

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş.**

1. We have audited the accompanying consolidated financial statements of Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries, its joint ventures (collectively referred as, the "Group"), which comprise the consolidated balance sheet as of December 31, 2009, and the consolidated statements of income, changes in equity and cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

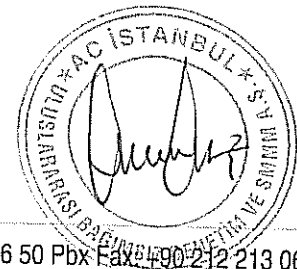
2. The Group management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the financial reporting standards endorsed by the Capital Markets Board ("CMB"). This responsibility includes: designing, implementing and maintaining internal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

Auditor's Responsibility

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

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

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



**ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ
SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

*CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2009
TOGETHER WITH AUDITOR'S REPORT*

Opinion

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2009, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the financial reporting standards endorsed by the CMB.

İstanbul, March 22, 2010

AC İSTANBUL ULUSLARARASI BAĞIMSIZ DENETİM VE SMMM A.Ş.
Member of ENTERPRISE NETWORK WORLDWIDE



Tahir ÇINAR
Managing Partner

ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009

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

	<u>Notes</u>	<u>Audited</u> <u>December 31, 2009</u>	<u>Audited</u> <u>December 31, 2008</u>
ASSETS			
Current Assets			
		91.441.930	88.703.920
Cash and Cash Equivalents	6	27.472.179	27.324.404
Financial Assets	7	5.618	5.384
Trade Receivables			
- Due From Related Parties	37	7.208.105	3.079.774
- Other Trade Receivables	10	26.653.124	30.647.575
Other Receivables			
- Due From Related Parties	37	4.812.408	-
- Other Receivables	11	203.343	497.500
Inventories	13	5.624.993	10.277.342
Other Current Assets	26	19.462.160	16.871.941
Non-current Assets			
		142.618.577	102.540.087
Trade Receivables			
- Due From Related Parties	37	5.518.386	-
- Other Trade Receivables	10	-	-
Other Receivables	11	109.439	7.217
Financial Assets	7	125.000	75.000
Investments According to Equity Method	16	5.692.002	4.533.417
Investment Property	17	107.786.323	6.993.000
Tangible Fixed Assets	18	14.138.796	80.757.745
Intangible Fixed Assets	19	1.277.745	870.951
Goodwill	20	4.093.253	5.481.340
Deferred Tax Assets	35	3.735.179	2.643.981
Other Non-current Assets	26	142.454	1.177.436
TOTAL ASSETS			
		234.060.507	191.244.007

The accompanying accounting policies and explanatory notes are an integral part of these consolidated financial statements.

AC İSTANBUL Uluslararası
Bağımsız Denetim ve SMMM A.Ş.

ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2009

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

	<u>Notes</u>	<u>Audited December 31, 2009</u>	<u>Audited December 31, 2008</u>
LIABILITIES			
Short-Term Liabilities			
Financial Liabilities	8	50.624.959	21.421.971
Trade Payables			
- Due to Related Parties	37	16.871.951	2.100.030
- Other Trade Payables	10	16.794.630	24.270.007
Other Payables			
- Due to Related Parties	37	9.942.360	12.744.227
- Other Payables	11	684.563	2.337.181
Employee Benefits	24	300.491	-
Taxes on Income	35	-	951.623
Other Current Liabilities	26	9.545.764	1.938.730
Long-Term Liabilities			
Financial Liabilities	8	45.886.986	51.702.826
Employee Benefits	24	443.538	368.528
Deferred Tax Liabilities	35	3.349.628	2.628.004
Other Non-current Liabilities	26	5.301.109	76.016
EQUITY CAPITAL			
Equity Attributable to Equity Holders of the Parent			
Capital		46.000.000	44.000.000
Share Premium		991.647	991.647
Revaluation Reserve		3.591.750	3.091.750
Foreign Currency Translation Difference		-	-
Legal Reserves		1.278.719	1.122.021
Retained Earnings		8.218.071	3.374.123
Profit/(Loss) of The Period		(4.365.925)	8.322.999
Minority Interest			
TOTAL EQUITY CAPITAL AND LIABILITIES			
		234.060.507	191.244.007

The accompanying accounting policies and explanatory notes are an integral part of these consolidated financial statements.

AC İSTANBUL Uluslararası
Bağımsız Denetim ve SMMM A.Ş.

ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2009

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

	Notes	Paid in Capital	Share Premium	Revaluation Reserve	Legal Reserves	Retained Profit/(Loss)	Net Profit/(Loss)	Minority Interests	Total Equity
Balance at 01 January 2008	27	44.000.000	991.647	9.507.257	592.798	1.394.666	6.228.522	9.468.132	72.183.022
Capital increase	27	-	-	-	-	-	-	-	-
- Transfers from Accumulated Earnings	27	-	-	-	-	6.228.522	(6.228.522)	-	-
Adjustments	27	-	-	-	-	368.383	-	-	368.383
Revaluation Reserve	27	-	-	(6.415.507)	-	-	-	-	(6.415.507)
Transfers to Legal Reserves	27	-	-	-	528.269	(528.269)	-	-	-
Retained Profit/ (Loss)	27	-	-	-	-	-	-	-	-
Dividends Paid	36	-	-	-	-	(4.065.285)	-	-	(4.065.285)
Net Profit	27	-	-	-	-	-	8.322.999	(1.992.358)	6.330.641
Minority Interests	27	-	-	-	954	(23.894)	-	2.326.550	2.303.610
Balance at 31 December 2008	27	44.000.000	991.647	3.091.750	1.122.021	3.374.123	8.322.999	9.802.324	70.704.864
Balance at 01 January 2009	27	44.000.000	991.647	3.091.750	1.122.021	3.374.123	8.322.999	9.802.324	70.704.864
Capital increase	27	-	-	-	-	-	-	-	-
- Transfers from Accumulated Earnings	27	2.000.000	-	-	-	6.322.999	(8.322.999)	3.475	3.475
Reparation Fund	27	-	-	500.000	-	-	-	-	500.000
Revaluation Reserve	27	-	-	-	-	-	-	-	-
Retained Profit/ (Loss)	27	-	-	-	156.698	(156.698)	-	-	-
The Effect of Jointly Controlled Business Merges Effect	27	-	-	-	(385.793)	(385.793)	-	140.710	(245.083)
Dividends Paid	27	-	-	-	-	(936.560)	-	-	(936.560)
Net Profit	36	-	-	-	-	-	(4.365.925)	(593.710)	(4.959.635)
Minority Interests	27	-	-	-	-	-	-	9.247.467	9.247.467
Balance at 31 December 2009	27	46.000.000	991.647	3.591.750	1.278.719	8.218.071	(4.365.925)	18.600.266	74.314.528

The accompanying accounting policies and explanatory notes are an integral part of these consolidated financial statements.

ACIŞTANBUL Uluköy
Bağcıbaşı Değirli ve ŞİMMİN A.Ş.

ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED DECEMBER 31, 2009

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

	Notes	Audited 2009	Audited 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit/ (loss) for period	36	(4.959.635)	6.330.641
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization (+)			
Dividend Income from Equity Investments According to Equity Method (-)	18, 19	2.220.933	1.534.521
Minority Interest's (profit) / loss	16	(455.175)	(323.226)
Negative Goodwill Income	27	593.710	1.992.358
Projects expense accruals	31	-	(3.407.661)
Projects Income Accruals (-)	10	-	1.571.608
Tax Accrual	10	-	(1.589.296)
Unearned Credit Finance Income/ Expense, net	35	(369.574)	1.204.442
Provision for doubtful debts (+)	10	46.081	311.640
Retirement pay provision (+)	10	-	259.467
Unused annual leave provision (+)	24	405.164	340.031
Unnecessary provisions (-)	24	300.491	-
Impairment of Goodwill (+)	31	(907.438)	(1.161.428)
Increase in value of Investment Properties (-)	31	684.677	-
Cancellation of capitalised interest expense and fx loss	17	(6.099.325)	-
Impairment of Inventories (+)	33	7.215.761	-
Other Adjustments	13	892.260	1.279.833
		16.887	-
Operating cash flows before movements in working capital:		(415.183)	8.342.930
Increase (-) / Decrease (+) on commercial transaction and other receivables (-)	10, 11	4.186.386	(9.410.922)
Increase (-) / Decrease (+) on related party trade and other receivables	37	(14.459.125)	-
Increase (-) / Decrease (+) on inventories	13	4.652.349	(6.019.536)
Increase (-) / Decrease (+) on other current assets	26	(2.590.219)	(7.208.464)
Increase (+) / Decrease (-) on Trade and other payables	10, 11	(9.127.995)	13.240.934
Increase (+) / Decrease (-) on related party trade and other payables	37	11.970.054	-
Increase (+) / Decrease (-) on Other liabilities	26	7.607.034	(133.591)
Cash provided by (used in) operating activities		1.823.301	(1.188.649)
Tax payments (-)	35	(951.623)	(1.396.303)
Net cash provided by (used in) operating activities		871.678	(2.584.952)
Net cash provided by investing activities			
Purchase of financial assets (-)	7	(50.000)	(4.360.352)
Purchase of Investment Property (-)	17	(18.024.476)	-
Purchase of tangible and intangible assets (-)	18, 19	(13.068.491)	(48.528.060)
Sale of tangible assets (+)	18	1.064.216	345.000
Change of other noncurrent assets	26	1.034.982	(779.696)
Net cash provided by investing activities		(29.043.769)	(53.323.108)
Net cash provided by financing activities			
Cashflow about long term payables	8	5.225.093	76.016
Cashflow about financial liabilities	8	23.387.148	53.626.095
Dividends Paid (-)	27	(936.560)	(4.065.285)
Cashflow about Repatriation Fund	27	500.000	-
Changes in Minority Interests	27	144.185	334.192
Net cash provided by (used in) financing activities		28.319.866	49.971.018
Net (decrease)/increase in cash and cash equivalents	6	147.775	(5.937.042)
Cash and cash equivalents at the beginning of the period	6	27.324.404	33.261.446
Cash and cash equivalents at the end of period	6	27.472.179	27.324.404

The accompanying accounting policies and explanatory notes are an integral part of these consolidated financial statements

AC İSTANBUL Uluslararası
Bağımsız Denetim ve SMMM A.Ş.

**ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2009**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2009**

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

1. ORGANIZATION AND ACTIVITIES

Anel Telekomünikasyon Elektronik Sistemleri Sanayi ve Ticaret A.Ş. (the Company) and its subsidiaries' operations mainly comprise of researching, manufacturing, maintenance and repair service of telecommunication and electronic devices and also buying and selling real estate and its construction activities.

The address of the headquarters and registered office of the Group is 1. Esenşehir, Atatürk Caddesi No:4 Yukarı Dudullu, Ümraniye/İstanbul. The Group has a branch office in Ankara and a liaison office in Diyarbakır. The address of the branch office in Ankara is Yıldız 25. Sokak No:6/2 Çankaya/ANKARA

As of December 31, 2009, 45,41% of the shares of the Group are traded publicly in Istanbul Stock Exchange (ISE). The main shareholder of the Group is Çelikel family. (Note: 27)

As of December 31, 2009, the average number of the employed personnel by the Group is 355.

Subsidiaries which are subjected to Full Consolidation Method:

2009

<u>Name of the Company</u>	<u>Field of Activity</u>
Anelyapı Gayrimenkul A.Ş.	Buying and Selling Real Estate
Aneles Elektronik Üretim ve Pazarlama Sanayi ve Ticaret A.Ş.	Manufacturing and Selling Electronic Devices
E-Sistem Elektronik Sanayi ve Ticaret A.Ş.	Planning Renewable Energy Systems

2008

<u>Name of the Company</u>	<u>Field of Activity</u>
Anelyapı Gayrimenkul A.Ş.	Buying and Selling Real State
Aneles Elektronik Üretim ve Pazarlama Sanayi ve Ticaret A.Ş.	Manufacturing and Selling Electronic Devices

Joint Ventures which are subjected to Proportionate Consolidation Method.:

2009

<u>Name of the Company</u>	<u>Field of Activity</u>
Aneltech-Airties Joint Venture	Telecommunication
AMS-Aneltech Joint Venture	Automatic Identification System

2008

<u>Name of the Company</u>	<u>Field of Activity</u>
Aneltech-Airties Joint Venture	Telecommunication
AMS-Aneltech Joint Venture	Automatic Identification System

Equity Participation which is subjected to Equity Method

2009

<u>Name of the Company</u>	<u>Field of Activity</u>
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	Production of Smart Card

2008

<u>Name of the Company</u>	<u>Field of Activity</u>
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	Production of Smart Card

Confirmation of Financial Statements

The financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been approved on March 22, 2010 by the board of directors. Under the Turkish Commercial Code, the General Assembly and certain regulatory bodies have the power to amend the financial statements after issue.

**ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2009
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)**

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

A. Basic Standards of Presentation

Accounting Standards

Capital Markets Board (“CMB”) has obligated to prepare financial statements in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) by publishing Communique No: XI-29 for the periods beginning after 01.01.2008. Therefore attached financial statements have been issued in accordance with the IAS/ IFRS and presented in accordance with the formats required by the CMB with the announcement dated 17 April 2008.

The Group which is incorporated in Turkey, maintain its books of account and prepare their statutory financial statements in accordance with the Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The financial statements have been prepared from the statutory financial statements of the Group and presented in New Turkish Lira (TRY) with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS. Such adjustments mainly comprise effects of restatement for the changes in the general purchasing power of respective local currencies, accounting for deferred taxation, employee termination benefits, reserve for bad debt, expense accruals and borrowing costs transactions.

Comparative information, changes in accounting policies and restatement of prior period financial statements

Comparative figures are reclassified, where necessary, to conform to changes in presentation in the 31 December 2009 so that the reclassification will result in a more appropriate presentation of events or transactions.

The Group reclassified Goodwill in the amount of TRY 703.410 to the Investment according to equity method which had been presented in Goodwill in the consolidated financial statements as of December 31, 2008.

Functional and presentation currency

The year-end financial statements are presented in Turkish Lira (“TRY”)

The functional currency of the Company and its subsidiaries is TRY.

Termination of Inflation Adjustments

According to the decision of Capital Markets Board of Turkey, with the decision number 11/367 dated 17.03.2005, because of the conditions necessary for the application of IFRS 29 “Financial Reporting in Hyperinflationary Economies” were not met, the inflation accounting would not be applied for the first quarter of 2005.

**ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2009**

(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

Adoption and New Revised Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Boards (“the IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2009.

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

New/Revised International Financial Reporting Standards		Effective Date
<u>IFRS 1</u>	First-time Adoption of International Financial Reporting Standards — Amendment relating to oil and gas assets	Annual periods beginning on or after 1 January 2010.
<u>IFRS 2</u>	Share-based Payment — Amendment relating to group cash-settled Share-based Payment Transactions	Annual periods beginning on or after 1 January 2010
<u>IFRS 5</u>	Non-current Assets Held for Sale and Discontinued Operations — Disclosure of Non-current Assets Held for Sale and Discontinued Operations	Annual periods beginning on or after 1 January 2010
<u>IFRS 8</u>	Operating Segments — Disclosure of Operating Segments	Annual periods beginning on or after 1 January 2010
<u>IFRS 9</u>	Financial Assets — Classification and Measurement of Financial Assets	Annual periods beginning on or after 1 January 2013
<u>IAS 1</u>	Presentation of Financial Statements — Amendments resulting from May 2008 Annual Improvements to IFRSs (Current/non-current classification of convertible instruments)	Annual periods beginning on or after 1 January 2010
<u>IAS 7</u>	Cash Flow Statement — Classification of expenditures related to off balance sheet items.	Annual periods beginning on or after 1 January 2010
<u>IAS 17</u>	Leases — Reclassification of Leases of Land and Buildings	Annual periods beginning on or after 1 January 2010
<u>IAS 24</u>	Related Party Disclosures — Review of Related Party Definition	Annual periods beginning on or after 1 January 2011
<u>IAS 32</u>	Disclosure of Financial Assets — Reclassification of Stock Warrant	Annual periods beginning on or after 1 February 2010
<u>IAS 36</u>	Impairment of Assets — Goodwill impairment	Annual periods beginning on or after 1 January 2010
<u>IAS 39</u>	Recognition and Revaluation of Financial Assets o The Scope of Exemption for Merging Contracts o Cash Flow Hedge Accounting	Annual periods beginning on or after 1 January 2010

The Group management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

**ANEL TELEKOMÜNİKASYON ELEKTRONİK SİSTEMLERİ SANAYİ VE TİCARET A.Ş.
AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2009
(Amounts expressed in Turkish Lira (“TRY”) unless otherwise indicated)**

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

A. Basic Standards of Presentation (continued)

Consolidation Principles

These consolidated financial statements include the accounts of the parent company, its Subsidiaries, its Joint Ventures and its Equity Participation. The financial statements of the companies included in the consolidation are based on the accounting principles and presentation basis applied by the Group in accordance with CMB Accounting Standards. The result of operations of Subsidiaries, Joint Ventures and Equity Participation are included or excluded in these consolidated financial statements subsequent to the date of acquisition.

The table below sets out the Subsidiaries and shows their ownership, equity as of 31 December 2009

2009

<u>Company Name</u>	<u>Share (%)</u>
Anelyapı Gayrimenkul A.Ş.	55,00
Aneles Elektronik Üretim ve Pazarlama Sanayi ve Ticaret A.Ş.	99,995
E-Sistem Elektronik Sanayi ve Ticaret A.Ş.	65,00

2008

<u>Company Name</u>	<u>Share (%)</u>
Anelyapı Gayrimenkul A.Ş.	55,00
Aneles Elektronik Üretim ve Pazarlama Sanayi ve Ticaret A.Ş.	99,995

The table below sets out the Joint Ventures and shows their ownership as of 31 December 2009

<u>Company Name</u>	<u>Share (%)</u>
Aneltech-Airties Joint Venture	51
AMS-Aneltech Joint Venture	49

The table below sets out the Equity Participation and shows its ownership as of 31 December 2009

<u>Company Name</u>	<u>Share (%)</u>
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	18,74

The Group, maintains its books of accounts and prepare its statutory financial statements in Turkish Lira (TL) in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the Turkish Capital Market Board (CMB), (for publicly traded companies) and Turkish Commercial Code and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

On acquisition, assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of their fair values of the assets and liabilities recognized. The balance sheet and income statement of the subsidiaries are consolidated on a line by line basis, and the carrying value of the investment held by the Company is eliminated against related equity and reserves accounts. All significant inter-company transactions and balances between group enterprises are eliminated on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

B. Change in Accounting Policies, Accounting Estimates and Errors

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

In the previous period's consolidated financial statements, the adjustments below have been done.

In consequence of changes in actuarial assumptions which is used in the calculation of retirement pay provision, long term employee benefits decreased TRY 460.479 and deferred tax liability increased TRY 92.096. In the result of this adjustments retained profit increased TRY 368.833. (Note 24)

C. Summary of Significant Accounting Policies

The significant accounting policies are followed in the preparation of the accompanying financial statements are summarized below:

Revenue recognition

In terms of business activity, profit is accounted for when income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are carried at gross revenue invoiced less any sales returns and sales discounts. (Note 28)

Rent Income earned by the Group are recognised on an accrual basis.

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

Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include amounts of cash and deposits at banks.

Financial Assets

Initial recognition

Financial assets in the scope of IAS 39 are classified as both loans and receivables and available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, directly attributable transaction costs. The Group considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognized on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Effective interest method

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

Income is recognized on an effective interest basis for held-to-maturity investments, available- for-sale financial assets and loans and receivables.

• Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measures as described below:

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

C. Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that repayable on demand and form an integral part of the Group's cash management are included as component of cash and cash equivalents for the purpose of statement of cash flow.

• *Held-to-maturity investments*

If the Group has positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using effective interest method, less any impairment losses.

• *Available-for-sale financial assets*

The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

• *Financial assets at fair value through profit or loss*

An instrument is classified as financial asset at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's risk management or investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

A Company's share in an associate is the aggregate of the company's in that associate by the parent and its subsidiaries. To apply Equity Method, the share of other associates and joint ventures of the associates are ignored. When an associate has subsidiaries, associates, or joint ventures, the profits or losses and net assets taken into account in applying the equity method are those recognised in the associate's financial statements, after any adjustments necessary to give effect of uniform accounting policies.

