian Tel.Cables & Systems UK Ltd.	4.600.723	6.679.175	1.460.821	696.006
Prysmian Cables et Systemes Fr. S.A.S.	2.452.547	-	-	-
Kablo Bratislava Spol S R.O.	180.643	202.524	65.246	86.199
Prysmian Cables and Systems OY	31.319	-	-	-
Prysmian Cables Ltd.	-	482.503	(40.742)	-
Prysmian Cables y Sistemas S.L.	-	195.761	-	31.597
Prysmian Telecom Cables et Systemes	1.554.737	-	640.396	-
Prysmian SPA	-	-	(6.318)	-
Prysmian Energy C&S Argentina S.A	20.175	52.503	-	35.487
Prysmian Energia Cabos e Sistemas	3.269	-	-	-
Prysmian Romania Cab. Si Sisteme S.A.	681.341	-	681.341	-
TOTAL	53.926.614	30.047.475	23.649.255	3.695.005

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 37 - RELATED PARTY DISCLOSURES (CONTINUED)

e) Trade goods, service and fixed asset purchases from Group Companies:

Foreign Purchases: (1 January - 30 September 2008)

Name	Trade Goods	Service	Fixed Assets	Total
Prysmian Metals Ltd.	47.906.954	-	-	47.906.954
Prysmian Cavi e Sistemi Energia S.r.l.	182.684	8.836.853	-	9.019.537
Eurelectric S.A.	4.092.152	-	-	4.092.152
Prysmian Kabel und System GmbH	9.475.940	-	-	9.475.940
Prysmian Cavi e Sistemi Energia Italia S.r.l	2.437.127	-	-	2.437.127
Fibre Ottiche Sud - F.O.S. S.r.l.	2.083.356	-	-	2.083.356
Prysmian Cavi e Sistemi Tel. Italia S.r.l.	195.056	-	-	195.056
Prysmian Cavi e Sistemi Telecom S.r.l.	-	2.264.677	-	2.264.677
Prysmian Cables & Systems Ltd. UK	-	35.031	-	35.031
Prysmian Telecom Cables&Systems UKLtd	5.833	-	-	5.833
Prysmian Cables Et Systemes SA	595	150	-	745
Prysmian Cables Y Sistemas SL	12.147	-	-	12.147
Prysmian Cables & Systems B.V.	41.467	-	-	41.467
Prysmian Cables & Systems Pte Ltd.	-	24.171	-	24.171
Prysmian Power Cables & Systems, USA	-	121.940	-	121.940
Prysmian SPA	-	70.806	-	70.806
TOTAL	66.433.311	11.353.628	-	77.786.939

Foreign Purchases : (1 January - 30 September 2007)

Name	Trade Goods	Service	Fixed Assets	Total
Prysmian Metals Ltd.	49.990.592	-	-	49.990.592
Prysmian Cavi e Sistemi Energia S.r.l.	5.339.846	7.705.942	-	13.045.788
Eurelectric S.A.	4.883.958	-	-	4.883.958
Prysmian Kabel und System GmbH.	3.626.099	-	-	3.626.099
Prysmian Cable Holding B.V.	-	902.891	-	902.891
Prysmian Cavi e Sistemi Energia Italia S.r.l	1.813.511	-	-	1.813.511
Fibre Ottiche Sud- F.O.S. S.r.l.	1.794.195	-	-	1.794.195
Prysmian Cavi e Sistemi Tel. Italia S.r.l.	489.188	-	-	489.188
Prysmian Cavi e Sistemi Telecom S.r.l.	-	1.829.415	-	1.829.415
Prysmian Cables & Systems Ltd.	-	984.666	-	984.666
Prysmian Energie Cables et Systemes SAS	1.496.810	-	-	1.496.810
Prysmian Tel. Cables et Syst. France S.A.	-	-	250.977	250.977
Prysmian Telekom Kabel und Syst. GmbH.	-	39.369	-	39.369
Prysmian Telcom Cables&Systems UK Ltd	-	13.497	-	13.497
Prysmian Cable Systems PTE Ltd	-	15.400	-	15.400
Prysmian Cables & Systems B. V.	427.384	-	-	427.384
TOTAL	69.861.583	11.491.180	250.977	81.603.740

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 37 - RELATED PARTY DISCLOSURES (CONTINUED)

Foreign Purchases : (1 July - 30 September 2008)