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses. After the interest in an associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables that deferred financial income is netted-off against and which are calculated by discounting the amounts that will be collected of trade receivables, are recorded at the original invoice value in the subsequent periods using the effective yield method. Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group 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. (Note 10)

If the amount of the impairment subsequently decreases due to an event occurring after the writedown, the release of the provision is credited to other income.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

C. Summary of Significant Accounting Policies (Continued)

Other Receivables and Debts

The accounts can not be shown in trade receivable and trade payable shown as Other Receivables and Debts such as deposits and guaranties given/ received, dues to/from tax authority, nontrade liabilities/ receivables to/from related parties. (Note 11)

Inventory

Inventory (including finished goods and raw materials) are valued at the lower of weighted average cost, restated at the equivalent purchasing power at 31 December 2009, and net realizable value. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. (Note 13)

Other Assets and Liabilities

Other Current/Noncurrent Assets

Prepaid expenses, Income accruals, Prepaid taxes and funds, Advances given for business purposes, Advances given to personel, VAT carried forward - short term, VAT deductible, VAT other, Sundry assets are reported in Other Current/Noncurrent Assets. (Note 26)

Other Current/Noncurrent Liabilities

Deferred income, Expense accruals, Other sundry payables are reported in Other Current/Noncurrent Liabilities. (Note 26)

Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in consolidated income statement. When the Group completes the construction or development of a selfconstructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognized in income statement. (Note 17)

Property, plant and equipment

Property, plant, equipment are carried at cost, restated in equivalent purchasing power at 31 December 2009 less accumulated depreciation. Depreciation is provided on the restated amounts of property, plant, equipment on a straight-line monthly basis over the useful lives. The depreciation periods for property, plant, equipment, which approximate the economic useful life of such assets, are as follows: (Note 18)

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

Property, plant and equipment (continued)

	<u>Years</u>
Property, plant and equipment	3-10
Property, plant and equipment (Leasing)	4-10
Motor vehicles	4-5
Furniture, fixtures and office equipment	4-14

Intangible Fixed Assets

Intangible fixed assets consist of rights, foundation cost and other intangibles, are carried at cost, restated in equivalent purchasing power at 31 December 2009 accumulated depreciation. Depreciation is provided on the restated amounts on a straight-line monthly basis over the useful lives of 5 years. (Note 19)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the approximate fair value of the Group's share of the net assets of the acquired subsidiary/associate undertaking at the date of acquisition. Goodwill is not amortised. Instead of this once in a year or if it's necessary more it is put upon loss impairment. (Note 20)

Impairment of assets

Long term assets are analyzed according to IFRS 36 ("Impairment of assets") which states that if book value of an asset is greater than its recoverable value, a value loss (impairment loss) provision should be provided.

Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

Earnings per share

Earnings per share as indicated on the consolidated income statement are ascertained by dividing net profit to weighted average number of shares.

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 in existence 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 each earlier year, as if the event had occurred at the beginning of the earliest period reported. (Note 36)

Post Balance Sheet Events

Post balance sheet events include all the events between the balance sheet date and the date of publish of the balance sheet. (Note 40)

Provisions and Conditional Events

A provision is recognized when, and only when an enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. (Note 22)

Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. In terms of management purposes the Group has determined three divisions as telecommunication, property hiring and electronic device production. (Note 5) Geographical segments have not been presented in the consolidated financial statements since it has not characterised as reportable segment, considered its materiality, because of abroad operations of the Group.

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2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS (continued)

C. Summary of Significant Accounting Policies (Continued)

Related Companies

Shareholders, top management personnel, members of board of directors and their families, affiliates, subsidiaries, the companies having indirect relationship with the above mentioned parties or under the control of the above mentioned parties are considered related companies. Related companies could be in business relationship due to the operational activities. Such transactions would be realized in general by the market prices. (Note 37)

Taxation and Deferred Taxes

Taxation on income consists of the effects of current period tax and deferred tax. The Group calculated taxation on income as in accordance with the IFRS 12 (“Taxation-revised”).

The charge for current tax is based on the results for the year/the period as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or subsequently enacted by the balance sheet date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit.

Deferred tax is calculated using tax rates that have been enacted in the period in which assets acquired and/or liabilities carried out and included in the statement of income as income or expense.

Taxation on income payable is being netted off with the relevant prepaid temporary taxes. (Note 35)

Employee Termination Benefits

Under Turkish labour law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who retires in accordance with social insurance regulations or is called up for military service or dies. Such payments are calculated on the basis of 30 days’ pay limited to a maximum of 2.427 TRY as at 31 December 2009 per year of employment at the rate of pay applicable at the date of retirement.

According to IFRS 19 (“Employee Benefits”) the calculation of reserve for termination indemnity is based on future termination indemnity payments be discounted to the balance sheet date by the net of the relevant discount rate and the assumed inflation rate. (Note 24)

Foreign Currency Transactions and Translation

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates.

Reporting of Cash Flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities. Cash flows from operating activities reflect cash flows generated from sales of the Group. Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group. Cash flows relating to finance activities express sources of financial activities and payment schedules of the Group.

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

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3. BUSINESS COMBINATIONS

Aneles Elektronik Üretim ve Pazarlama Sanayi ve Ticaret A.Ş. which is a consolidated subsidiary of the Group acquired %65 shares of E-Sistem Elektronik Sanayi ve Ticaret A.Ş. on 31 March 2009 in compliance with IFRS 3 in consideration of TRY 27.828. There is no goodwill comprised in consequence of this acquisition.

	Book Value	Fair Value	Group's Share
Cash and Cash Equivalents	1.136.018	1.136.018	738.412
Fixed Assets	43.213	145.434	94.532
Short-term Liabilities	(1.044.338)	(1.044.338)	(678.820)
Long-term Liabilities	(194.301)	(194.301)	(126.296)
Total Net Assets	(59.408)	42.813	27.828
Total Cash Paid			27.828

4. JOINT VENTURES

<u>Joint Ventures</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Segment</u>
Aneltech-Airties Joint Venture	Telecommunication	Turkey	Electronic
AMS-Aneltech Joint Venture	Automatic Identification System	Turkey	Electronic

<u>Joint Ventures</u>	December 31, 2009		December 31, 2008	
	<u>Proportion of the voting power held by directly</u>	<u>Proportion of the voting power held by indirectly</u>	<u>Proportion of the voting power held by directly</u>	<u>Proportion of the voting power held by indirectly</u>
	%	%	%	%
Aneltech-Airties Joint Venture	51	51	51	51
AMS-Aneltech Joint Venture	49	49	49	49

Summary of Financial Informations:

<u>Aneltech-Airties Joint Venture</u>	December 31, 2009	December 31, 2008
Current Assets	41.327	79.858
Non-Current Assets	-	-
Short-term Liabilities	(5.722)	(2.039)
Long-term Liabilities	-	-
Net Assets	35.605	77.819

	2009	2008
Revenue	-	138.777
Expense (-)	4.083	166.285

<u>AMS-Aneltech Joint Venture</u>	December 31, 2009	December 31, 2008
Current Assets	49.300	105.041
Non-Current Assets	-	-
Short-term Liabilities	(48.177)	(97.019)
Long-term Liabilities	-	-
Net Assets	1.123	8.022

	2009	2008
Revenue	1.381	113.858
Expense (-)	4.188	77.059



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5. SEGMENT INFORMATION

The Group operates in three main business segments, which are as follows:

- Telecommunication
- Property Hiring
- Manufacturing and Selling Electronic Devices

December 31, 2009	Telecommunication	Property Hiring	Manufacturing and Selling Electronic Devices	Consolidation Adjustments	Total
Net Sales	60.853.595	3.723.436	10.602.068	(4.839.464)	70.339.635
Cost of Sales (-)	(56.295.660)	(2.379.171)	(11.899.327)	4.794.760	(65.779.398)
Gross Margin	4.557.935	1.344.265	(1.297.259)	(44.704)	4.560.237
Research and Development Expenses (-)	(73.738)	-	(132.894)	-	(206.632)
Marketing, Sales and Distribution Expenses (-)	(172.291)	-	(550.868)	81.659	(641.500)
Overhead Expenses (-)	(5.545.158)	(591.166)	(1.391.626)	220.750	(7.307.200)
Incomes From Other Operations	1.867.569	5.686.161	648.577	(566.461)	7.635.846
Expenses From Other Operations (-)	(100.783)	(7.534)	(708.090)	-	(816.407)
Operating Profit/(Loss)	533.534	6.431.726	(3.432.160)	(308.756)	3.224.344
Profit/(Loss) From Investments According to Equity Method	-	-	-	455.175	455.175
Financial Incomes	7.910.488	628.742	5.592.510	(974.083)	13.157.657
Financial Expenses (-)	(9.860.164)	(7.995.687)	(5.284.944)	974.410	(22.166.385)
Profit/ (Loss) Before Provision For Taxes	(1.416.142)	(935.219)	(3.124.594)	146.746	(5.329.209)
Tax Income/(Expense) From Operating Activities					
-Tax For Period	-	-	-	-	-
-Deferred Tax Income/ (Expense)	(289.827)	(151.954)	158.379	652.976	369.574
NET PROFIT/LOSS FOR THE PERIOD	(1.705.969)	(1.087.173)	(2.966.215)	799.722	(4.959.635)
<u>Investment Expenditures</u>					
Investment Property	1.300.354	2.859.214	7.871.639	2.107.589	14.138.796
Property, Plant and Equipment	481.682	-	873.039	(76.976)	1.277.745
Intangible Fixed Assets	1.725.000	108.241.000	-	(2.179.677)	107.786.323
<u>Total Investment Expenditures</u>	3.507.036	111.100.214	8.744.678	(149.064)	123.202.864
<u>Other Informations</u>					
- Total Assets	118.675.368	135.038.164	30.184.026	(49.837.051)	234.060.507
- Total Liabilities	118.675.368	135.038.164	30.184.026	(49.837.051)	234.060.507

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5. SEGMENT INFORMATION (continued)

December 31, 2008	Telecommunication	Property Hiring	Manufacturing and Selling Electronic Devices	Consolidation Adjustments	Total
Net Sales	78.149.747	3.390.958	11.476.076	(4.086.161)	88.930.620
Cost of Sales (-)	(72.078.688)	(3.188.590)	(9.957.676)	1.926.389	(83.298.565)
Gross Margin	6.071.059	202.368	1.518.400	(2.159.772)	5.632.055
Research and Development Expenses (-)	(555.357)	-	-	-	(555.357)
Marketing, Sales and Distribution Expenses (-)	(210.342)	-	(156.985)	-	(367.327)
Overhead Expenses (-)	(5.809.473)	(247.637)	(290.279)	174.728	(6.172.661)
Incomes From Other Operations	1.845.694	970.919	701.689	3.641.776	7.160.078
Expenses From Other Operations (-)	(162.791)	(874.198)	(682.723)	-	(1.719.712)
Operating Profit/(Loss)	1.178.790	51.452	1.090.102	1.656.732	3.977.076
Profit/(Loss) From Investments According to Equity Method	-	-	-	323.226	323.226
Financial Incomes	9.589.752	544.830	4.978.597	-	15.113.179
Financial Expenses (-)	(7.063.782)	(335.399)	(4.487.297)	8.080	(11.878.398)
Profit/ (Loss) Before Provision For Taxes	3.704.760	260.883	1.581.402	1.988.038	7.535.083
Tax Income/(Expense) From Operating Activities					
-Tax For Period	(918.184)	(33.439)	-	-	(951.623)
-Deferred Tax Income/ (Expense)	25.024	(38.757)	(135.064)	(104.022)	(252.819)
NET PROFIT/LOSS FOR THE PERIOD	2.811.600	188.687	1.446.338	1.884.016	6.330.641
<u>Investment Expenditures</u>					
Investment Property	1.846.126	75.227.850	3.447.428	236.341	80.757.745
Property, Plant and Equipment	92.547	-	855.380	(76.976)	870.951
Intangible Fixed Assets	1.165.000	5.828.000	-	-	6.993.000
<u>Total Investment Expenditures</u>	3.103.673	81.055.850	4.302.808	159.365	88.621.696
<u>Other Informations</u>					
- Total Assets	101.802.196	93.623.398	26.997.099	(31.178.686)	191.244.007
- Total Liabilities	101.802.196	93.623.398	26.997.099	(31.178.686)	191.244.007

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6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	December 31, 2009	December 31, 2008
Cash	27.284	19.285
Banks		
- Time Deposits	25.186.993	23.851.009
- Demand Deposit	2.213.143	880.922
Cheques Received	44.759	2.573.188
Total	27.472.179	27.324.404

The average maturity for time deposits is 15 days (2008: 1 day)

Residual terms for the time deposit are as follow;

	December 31, 2009		December 31, 2008	
	Interest Rate (%)	TRY Equivalent	Interest Rate (%)	TRY Equivalent
TRY	6,00 – 9,25	7.294.566	15,00-17,00	3.956.385
USD	3,00 – 5,00	11.976.116	1,00-5,00	10.753.430
EUR	3,25 – 5,00	5.916.311	3,00-3,50	9.141.194
Total Time Deposit		25.186.993		23.851.009

7. FINANCIAL ASSETS

Short-Term Financial Assets

<i>Marketable Securities to Purchase-Sale</i>	31.12.2009		31.12.2008	
	Book Value	Fair Value	Book Value	Fair Value
Stocks	5.618	5.618	5.384	5.384
	5.618	5.618	5.384	5.384

Long-Term Financial Assets

<i>Available-for-sale financial assets</i>	Percentage of ownership (%)	December 31, 2009	December 31, 2008
<i>Investments According to Cost Value</i>			
Anelmarin Gemi Elektrik Elektronik San ve Tic. A.Ş.	25,00	75.000	75.000
Anel Enerji Elektrik Üretim San. ve Tic. A.Ş.	5,00	50.000	-
Total		125.000	75.000

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8. FINANCIAL LIABILITIES

Financial liabilities consist of the following;

Short-term Financial Liabilities

			December 31, 2009
	<u>Interest Rate (%)</u>	<u>Original Currency</u>	<u>TRY Equivalent</u>
Temporary Loans	-	TRY	259.362
Credit Card Slip Payables	-	TRY	12.169
Revolving Credits	-	TRY	2.310.000
Operating Loans	4,08 - 22,80	TRY	17.061.122
Operating Loans	2,53 - 7,40	USD	17.110.592
Short-term Portion of Long-term Loans	9,60 - 25,20	TRY	2.603.368
Short-term Portion of Long-term Loans	5,48 - 5,67	USD	1.428.826
Short-term Portion of Long-term Loans	3,58 - 11,88	EUR	4.951.178
Leasing Payables (*)	-	USD	173.012
Leasing Payables (*)	-	EUR	220.660
Factoring Payables	9,00 - 13,80	TRY	4.494.670
Total			<u>50.624.959</u>

			December 31, 2008
	<u>Interest Rate (%)</u>	<u>Original Currency</u>	<u>TRY Equivalent</u>
Temporary Loans		TRY	14.347
Credit Card Slip Payables	-	TRY	11.876
Vehicle Loans	-	EUR	33.258
Revolving Credits	25,00	TRY	2.000.000
Operating Loans	9,00-11,75	USD	10.912.104
Operating Loans	8,10	EUR	4.521.980
Short-term Portion of Long-term Liabilities	6,33-7,68	USD	1.390.285
Short-term Portion of Long-term Liabilities	5,44-6,90	EUR	2.525.488
Leasing Payables (*)	1,50	EUR	12.633
Total			<u>21.421.971</u>

Long-term Financial Liabilities

			December 31, 2009
	<u>Interest Rate (%)</u>	<u>Original Currency</u>	<u>TRY Equivalent</u>
Operating Loans	19,20 - 25,20	TL	292.908
Operating Loans	5,48 - 5,67	USD	7.551.233
Operating Loans	3,58 - 11,88	EUR	36.129.476
Leasing Payables (*)	-	USD	778.926
Leasing Payables (*)	-	EUR	1.134.443
Total			<u>45.886.986</u>

			December 31, 2008
	<u>Interest Rate (%)</u>	<u>Original Currency</u>	<u>TRY Equivalent</u>
Operating Loans	5,38-7,68	USD	15.300.747
Operating Loans	5,44-10,66	EUR	36.365.271
Leasing Payables (*)	1,50	EUR	36.808
Total			<u>51.702.826</u>

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9. OTHER FINANCIAL LIABILITIES

None.

10. TRADE RECEIVABLES/ PAYABLES

Trade receivables and trade payables are as follows,

Short-term Trade Receivables

	December 31, 2009	December 31, 2008
Trade Receivables	25.759.286	30.244.805
Notes Receivables	59.000	10.482
Less: Unearned Credit Finance Income	(173.382)	(486.547)
Doubtful Receivables	80.006	269.717
Less: Provision for Doubtful Receivables	(80.006)	(269.717)
Other Trade Receivables	1.008.220	878.835
Total	26.653.124	30.647.575

As of December 31, 2009 the effective interest rate applied for short-term trade receivables in TRY is 7,5%, EUR is 0,54% and USD is 0,24%. The average maturity for trade receivables is 2 months (2008: 2 months).

As of December 31, 2009 and December 31, 2008 the aging analyzes of past due trade receivables and credit risk are stated in Note 38.

Movement of allowance for doubtful receivables is as follows:

	December 31, 2009	December 31, 2008
Beginning of Period	269.717	10.250
Current Period's Addition	32.030	259.467
Collected During Period (-)	(221.741)	-
Balance at End of Year	80.006	269.717

Short-term Trade Payables

	December 31, 2009	December 31, 2008
Trade Payables	16.187.843	24.068.405
Notes Payable	300.000	448.217
Less: Unearned Credit Finance Expense	(114.395)	(248.003)
Other Trade Payables	421.182	1.388
Total	16.794.630	24.270.007

As of December 31, 2009 the effective interest rate applied for short-term trade payables in TRY is 7,46%, EUR is 0,50% and USD is 0,24%. The average maturity for trade payables is 2 months (2008: 2 months).

As of December 31, 2009 and December 31, 2008 the aging analyzes of trade payables and liquidity risk are stated in Note 38.

11. OTHER RECEIVABLES / PAYABLES

Other Short-term Receivables

	December 31, 2009	December 31, 2008
Deposits and Guarantees Given	37.099	72.394
Other Receivables	166.244	425.106
Total	203.343	497.500

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11. OTHER RECEIVABLES / PAYABLES (continued)

Other Long-term Receivables

	December 31, 2009	December 31, 2008
Deposits and Guarantees Given	109.439	7.217
Total	109.439	7.217

As of December 31, 2009 and December 31, 2008 the credit risk analyze of other receivables are stated in Note 38.

Other Short-term Payables

	December 31, 2009	December 31, 2008
Deposits and Guarantees Received	42.919	127.807
Due to Personnel	37.945	52.871
Taxes and Dues Payable	314.641	1.678.403
Social Security Premiums Payable	266.071	390.785
Other Payables	22.987	87.315
Total	684.563	2.337.181

As of December 31, 2009 and December 31, 2008 the aging analyzes of trade payables and liquidity risk are stated in Note 38.

12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None.

13. INVENTORIES

	December 31, 2009	December 31, 2008
Raw materials	3.290.794	5.550.879
Work in progress	183.306	64.824
Finished goods	2.017.178	4.464.935
Merchandise	1.025.975	1.460.392
Other	-	16.145
Less: Provision for diminution in value of inventories	(892.260)	(1.279.833)
Total	5.624.993	10.277.342

14. BIOLOGICAL ASSETS

None.

15. CONSTRUCTION CONTRACT RECEIVABLES

None.