Name	Trade Goods	Service	Fixed Assets	Total
Prysmian Metals Ltd.	14.921.414	-	-	14.921.414
Prysmian Cavi e Sistemi Energia S.r.l.	169.007	3.135.813	-	3.304.820
Eurelectric S.A.	-7.851	-	-	-7.851
Prysmian Kabel und System GmbH.	1.882.361	-	-	1.882.361
Prysmian Cavi e Sistemi Energia Italia S.r.l	491.118	-	-	491.118
Fibre Ottiche Sud- F.O.S. S.r.l.	1.106.295	-	-	1.106.295
Prysmian Cavi e Sistemi Tel. Italia S.r.l.	27.718	-	-	27.718
Prysmian Cavi e Sistemi Telecom S.r.l.	-	969.596	-	969.596
Prysmian Cables & Systems UK Ltd.	-	1.746	-	1.746
Prysmian Telecom Cables&Systems UK Ltd	2.650	-	-	2.650
Prysmian Cables et Systemes SA	595	-	-	595
Prysmian Cable Systems B.V.	10.325	-	-	10.325
Prysmian Cables & Systems Pte Ltd.	-	24.171	-	24.171
Prysmian Power Cables & Systems, USA	-	121.940	-	121.940
Prysmian SPA	-	70.806	-	70.806
TOTAL	18.603.632	4.324.072	-	22.927.704

Foreign Purchases : (1 July - 30 September 2007)

Name	Trade Goods	Service	Fixed Assets	Total
Prysmian Metals Ltd.	21.019.145	-	-	21.019.145
Prysmian Cavi e Sistemi Energia S.r.l.	1.958.397	3.906.985	-	5.865.382
Eurelectric S.A.	2.125.369	-	-	2.125.369
Prysmian Kabel und System GmbH.	1.681.081	-	-	1.681.081
Prysmian Cable Holding B.V.	-	128.984	-	128.984
Prysmian Cavi e Sistemi Energia Italia S.r.l	850.048	-	-	850.048
Fibre Ottiche Sud- F.O.S. S.r.l.	467.562	-	-	467.562
Prysmian Cavi e Sistemi Tel. Italia S.r.l.	295.229	-	-	295.229
Prysmian Cavi e Sistemi Telecom S.r.l.	-	935.893	-	935.893
Prysmian Cables & Systems Ltd.	-	330.076	-	330.076
Prysmian Energie Cables et Systemes SAS	310.529	-	-	310.529
Prysmian Telekom Kabel und Syst. GmbH.	-	15.416	-	15.416
Prysmian Cable Systems PTE Ltd	-	11.103	-	11.103
Prysmian Cables & Systems B.V.	427.384	-	-	427.384
TOTAL	29.134.744	5.328.457	-	34.463.201

f) License expense paid to group companies:

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Prysmian Cavi e Sistemi Telecom S.r.l.	1.759.847	745.556	575.571	165.127
Prysmian Cavi e Sistemi Energia S.r.l.	5.416.825	5.148.523	1.913.726	1.818.371
TOTAL	7.176.672	5.894.079	2.489.297	1.983.498

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 37 - RELATED PARTY DISCLOSURES (CONTINUED)

g) Dividend income:

None (2007: None).

h) Remunerations to key management personnel:

	1 January - 30 September 2008	1 January - 30 September 2007	1 July - 30 September 2008	1 July - 30 September 2007
Total Remunerations	1.412.035	1.549.889	269.173	670.811

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 38 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS

The table below summarizes the foreign currency position risk of the Company as at 30 June 2008 and 31 December 2007. YTL equivalents of foreign currency denominated assets and liabilities held by Company at 30 September 2008 and 31 December 2007 are as follows:

30 September 2008

	EUR Original Currency	YTL	USD Original Currency	YTL	GBP Original Currency	YTL	CHF Original Currency	YTL	TOTAL YTL
A. Assets:									
Cash and cash equivalents	31.593	56.798	1.837	2.262	-	-	-	-	59.060
Trade receivables	17.856.176	32.101.833	26.017.652	32.043.340	-	-	-	-	64.145.173
Due from related parties	13.269.396	23.855.721	474.786	584.746	8.610	19.485	-	-	24.459.952
Other receivables	-	-	-	-	-	-	-	-	-
Inventories	1.948.634	3.503.255	530.648	653.546	1.374	3.109	-	-	4.159.910
	33.105.799	59.517.607	27.024.923	33.283.894	9.984	22.594	-	-	92.824.095
B. Liabilities:									
Financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	2.797.518	5.053.715	70.030.773	86.663.081	334	759	-	-	91.717.555
Due to related parties	871.575	1.574.500	20.319	25.145	-	-	-	-	1.599.645
Advances received	555.179	1.002.930	3.480.435	4.307.038	-	-	-	-	5.309.968
Expense accruals	175.000	316.138	245.659	304.003	-	-	-	-	620.141
Other liabilities	3.404.751	6.150.682	1.966.007	2.432.934	-	-	-	-	8.583.616
	7.804.023	14.097.965	75.743.193	93.732.201	334	759	-	-	107.830.925
Net foreign currency position on balance sheet	25.301.776	45.419.642	(48.718.270)	(60.448.307)	9.650	21.835	-	-	(15.006.830)
Off balance sheet derivative instruments held for avoiding from foreign currency risk - net	(23.881.098)	(43.141.204)	49.724.232	61.234.464	-	-	-	-	18.093.261
Off balance sheet derivative instruments (+)	-	-	50.724.232	62.471.964	-	-	-	-	62.471.964
Off balance sheet derivative instruments (-)	(23.881.098)	(43.141.204)	(1.000.000)	(1.237.500)	-	-	-	-	(44.378.704)
Net foreign currency position (A-B)	1.420.678	2.278.438	1.005.962	786.157	9.650	21.835	-	-	3.086.431

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 38 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (CONTINUED)

31 December 2007

	EUR		USD		GBP		CHF		TOTAL
	Original	YTL	Original	YTL	Original	YTL	Original	YTL	YTL
	Currency		Currency		Currency		Currency		
A. Assets:									
Cash and cash equivalents	1.737.009	2.970.633	2.605.643	3.034.793	-	-	-	-	6.005.426
Trade receivables	16.676.173	28.519.591	14.883.134	17.334.386	-	-	-	-	45.853.977
Due from related parties	1.492.299	2.552.130	-	-	5.578	12.974	-	-	2.565.104
Other receivables	-	-	-	-	-	-	-	-	-
Inventories	4.129.253	7.061.849	628.485	731.996	545	1.268	3.395	3.488	7.798.601
	24.034.734	41.104.203	18.117.262	21.101.175	6.123	14.242	3.395	3.488	62.223.108
B. Liabilities:									
Financial liabilities	-	-	-	-	-	-	-	-	-
Trade payables	1.679.268	2.885.655	61.784.795	72.306.746	829	1.938	-	-	75.194.339
Due to related parties	4.581.521	7.872.886	3.903	4.567	-	-	-	-	7.877.453
Advances received	83.792	143.988	2.169.790	2.539.305	-	-	-	-	2.683.293
Expense accruals	-	-	195.744	229.079	-	-	-	-	229.079
Other liabilities	3.380.358	5.808.807	941.729	1.102.106	-	-	-	-	6.910.913
	9.724.939	16.711.336	65.095.961	76.181.803	829	1.938	-	-	92.895.077
	14.309.795	24.392.867	(46.978.699)	(55.080.628)	5.294	12.304	3.395	3.488	(30.671.969)
Net foreign currency position on balance sheet									
Off balance sheet derivative instruments held for avoiding from foreign currency risk - net	(12.410.849)	(21.334.183)	47.016.196	54.759.763	-	-	-	-	33.425.580
Off balance sheet derivative instruments (+)	900.000	1.539.180	47.016.196	54.759.763	-	-	-	-	56.298.943
Off balance sheet derivative instruments (-)	(13.310.849)	(22.873.363)	-	-	-	-	-	-	(22.873.363)
Net foreign currency position (A-B)	1.898.946	3.058.684	37.497	(320.865)	5.294	12.304	3.395	3.488	2.753.611

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 38 - CHARACTERISTICS AND LEVEL OF RISKS RESULTING FROM FINANCIAL INSTRUMENTS (CONTINUED)

	30 September 2008	31 December 2007
Total Exports (YTL)	172.865.708	196.113.206
Total Imports (YTL)	175.126.061	196.392.164
Hedging ratio of foreign currency position (%)	58%	61%

The Company is mainly exposed to currency risk arising from EUR, USD, GBP and CHF.

At 30 September 2008,

a) The Company's net income for the period would be YTL308.643 higher in the case of the depreciation of YTL against USD, EUR, CHF and GBP by 10% and the other variables being constant, with respect to its assets and liabilities denominated in these foreign currencies.

b) The Company's net income for the period would be YTL227.843 higher in the case of the depreciation of YTL against EUR by 10% and the other variables being constant, with respect to its assets and liabilities denominated in EUR.

c) The Company's net income for the period would be YTL78.616 higher in the case of the depreciation of YTL against USD by 10% and the other variables being constant, with respect to its assets and liabilities denominated in USD.