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16. INVESTMENTS ACCORDING TO EQUITY METHOD

Details of investments according to equity method evaluation as of December 31, 2009 are as follows;

	<u>Percentage of ownership (%)</u>	<u>December 31, 2009</u>	<u>December 31, 2009</u>
Plastikkart Akıllı Kart İletişim Sistemleri Sanayi ve Ticaret A.Ş.	18,74	4.988.592	4.533.417
Goodwill		703.410	703.410
Total		5.692.002	5.236.827

(*) Since the equity investment registered in İstanbul Stock Exchange Market, equity shares are stated at the best buying/selling price (TRY 2,78) as of 31 December 2009 announced by ISE (Istanbul Stock Exchange) and its fair value is TRY 11.849.750.

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Beginning of Period	5.236.827	15.892.750
Share from Plastikkart's profit	455.175	323.226
Less: Cancellation of Plastikkart's Share Sales	-	(2.000.000)
Cancellation Plastikkart's Value Increase Fund	-	(8.979.149)
End of Period	5.692.002	5.236.827

Information which are mentioned above about equity investments are as follows;

Plastikkart Akıllı Kart İletişim Sistemleri Sanayi Ve Ticaret A.Ş.

	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Equity</u>	<u>Revenue</u>	<u>Profit / (Loss)</u>
December 31, 2009	33.232.626	6.612.603	26.620.023	49.115.647	2.428.893
December 31, 2008	30.462.707	6.271.577	24.191.130	33.341.662	1.724.793

17. INVESTMENT PROPERTY

	<u>January 1, 2009</u>			<u>December 31, 2009</u>	
<u>Cost</u>	<u>Opening Balance</u>	<u>Addition</u>	<u>Transfer</u>	<u>Revaluation of Real Estate</u>	<u>Closing Balance</u>
Land and Buildings	6.993.000	18.024.476	76.669.522	6.099.325	107.786.323
Total	6.993.000				107.786.323
	<u>January 1, 2008</u>			<u>December 31, 2008</u>	
<u>Cost</u>	<u>Opening Balance</u>	<u>Addition</u>		<u>Revaluation of Real Estate</u>	<u>Closing Balance</u>
Land and Buildings	6.505.000	-		488.000	6.993.000
Total	6.505.000				6.993.000

As of December 31, 2009 investment property of the group are pledged for security at the amount of EUR 26.000.000.

Real estate of the Group has been revalued by an independent qualified valuer as of December 31, 2009.

The investment properties owned by the Group are carried at fair value determined by independent professionally qualified valuers on the basis of market value supported by market evidence, by using a combination of income, market and cost approaches and on the basis of calculations, considerations and other information obtained in the course of market research.

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18. PROPERTY, PLANT AND EQUIPMENT

Cost	January 1, 2008					December 31, 2009
	<u>Opening Balance</u>	<u>Additions (*)</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Assets From Acquired Companies</u>	<u>Closing Balance</u>
Land	24.644.050	-	-	(24.644.050)	-	-
Buildings	-	-	-	2.179.677	-	2.179.677
Property, plant and equipment						
- Purchases	10.451.726	427.179	(284.503)	-	-	10.594.402
- Leases	2.622.696	220.816	-	-	-	2.843.512
Vehicles						
- Purchases	916.954	76.837	(336.022)	-	20.906	678.675
- Leases	75.548	-	-	-	-	75.548
Furnitures and fittings						
- Purchases	802.489	826.247	(53.050)	1.621.018	16.035	3.212.739
- Leases	-	1.157.007	-	-	-	1.157.007
Leasehold Improvements						
- Purchases	107.919	69.272	-	-	-	177.191
- Leases	119.114	-	-	-	-	119.114
Construction in progress	50.930.489	9.797.222	(390.641)	(55.826.167)	-	4.510.903
Total	90.670.985	12.574.580	(1.064.216)	(76.669.522)	36.941	25.548.768
Accumulated Depreciation (-)						
Buildings (-)	-	29.062	-	-	-	29.062
Property, plant and equipment (-)						
- Purchases	6.046.794	1.217.482	(336.976)	-	-	6.927.300
- Leases	2.622.696	18.859	-	-	-	2.641.555
Vehicles (-)						
- Purchases	565.429	124.619	(268.572)	-	19.164	440.640
- Leases	75.548	-	-	-	-	75.548
Furnitures and fittings (-)						
- Purchases	428.347	558.846	(21.960)	-	9.041	974.274
- Leases	-	118.947	-	-	-	118.947
Leasehold Improvements (-)						
- Purchases	55.312	28.220	-	-	-	83.532
- Leases	119.114	-	-	-	-	119.114
Total	9.913.240	2.096.035	(627.508)	-	28.205	11.409.972
Tangible Fixed Asset, Net	80.757.745					14.138.796

As of December 31, 2009 USD 8.386.560 ve TRY 8.373.064 worth of insurance warranties are available on the property, plant and equipment.

Construction in progress of the Group has been revalued and presented as revaluation fund in the Equity.

The depreciation cost of Property, Plant and Equipment of current period is TRY 2.096.035. TRY 1.841.269 of this amount is in in cost of service rendered (Note 28) and TRY 239.854 is in Operating Expenses (Note 29).

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18. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	January 1, 2008					December 31, 2008	
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfer</u>	<u>Revaluation</u>	<u>Assets From Acquired Companies</u>	<u>Closing Balance</u>
Land	11.250.000	-	-	-	13.394.050	-	24.644.050
Property, plant and equipment							
- Purchases	1.245.138	1.727.559	(177.325)	179.801	-	7.476.553	10.451.726
- Leases	2.622.696	-	-	-	-	-	2.622.696
Vehicles							
- Purchases	826.268	197.274	(138.136)	-	-	31.548	916.954
- Leases	75.548	-	-	-	-	-	75.548
Furnitures and fittings	449.713	105.291	(12.239)	-	-	259.724	802.489
Leasehold Improvements							
- Purchases	100.331	3.825	(43.883)	-	-	47.646	107.919
- Leases	119.114	-	-	-	-	-	119.114
Construction in progress	18.400.710	45.658.001	(826.808)	(179.801)	(12.303.258)	181.645	50.930.489
Total	35.089.518	47.691.950	(1.198.391)	-	1.090.792	7.997.116	90.670.985
Accumulated Depreciation (-)							
Property, plant and equipment (-)							
- Purchases	292.782	1.139.904	(62.575)	-	-	4.676.683	6.046.794
- Leases	2.622.696	-	-	-	-	-	2.622.696
Vehicles (-)							
- Purchases	398.057	173.439	(27.625)	-	-	21.558	565.429
- Leases	75.548	-	-	-	-	-	75.548
Furnitures and fittings (-)	167.602	141.643	(12.240)	-	-	131.342	428.347
Leasehold Improvements (-)							
- Purchases	30.862	20.687	(43.883)	-	-	47.646	55.312
- Leases	119.114	-	-	-	-	-	119.114
Total	3.706.661	1.475.673	(146.323)	-	-	4.877.229	9.913.240
Tangible Fixed Asset, Net	31.382.857						80.757.745

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19. INTANGIBLE FIXED ASSETS

The intangible fixed assets are as follows,

	January 1, 2009			December 31, 2009
Cost	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Closing Balance</u>
Rights	756.265	90.832	-	900.791
Know-how	-	391.619	-	391.619
Other Intangible Fixed Assets	1.212.610	11.460	-	1.225.110
Total	1.968.875	493.911	-	2.517.520

Accumulated Amortization (-)

Rights	739.220	17.404	-	771.182
Know-how	-	6.527	-	6.527
Other Intangible Fixed Assets	358.704	102.874	-	462.066
Total	1.097.924	126.805	-	1.239.775

Intangible Fixed Assets, Net

870.951

1.277.745

	January 1, 2008			December 31, 2008
Cost	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Closing Balance</u>
Rights	5.644	750.621	-	756.265
Other Intangible Fixed Assets	346.153	866.457	-	1.212.610
Total	351.797	1.977.366	(360.288)	1.968.875

Accumulated Amortization (-)

Rights	283	738.937	-	739.220
Other Intangible Fixed Assets	304.602	54.102	-	358.704
Total	304.885	1.153.327	(360.288)	1.097.924

Intangible Fixed Assets, Net

46.912

870.951

The depreciation cost of Intangible Fixed Assets of current period is TRY 126.805. TRY 97.255 of this amount is in in cost of service rendered (Note 28) and TRY 29.550 is in Operating Expenses (Note 29).

20. POSITIVE / NEGATIVE GOODWILL

	December 31, 2009	December 31, 2008
Positive Goodwill (net)		
Opening Balance, 1 January	4.777.930	4.777.930
Less: Impairment of Goodwill	(684.677)	-
Ending Balance	4.093.253	4.777.930

The Group performed an impairment test for the Goodwill arising from subsidiaries. As a result of impairment test in the amount of TRY 684.477 has been recognised as a goodwill impairment loss.

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21. GOVERNMENT GRANTS

None.

22. PROVISIONS AND CONTINGENT ASSETS AND LIABILITIES

Letters, bonds and checks of guarantees received are as follows:

<u>December 31, 2009</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>	<u>TRY Equivalent</u>
Letters of Guarantees Received	59.460	146.260	520.150	925.644
Bonds of Guarantees Received	77.544	27.977	473.657	650.854
Checks of Guarantees Received	1.058.000	4.000	1.251.521	2.853.193
Total	1.195.004	178.237	2.245.328	4.429.691

<u>December 31, 2008</u>	<u>USD</u>	<u>EUR</u>	<u>TRY</u>	<u>TRY Equivalent</u>
Letters of Guarantees Received	553.650	137.250	273.560	1.404.669
Bonds of Guarantees Received	47.580	12.912	403.950	503.547
Checks of Guarantees Received	1.058.000	17.000	1.360.981	2.997.388
Total	1.659.230	167.162	2.038.491	4.905.604

Letters, bonds and checks of guarantees given are as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
- Total Guarantees given on its behalf of the Company	19.845.232	14.091.677
- Total Guarantees given on behalf of the related Companies that is not consolidated	59.235	-
Total	19.904.467	14.091.677

23. COMMITMENTS

None.