At 31 December 2007,

a) The Company's net income for the period would be YTL275.361 higher in the case of the depreciation of YTL against USD, EUR, CHF and GBP by 10% and the other variables being constant, with respect to its assets and liabilities denominated in these foreign currencies.

b) The Company's net income for the period would be YTL305.868 higher in the case of the depreciation of YTL against EUR by 10% and the other variables being constant, with respect to its assets and liabilities denominated in EUR.

c) The Company's net income for the period would be YTL32.086 lower in the case of the depreciation of YTL against USD by 10% and the other variables being constant, with respect to its assets and liabilities denominated in USD.

NOTE 39 - FINANCIAL INSTRUMENTS (Fair Value Disclosures and Hedging Disclosures)

Foreign currency purchases agreement:

As of 30 September 2008, the Company has ongoing forward sale contracts amounting to EUR23.881.098 and USD1.000.000 and ongoing forward purchase contracts amounting to USD50.724.232 and the related income amounting to YTL583.296 is classified under "*Financial income*" (Note 32).

As of 30 September 2007, the Company has ongoing forward sale contracts amounting to EUR15.292.535 and ongoing forward purchase contracts amounting to USD46.733.205 and EUR6.080.739 and the related expense amounting to YTL3.450.256 is classified under "*Financial expense*" (Note 33).

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

NOTE 40 - SUBSEQUENT EVENTS

The Company received 'Tax investigation report' from Bursa Tax Administration on 27 October 2008. In the mentioned tax investigation report, it was claimed that there were irregularities related with the purchases from Ünipek Elektronik Mamulleri İmalat Sanayi ve Tic. Ltd Şti. performed in 2003. Although the Company had no wrong intention by the usage of the documents which cause the irregularities, Tax Administration claims a VAT loss amounting to YTL 3.295.493 in accordance with Article 30/4-6 of the Law on Tax Procedures numbered 213. Additionally, Tax Administration claims a tax loss for the correction of VAT amounting to YTL 4.976.933 in accordance with Articles 116-126 of the same law and it also claims a tax fine as one time of the VAT correction in accordance with Articles 341 and 344/1 of the Law on Tax Procedures. A specific irregularity fine amounting YTL 40.000 is also stated in the report.

In summary, the Company has total exposure amounting YTL16.584.851 in aggregate which is as follows: Tax loss for the correction of VAT amounting to YTL8.272.426, tax loss fine amounting to YTL8.272.426 and YTL40.000 as specific irregularity fine. In respect to the mentioned tax investigation report, the Company demanded reconciliation before payment notification arrival and it was agreed to held the reconciliation meeting on 13 November, Thursday by the Tax Administration. However, The Company cancelled the reconciliation request before payment notification with a written form to Revenues Administration Presidency Bursa Tax Administration Tax Audit Department on 11 November 2008 according to the following regulation: *"Before the agreed meeting date, the tax payer demanding reconciliation before assessment might inform in written form the parties preparing the report or the unit providing secretarial services to the commission that it has relinquished its demand. In such a case, operations are carried out as if the tax payer did not ask for reconciliation before assessment."* (2007: None) The reconciliation right after arrival of payment notifications remains.

**NOTE 41-DISCLOSURE OF OTHER MATTERS, WITH MATERIAL EFFECT ON
FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF
UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS**

a) Payment terms of court cases:

An accord and release protocol was signed on 2 August 2007 regarding the termination of all the lawsuits related with the payment order arising from a note worth USD3,000,000 (YTL7,539,387.25 with accrued interest until the date of legal proceedings), the creditor for which is Hüsrev Akın, and the payment order arising from the note worth USD12,500,000 (YTL29,511,576.68 with accrued interest until the date of the legal proceedings) the creditor for which is Hüsrev Akin and whose execution proceedings were initiated by Ibrahim Aycan. Based on this protocol the Company has concluded lawsuits for the establishment of negative fact and has paid USD7,650,000 in exchange for the execution proceedings of opponents.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

**NOTE 41-DISCLOSURE OF OTHER MATTERS, WITH MATERIAL EFFECT ON
FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF
UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS
(CONTINUED)**

The opponents who started the execution proceedings related to the note worth USD3,000,000 (YTL7,539,387.25 with accrued interest until the date of the legal proceedings) and note worth USD12,500,000 (YTL29,511,576.68 with accrued interest until the date of the legal proceedings) have foregone the receivables from these notes.