24. EMPLOYEE BENEFITS

Short-Term Employee Benefits

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Unused Annual Leave Provision	300.491	-

The movement of unused annual leave provision is below;

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Opening Balance	-	-
Current Period	300.491	-
End of period	300.491	-

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24. EMPLOYEE BENEFITS (continued)

Long-Term Employee Benefits

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Retirement Pay Provision	443.538	368.528

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

Retirement pay liability is not subject to any kind of funding legally. Provision for retirement pay liability is calculated by estimating the present value of probable liability amount arising due to retirement of employees. IAS 19 (“Employee Benefits”) stipulates the development of Group’s liabilities by using actuarial valuation methods under defined benefit plans. In this direction, actuarial assumptions used in calculation of total liabilities are described as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Discount Rate (%)	5,92	6,26
Retirement Probability (%)	70,63	71,43

Main assumption is that maximum liability amount increases parallel to inflation rate for every service year. Therefore, discount rate used is the expected real rate adjusted for the future inflationary effects. Because of this, provisions in the accompanying financial statements as of 31 December 2009 are calculated by estimating present value of probable liabilities arising due to retirement of employees.

Retirement pay provision of the Group is estimated by TRY 2.427 which is current maximum salary limit as of 1 January 2010 (1 January 2009: TRY 2.260)

As of December 31, 2009 and December 31, 2008 Severance Pay Provision are calculated as follows:

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Opening Balance	368.528	1.010.304
Current Period	373.134	340.031
Sum Paid as compensation	(298.124)	(521.328)
Adjustment	-	(460.479)
End of Period	443.538	368.528

25. RETIREMENT PLANS

None.

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26. OTHER CURRENT/NONCURRENT ASSETS AND LIABILITIES

<u>Other Current Assets</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Order Advances Given	1.918.685	420.153
Prepaid Expenses	2.901.312	2.342.928
Deferred VAT	14.340.663	12.609.776
Prepaid Taxes and Funds	185.371	1.369.692
Advances Given for Business Purposes	27.880	104.055
Advances Given to Personnel	8.399	8.855
Other Current Assets	79.850	16.482
Total	19.462.160	16.871.941
<u>Other Noncurrent Assets</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Order Advances Given	118.304	1.128.154
Prepaid Expenses	24.150	1.603
Prepaid Taxes and Funds	-	47.679
Total	142.454	1.177.436
<u>Other Current Liabilities</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Deferred Revenue	571.344	-
Order Advances Received	8.973.558	1.938.730
Expense Accruals	777	-
Other	85	-
Total	9.545.764	1.938.730
<u>Other Noncurrent Liabilities</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Provision for Product Safety	76.016	76.016
Deferred Income (*)	5.225.093	-
Total	5.301.109	76.016

(*) Deferred income consist of rent invoices billed to the related companies other than consolidated ones.

27. CAPITAL

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Share (%)</u>	<u>Share Amount</u> <u>TRY</u>	<u>Share (%)</u>	<u>Share Amount</u> <u>TRY</u>
<u>Shareholders</u>				
Rıdvan ÇELİKEL	26,74	12.301.697	26,18	11.519.840
Avniye Mukaddes ÇELİKEL	4,73	2.174.545	4,73	2.080.000
Others	3,08	1.414.667	3,63	1.600.160
Anel Elektrik Proje Taahhüt ve Ticaret A.Ş.	20,00	9.200.000	20,00	8.800.000
Purlear Enterprises Inc.	-	-	4,55	2.000.000
Publicly Traded (*)	45,45	20.909.091	40,91	18.000.000
Total Capital	100,00	46.000.000	100,00	44.000.000

(*) Publicly offered shares of the Group are being traded in ISE (Istanbul Stock Exchange)

The Group use authorized capital system and the equity ceiling is TRY 150.000.000 which is maximum limit that capital can be increased.

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27. CAPITAL (continued)

As of December 31, 2009, the Company's share capital in the statutory books, is TRY 46.000.000 (2008 - TRY 44.000.000), which consisted of 15.640.000 A-group shares and 30.360.000 B-group shares authorized and fully paid shares each having 1 TRY nominal value. A-group shareholders have ten voting rights and B-group shareholders have one voting rights for each share owned at the General Assembly meeting.

All of the members of the board are chosen from the A-group shareholders or the candidates whom are run as a candidate by the General Assembly.

Share Premium

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Share Premium	991.647	991.647
Total	<u>991.647</u>	<u>991.647</u>

Revaluation Reserve

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial Assets Revaluation Fund	96.879	96.879
Non-Current Assets Revaluation Fund	2.994.871	2.994.871
Repatriation Fund (*)	500.000	-
Total	<u>3.591.750</u>	<u>3.091.750</u>

(*) As a requirement of the law numbered 5811 , there is an obligation that this amount would be added on the capital.

Legal Reserves

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Legal Reserves	1.278.719	1.122.021
Total	<u>1.278.719</u>	<u>1.122.021</u>

Retained Earning/(Loss)

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Extraordinary Reserves	1.482.889	1.482.889
Retained Earning / (Loss)	6.735.182	1.891.234
Total	<u>8.218.071</u>	<u>3.374.123</u>

Minority Interest

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Opening Balance	9.802.324	9.468.132
Additions	9.391.652	2.326.550
Minority Interest Profit / (Loss)	(593.710)	(1.992.358)
Total	<u>18.600.266</u>	<u>9.802.324</u>

Accumulated profits in statutory books can be distributed except for the following legal provision related to legal reserves. According to Turkish Commercial Code, legal reserves can be categorized as order I (first) legal reserves and order II (second) legal reserves. Order I (first) legal reserves are apportioned as 5% of statutory net profit to the extent that they reach to 20% of the company's paid-in capital. Order II (second) legal reserves equal to 10% of distributable profit exceeding 5% of paid-in capital. According to Turkish Commercial Code, legal reserves can only be used to set off losses as long as they do not exceed 50% of paid-in capital. Publicly held companies distribute dividends in the following way that Capital Market Board requires.

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28. SALES AND COST OF SALES

<u>Sales Income</u>	<u>2009</u>	<u>2008</u>
Domestic Sales	58.575.060	76.213.712
Export	8.365.733	12.328.435
Rental Income	3.380.807	212.279
Other Income	1.425.312	800.449
Total Income	71.746.912	89.554.875
Sales Return (-)	(1.407.277)	(624.255)
Sales Income, net	70.339.635	88.930.620
I – Cost of Goods Sold	(7.217.482)	(9.112.225)
II – Cost of Merchandise Sold	(18.115.857)	(24.020.504)
III - Cost of Service Rendered	(37.464.785)	(47.058.519)
IV- Cost of Other Sales	(1.042.750)	(1.941.225)
V- Depreciation Expense	(1.938.524)	(1.166.092)
Cost of Sales (I+II+III+IV+V)	(65.779.398)	(83.298.565)
GROSS PROFIT	4.560.237	5.632.055

29. RESEARCH&DEVELOPMENT, MARKETING&SALES AND GENERAL ADMINISTRATIVE EXPENSES

	<u>2009</u>	<u>2008</u>
Research and Development Expenses (-)	206.632	555.357
Marketing and Sales Expenses (-)	641.500	367.327
General Administrative Expenses (-)	7.307.200	6.172.661
Total	8.155.332	7.095.345

Details of research and development expenses are as follows;

Research and Development Expenses (-)	<u>2009</u>	<u>2008</u>
Personnel Costs	174.547	501.030
Consultancy Expenses	-	41.434
Travelling and Accomodation Expenses	12.203	-
Depreciation Expenses	7.685	-
Other Expenses	12.197	12.893
Total	206.632	555.357

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**29. RESEARCH&DEVELOPMENT, MARKETING&SALES AND GENERAL ADMINISTRATIVE
EXPENSES (continued)**

Details of marketing and sales expenses are as follows;

Marketing and Sales Expenses (-)	<u>2009</u>	<u>2008</u>
Personnel Costs	307.053	198.706
Rental Expenses	75.849	63.757
Travelling and Accomodation Expenses	24.678	21.133
Depreciation Expenses	16.781	3.525
Advertisement Expenses	51.846	24.254
Car Expenses	11.531	-
Consultancy Expenses	14.524	-
Food Expenses	84.963	-
Supply Expense	19.812	-
Other Expenses	34.463	55.952
Total	<u>641.500</u>	<u>367.327</u>

Details of general administrative expenses are as follows;

General Administrative Expenses (-)	<u>2009</u>	<u>2008</u>
Personnel Costs	3.160.801	2.434.246
Consultancy Expenses	1.142.802	710.073
Rental Expenses	241.615	242.595
Building Maintenance ve Restoration Expenses	53.836	192.335
Department Participation Share	393.497	-
Stationery Expenses	34.797	52.119
Electrical Expenses	10.710	205.748
Water Expenses	36.324	103.485
Food Expenses	68.491	65.752
Cleaning Expenses	34.926	64.403
Subscription Expenses	16.347	26.102
Security Expenses	16.437	47.278
Provision For Doubtful Receivables	-	259.467
Travelling and Accomodation Expenses	89.259	35.712
Donations	194.319	499.756
Depreciation Expenses	259.850	137.111
Phone Expenses	48.637	38.097
Bank Expenses	48.887	33.726
Car Expenses	147.517	122.229
Insurance Expenses	129.014	46.295
Transportation Expenses	57.733	125.436
I.T. Expenses	46.927	-
Presentation Expenses	23.028	-
Retirement Pay Provision	422.580	340.031
Unused Annual Leave Provision	283.075	-
Tax Expenses	106.138	44.576
Other Expenses	239.653	346.089
Total	<u>7.307.200</u>	<u>6.172.661</u>

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30. EXPENSES BY FEATURE

	<u>2009</u>	<u>2008</u>
Retirement Pay Provision (-)	422.580	340.031
Provision For Doubtful Receivables (-)	-	259.467
Depreciation and Amortization Expenses (-)	2.222.840	1.306.728
Total	<u>2.645.420</u>	<u>1.906.226</u>

31. INCOME / EXPENSES FROM OTHER OPERATIONS

<u>Income From Other Operations</u>	<u>2009</u>	<u>2008</u>
Negative Goodwill Income (Note 20)	-	3.407.661
Unnecessary Provision	907.438	1.161.428
Rental Income	102.631	82.045
Increase in Value on Investment Properties	6.099.325	1.359.643
Previous Periods Income	-	31.787
Brand Licence Income	-	73.800
Department Participation Income	-	593.499
Profit on Sale of Tangible Fixed Assets	434.785	-
Income of Promotion	-	317.469
Other	91.667	132.746
Total	<u>7.635.846</u>	<u>7.160.078</u>

<u>Expenses From Other Operations (-)</u>	<u>2009</u>	<u>2008</u>
Goodwill Impairment Loss (-)	(684.677)	-
Free Zone Expenses (-)	-	(403.711)
Consultancy Expenses (-)	-	(125.050)
Decrease in Value of Property, Plant and Equipment (-)	-	(871.643)
Previous Periods Losses and Expenses (-)	-	(87.766)
Other (-)	(131.730)	(231.542)
Total	<u>(816.407)</u>	<u>(1.719.712)</u>

32. FINANCIAL INCOMES

	<u>2009</u>	<u>2008</u>
Interest Income	1.489.149	1.802.415
Foreign Exchange Gains	11.668.274	11.830.209
Profit on Sale of Marketable Securities	-	1.480.555
Other	234	-
Total	<u>13.157.657</u>	<u>15.113.179</u>

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33. FINANCIAL EXPENSES

	<u>2009</u>	<u>2008</u>
Interest Paid on Loans (-)	(9.401.592)	(867.178)
Foreign Exchange Losses (-)	(12.576.890)	(11.011.220)
Leasing Expenses (-)	(187.903)	-
Total	<u>(22.166.385)</u>	<u>(11.878.398)</u>

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

None.

35. TAXATION AND DEFERRED TAXES

	<u>2009</u>	<u>2008</u>
Provision for Period's Corporation Tax (-)	-	951.623
Total	<u>-</u>	<u>951.623</u>

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in Turkey.

Taxable profits are calculated by addition of tax disallowed expenses to and deduction of tax exempt income from the profit disclosed in the statutory income.

The current corporation tax is 20%.

No withholding tax has been payable on undistributed profits, profits added to share capital (bonus shares) and dividends paid to other resident companies.

The tax legislation provides for a temporary tax (prepaid tax) of 20% (20% in 2008) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

Tax losses that are reported in the Corporation tax return may be carried forward and deducted from the corporation tax base for a maximum period of five years following the year in which the losses were incurred. The Turkish Tax Procedural Law does not include a procedure for formally agreeing tax assessments. The tax authorities may inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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35. TAXATION AND DEFERRED TAXES (continued)

As the balance sheet date, taxation on income for the year is reconciled to the profit per income statements as follows:

<u>Tax for the Period</u>	<u>01.01.-31.12.2009</u>	<u>01.01.-31.12.2008</u>
Profit / (Loss) Before Tax	(7.759.561)	4.120.651
Additions (+)	488.342	838.041
Non- deductible expenses (+)	488.342	836.709
Previous periods losses (+)	-	1.332
Deductions and Exceptions (-)	(6.680.420)	(200.578)
Deductible Previous year's losses (-)	(6.680.420)	-
Donations (-)	-	(200.578)
Taxable Profit / (Loss)	(13.951.639)	4.758.114
Tax applied effective tax rate (%20)	-	951.623
Taxation on Income	-	951.623

Deferred Taxes:

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable (statutory) profit.

Deferred tax is calculated using tax rates that have been enacted in the period in which assets acquired and/or liabilities carried out and included in the statement of income as income or expense.

	<u>Cumulative Timing</u>		<u>Deferred Tax Asset/</u>	
	<u>December</u>	<u>Difference</u>	<u>Deferred Tax Asset/</u>	<u>(Liability)</u>
	<u>31, 2009</u>	<u>31, 2008</u>	<u>December</u>	<u>December</u>
	<u>31, 2009</u>	<u>31, 2008</u>	<u>31, 2009</u>	<u>31, 2008</u>
Deferred Tax Assets				
The Difference Between Book Value and Tax				
Assessment of Tangible and Intangible Fixed Assets	29.062	-	5.812	-
Cancellation of Capitalised Leasing Expense	154.326	-	30.865	-
Retirement Pay Provision	443.538	829.007	88.708	165.801
Unused Annual Leave Provision	300.491	-	60.098	-
Unearned Credit Finance Income	228.903	559.643	45.781	111.929
Reversal of Unrealized Credit Finance Expense	248.003	1.086.747	49.601	217.349
Provision of Doubtful Receivables	80.006	269.717	16.001	53.943
Projects' Period Expense Accruals	-	1.571.608	-	314.322
Cancellation of Project's Period Income Accruals	1.589.296	-	317.859	-
Impairment of Inventories	892.260	1.279.833	178.452	255.967
Impairment of Goodwill	684.677	-	136.935	-
Investment Allowance	-	384.311	-	76.862
Previous Periods Losses	6.680.420	6.277.698	1.336.084	1.255.540
Deletion of Capitalised Interest and FX related with				
Investment Properties	7.215.761	-	1.443.152	-
Remeasurement of Investment Property	-	871.643	-	174.329
Other Adjustments	129.154	89.696	25.831	17.939
Total	18.675.897	13.219.903	3.735.179	2.643.981

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35. TAXATION AND DEFERRED TAXES (continued)

Deferred Tax Liabilities

Remeasurement of Lands and Buildings	(397.601)	(397.601)	(79.520)	(79.520)
Retirement Pay Provision	-	(460.479)	-	(92.096)
Foreign Exchange Gains	(12.461)	(233.430)	(2.492)	(46.686)
The Difference Between Book Value and Tax				
Assessment of Tangible and Intangible Fixed Assets	(4.119.461)	(1.696.594)	(823.892)	(339.319)
Unrealized Credit Finance Expense	(554.324)	(248.003)	(110.865)	(49.601)
Reversal of Unearned Credit Finance Income	(559.643)	(868.840)	(111.929)	(173.768)
Projects' Period Income Accruals	-	(1.589.296)	-	(317.859)
Cancellation of Project's Period Income Expenses	(1.571.608)	-	(314.322)	-
Investment Valuation of Construction In Progress	(3.345.987)	(3.345.987)	(669.197)	(669.197)
Remeasurement of Investment Property	(6.185.832)	(4.231.714)	(1.237.166)	(846.343)
Other Adjustments	(1.225)	(68.072)	(245)	(13.615)
Total	(16.748.142)	(13.140.016)	(3.349.628)	(2.628.004)
Deferred Tax Asset/ (Liability), net	1.927.755	79.887	385.551	15.977

Deferred Tax Income / (Expense) for the Period

369.574

The movements of Deferred Taxes are as follows;

	<u>2009</u>	<u>2008</u>
Opening Balance	15.977	360.892
Deferred Tax Income / (Expense)	369.574	(252.819)
Adjustment (Not 2)	-	(92.096)
Ending Balance	385.551	15.977

36. EARNINGS PER SHARE

	<u>2009</u>	<u>2008</u>
Profit / (Loss) of The Period	(4.365.925)	8.322.999
Unit of Shares	46.000.000	44.000.000
Earnings Per Share	(0,09)	0,19
Earnings Per Share From Operating Activities	(0,09)	0,19

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37. RELATED PARTY DISCLOSURES

Due from Related Parties

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Trade Receivables</u>	<u>Nontrade Receivables</u>	<u>Trade Receivables</u>	<u>Nontrade Receivables</u>
Short-Term				
A. SHAREHOLDER				
1. Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	653.749	-	791.941	-
B. EQUITY PARTICIPATION				
1. Plastikkart Akıllı Kart İletişim Sistemleri A.Ş.	9.263	-	5.181	-
2. Anelmarin Gemi Elekt. Elektronik Sist. Tic. San. A.Ş.	7.963	-	15.098	-
C. JOINT VENTURES				
1. Aneltech-Airties Joint Venture	5.138	-	780	-
2. AMS-Aneltech Joint Venture	49.867	-	49.146	-
D. RELATED COMPANIES				
1. Anelsis Mühendislik San. Ltd. Şti.	5.116.370	1.575.153	1.418.311	-
2. Aneltem Mümessillik Dış Tic. Ltd. Şti.	-	-	1.853	-
3. E-Sistem Elektronik San.ve Tic. A.Ş.	-	-	679.219	-
4. Anelnet Teknik Hizmetler Ltd. Şti.	-	-	2.246	-
5. Anel Omaj Elektrik San. ve Tic. A.Ş.	943	-	6.762	-
6. Anel Ar-Ge Danışmanlık San. ve Tic. A.Ş.	54.001	-	104.037	-
7. As Alan Sistemleri Ltd. Şti.	3.840	-	2.498	-
8. Çelikel Vakfi	4.081	-	2.702	-
9. Anelmep Maintenance and Operations LLC	697.009	3.237.255	-	-
10. Anel Mekanik Tesisat Taahhüt A.Ş.	74.204	-	-	-
11. Anel Enerji Elektrik Üretim. San Tic A.Ş.	254.344	-	-	-
12. Anel Electrical Contracting and Trading CO.	266.288	-	-	-
13. Köpük Turizm Yatçılık Ltd Şti.	11.045	-	-	-
TOTAL	7.208.105	4.812.408	3.079.774	-

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Trade Receivables</u>	<u>Nontrade Receivables</u>	<u>Trade Receivables</u>	<u>Nontrade Receivables</u>
Long-Term				
A. SHAREHOLDER				
1. Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	5.518.386	-	-	-
TOTAL	5.518.386	-	-	-

Due to Related Parties

	<u>December 31, 2009</u>		<u>December 31, 2008</u>	
	<u>Trade Payables</u>	<u>Nontrade Payables</u>	<u>Trade Payables</u>	<u>Nontrade Payables</u>
A. SHAREHOLDER				
1. Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	14.572.310	9.941.151	687.068	12.694.974
2. Other Shareholders	-	1.209	-	49.253
B. RELATED COMPANIES				
1. Anelsis Mühendislik San. Ltd. Şti.	2.204.765	-	1.393.405	-
2. Anel Omaj Elektrik San. ve Tic. A.Ş.	-	-	6.762	-
3. Anel Net Teknik Hizmetler Ltd.Şti.	94.876	-	-	-
4. Anelmak Makine ve Elektronik San. Ve Tic. A.Ş.	-	-	12.795	-
TOTAL	16.871.951	9.942.360	2.100.030	12.744.227

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37. RELATED PARTY DISCLOSURES (continued)

Transactions with related parties in 2009 and 2008 are as follows;