In addition, the litigant withdrew from the bankruptcy case against the Company. In return for his withdrawal from the bankruptcy case and other related cases, the Company paid USD7,650,000 to İbrahim Aycan as of 3 August 2007. The payment, legal fees, solicitor's costs and other expenses in the amount of YTL12,853,644 were classified under 'Other operating income and expense' in the income statement as of 31 December 2007. As a result of the aforementioned facts, the Company has no risks related with the mentioned executive proceedings.

In order to conclude all the lawsuits related with the execution proceedings, the petitions defined in the accord and release protocol were submitted to the court. In line with these petitions it has been decided that;

- a) The bankruptcy case initiated by Hüsrev Akin has been rejected.
- b) In the lawsuits for the establishment of a negative fact and lawsuits of restitution filed against İbrahim Aycan and Hüsrev Akin;
 - a judgment is unnecessary since the claims related with the lawsuits for the establishment of a negative fact have been foregone.
 - a judgment is unnecessary since the claims related with the lawsuits of restitution have been foregone.

Since no appeal was launched within the legal term, those decisions have been finalized. Furthermore, the court has decided that a judgment is unnecessary since İbrahim Aycan declared in the petition that he agrees to forgo all the rights provided by the note. The decisions were not appealed and became certain.

b) Tax penalty declarations:

The Company received 'Tax investigation report' and 'Tax penalty declarations' from Mudanya tax administration at the date of 31 December 2007. In the mentioned tax investigation report, it was stated that there was irregularly related with purchasing from Ünipek Elektronik Mamulleri İmalat Sanayi ve Tic. Ltd. in 2002. Also it was concluded that Ünipek Elektrolitik Bakır İm. Sanayi Tic. Ltd. Şti., a former supplier of the Company, did not pay the VAT on the invoices issued to the Company for the year ended 31 December 2002 and consequently the Company is joint liable to pay the VAT. Mudanya Tax Administration claims a VAT loss amounting to YTL4.499.620 due to these invoices and a penalty amounting to YTL4.499.620. The Company has total exposure amounting to YTL9.025.240 in aggregate. The Company has filed a lawsuit for the cancellation of 'Tax penalty declarations' as of 29 January 2008.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE NOTE 42**

TÜRK PRYSMIAN KABLO VE SİSTEMLERİ A.Ş.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH
PERIOD ENDED 30 SEPTEMBER 2008**

(Amounts are expressed in New Turkish Lira ("YTL") unless otherwise stated)

**NOTE 41-DISCLOSURE OF OTHER MATTERS, WITH MATERIAL EFFECT ON
FINANCIAL STATEMENTS, REQUIRED FOR THE PURPOSE OF
UNDERSTANDING AND INTERPRETING THE FINANCIAL STATEMENTS
(CONTINUED)**

Based on the above mentioned 'Tax investigation report', a further 'Tax penalty declaration' of YTL1.157.864 has been presented to the Company as of 30 January 2008. The Company has filed a lawsuit for the cancellation of this 'Tax penalty declaration' as of 31 January 2008.

Related with the tax penalties amounting to YTL10.183.104 in the "Tax penalty declarations", Mudanya Tax Administration has levied and execution on the land on which the Company's facilities are located.

Addition to tax penalty declarations related with purchasing from Ünipek Elektronik Mamulleri İmalat Sanayi ve Tic. Ltd. in 2002, tax investigation report' related with purchasing in 2003 was received at the date of 27 October 2008. The details about the mentioned investigation report are explained in Note 40 in detail.

Based on the opinion of the Company's tax advisor, who stated that the tax inspection report has no legal grounds and based on the legal advisor's opinion, the Company has decided to not seek a compromise with the tax authority, not to pay any alleged outstanding amounts and to commence with necessary legal action. The management believes that as the Company has a good case regarding non-payment, no provision has been accounted in the financial statements as of 31 December 2007 and 30 September 2008.

NOTE 42 - CONVENIENCE TRANSLATION INTO ENGLISH

As indicated in Note 2, the accompanying financial statements are prepared and presented in accordance with the accounting and reporting principles issued by the Turkish Capital Market Board, which differ from the accounting principles generally accepted in the countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). The effects of such differences have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in the financial position and cash flows in accordance with the accounting principles generally accepted in such countries and the IFRS.

.....