Purchases of Goods	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	1.054	28.149
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	2.714.859	2.092.835
Anel Elektronik Dış Tic. Kollektif Şti.	70.600	-
Total	2.786.513	2.120.984
Purchases of Services	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	10.640.114	6.002.686
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	323.339	14.228
E-Sistem Elektronik San. ve Tic. A.Ş.	-	168.646
Anelomaj Elektrik ve Tic. A.Ş.	-	5.493
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	-	46.067
Anelmarin Gemi Elektrik Elektronik Sis. Tic. San. A.Ş.	186.364	3.923
Anel Elektronik Dış Tic. Kollektif Şti.	-	87.880
Anel Mekanik Tesisat Taahhüt A.Ş.	2.579	-
Anel Net Teknik Hizmetler Ltd. Şti.	50.256	-
Anel Ar-Ge Danışmanlık San. ve Tic. A.Ş.	359.302	-
Total	11.561.954	6.328.923
Interest Expense	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	2.513.951	539.271
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	2.499	-
Total	2.516.450	539.271
Sales of Services	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	1.244.886	939.946
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	223.325	403.086
Aneltem Mümessillik Dış Ticaret Ltd. Şti.	-	814
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	25.854	17.482
E-Sistem Elektronik San. ve Tic. A.Ş.	-	197.900
Anel Ar-Ge Dan. San. ve Tic. A.Ş.	151.200	76.910
Anelnet Teknik Hizmetler Ltd. Şti	-	1.900
Anelmarin Gemi Elektrik Elektronik Sis. Tic. San. A.Ş.	45.155	14.993
Aneltech-Airties Adi Ortaklığı	-	970
Anel Elektronik Dış Tic. Kollektif Şti.	2.166	1.754
AMS-Aneltech Adi Ortaklığı	-	612
Anel Omaj Elektrik San. ve Tic. A.Ş.	-	2.269
Plastikkart Akıllı Kart İletişim Sistemleri San. Ve Tic. A.Ş.	53.714	48.071
Çelikel Vakfı	-	1.200
Anel Mekanik Tesisat Taahhüt A.Ş.	67.077	-
Köpük Turizm ve Yatçılık Ltd. Şti.	6.180	-
Anel Enerji Elektrik Üretim San. Tic. A.Ş.	113.135	-
Total	1.932.692	1.707.907

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37. RELATED PARTY DISCLOSURES (continued)

<u>Sales of Goods</u>	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	155.296	304.359
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	190.276	70.874
E-Sistem Elektronik San.ve Tic. A.Ş.	-	162.270
Anel Omaj Elektrik San. ve Tic. A.Ş.	-	142
Anel Arge Danışmanlık ve Tic A.Ş.	6.076	2.819
Anel Enerji Elektrik Üretim San. Tic. A.Ş.	102.745	-
Anelmarin Gemi Elektrik Elektronik Sis. Tic. San. A.Ş.	2.800	-
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	2.710	-
Total	459.903	540.464
<u>Interest Income</u>	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	108.182	-
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	102.250	-
Anelmep Maintenance and Operations LLC	21.765	-
Total	232.197	-
<u>Fixed Assets Sales</u>	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	51.596	-
Çelikel Vakfı	-	300
Total	51.596	300
<u>Equity Share Sales</u>	2009	2008
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	-	2.000.000
Total	-	2.000.000
<u>Rent Income</u>	2009	2008
Anel Elektrik Proje Taahhüt ve Tic. A.Ş.	368.916	-
Anelsis Mühendislik Sanayi ve Ticaret A.Ş.	10.784	-
Anelmak Makine ve Elektronik San. ve Tic. A.Ş.	10.034	-
Anel Ar-Ge Dan. San. Ve Tic. A.Ş.	7.521	-
Anelmarin Gemi Elektrik Elektronik Sis. Tic. San. A.Ş.	800	-
As Alan Sistemleri Ltd. Şti.	800	-
Plastikkart Akıllı Kart İletişim Sistemleri San. ve Tic. A.Ş.	13.560	-
Çelikel Vakfı	800	-
Anel Omaj A.Ş.	800	-
Anelnet Teknik Hizmetler Ltd. Şti.	800	-
Anel Mekanik Tesisat Taahhüt A.Ş.	34.620	-
Köpük Turizm ve Yatçılık Ltd. Şti.	1.000	-
Anel Enerji Elektrik Üretim San. Tic. A.Ş.	1.000	-
Total	451.435	-
<u>Supplied Benefits to Key Management Personnel</u>	2009	2008
Supplied Short-term Benefits to Employees	1.554.211	1.217.261
Supplied Benefits for Dischargings	-	-
Other Long-term Benefits	-	-
Total	1.554.211	1.217.261

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS

- Equity Risk Method

The aims of Group are to be beneficial for all shareholders and maintaining the best capital combination to reduce capital cost and keeping on entity when managing the capital.

The Group may change dividends that is paid to shareholders, give back the capital to shareholders, in order to save or rearrange capital combination, put new equities on the market and may sell assets to reduce debt proportion.

The Group uses Liabilities / Equity rate while they follow capital sufficiency. This rate is found by net liabilities divided by total equity. Net liabilities is counted by cash and cash equivalents minus total liabilities which appears in balance sheet.

	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Total Liabilities	159.745.979	120.539.143
Less: Cash and Cash Equivalents	(27.472.179)	(27.324.404)
Net Liabilities	132.273.800	93.214.739
Total Equity	74.314.528	70.704.864
Liabilities / Equity Proportion	1,78	1,32

- Credit Risk,

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents and trade receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instrument.

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)

-Credit Risk (Continued)

Exposure to credit risk in consideration of financial instruments:

Current Period	Receivables				Cash and Cash Equivalents	
	Trade Receivables		Other Receivables		Time Deposits	Cheques Received
	Related Parties	3rd Parties	Related Parties	3rd Parties		
The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D+E) (1)	7.208.105	26.653.124	4.812.408	203.343	27.400.136	44.759
- Total receivable that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-	-
A. Financial assets that are not either past due or impaired (2)	7.208.105	26.653.124	4.812.408	203.343	27.400.136	44.759
B. The amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated	-	-	-	-	-	-
C. The amount of financial assets that are past due as at the end of the reporting period but not impaired	-	-	-	-	-	-
- The amount that have been secured with collaterals, other credit enhancements etc.	-	-	-	-	-	-
D. The amount of financial assets that are impaired (*)	-	-	-	-	-	-
- Past due (Gross book value)	-	80.006	-	-	-	-
- The amount of impairment (-)	-	(80.006)	-	-	-	-
E. Off balance sheet credit risk amount	-	-	-	-	-	-

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (Continued)

-Credit Risk (Continued)

Exposure to credit risk in consideration of financial instruments:

	Prior Period	Receivables				Cash and Cash Equivalents	
		Trade Receivables		Time Deposits		Time Deposits	Cheques Received
		Related Parties	Related Parties	Related Parties	Related Parties		
The maximum amount of exposure to credit risk at the end of the reporting period (A+B+C+D+E) (1)		3.079.774	30.647.575	-	497.500	24.731.931	2.573.188
- Total receivable that have been secured with collaterals, other credit enhancements etc.		-	12.246.994	-	-	-	-
A. Financial assets that are not either past due or impaired (2)		3.079.774	30.647.575	-	497.500	24.731.931	2.573.188
B. The amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated		-	-	-	-	-	-
C. The amount of financial assets that are past due as at the end of the reporting period but not impaired		-	-	-	-	-	-
- The amount that have been secured with collaterals, other credit enhancements etc.		-	-	-	-	-	-
D. The amount of financial assets that are impaired (*)		-	-	-	-	-	-
- Past due (Gross book value)		-	269.717	-	-	-	-
- The amount of impairment (-)		-	(269.717)	-	-	-	-
E. Off balance sheet credit risk amount		-	-	-	-	-	-

(1) The factors which help to improve the credit reliability, such as received collaterals, were disregarded.

(2) The Group management predicted that it would not be encountered any problem regarding Collection of Receivables because of considering their past experiences.

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

-Credit Risk (Continued)

Past Due and Impaired Receivables

Current Period	Trade Receivables	Other Receivables
Overdue Between 1-30 days	-	-
Overdue Between 1-3 months	-	-
Overdue Between 3-12 months	-	-
Overdue Between 1-5 years	80.006	-
Overdue over 5 years	-	-
Overdue Receivables secured with collaterals	-	-
Prior Period	Trade Receivables	Trade Receivables
Overdue Between 1-30 days	-	-
Overdue Between 1-3 months	-	-
Overdue Between 3-12 months	-	-
Overdue Between 1-5 years	269.717	-
Overdue over 5 years	-	-
Overdue Receivables secured with collaterals	-	-

- Liquidity Risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group's objective is to maintain a balance between current assets and liabilities through close monitoring of payment plans and cash projections. The Group manages short, medium and long term funding and liquidity management requirements by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual payments. The Group does not have any derivative liabilities.

Current Period

Terms According to Agreements	Book Value	According to the Contracts	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)
		Total Cash Outflows (=I+II+III+IV)				
Non-derivative financial liabilities	140.805.449	140.805.449	37.234.978	57.683.485	29.007.273	16.879.713
Bank Loans	94.204.904	94.204.904	7.551.571	42.679.716	27.232.580	16.741.037
Leasing Payables	2.307.041	2.307.041	133.255	260.417	1.774.693	138.676
Trade Payables	33.666.581	33.666.581	28.865.589	4.800.992	-	-
Other Payables	10.626.923	10.626.923	684.563	9.942.360	-	-

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

- Liquidity Risk (continued)

Prior Period

Terms According to Agreements	Book Value	According to the Contracts Total Cash Outflows (=I+II+III+IV)	Up to 3 months (I)	3 to 12 months (II)	1 to 5 years (III)	Over 5 years (IV)
Non-derivative financial liabilities	114.576.242	114.576.242	32.029.059	30.844.357	31.834.823	19.868.003
Bank Loans	73.075.356	73.075.356	8.964.963	12.444.375	31.798.015	19.868.003
Trade Payables	49.441	49.441	3.060	9.573	36.808	
Leasing Payables	26.370.037	26.370.037	21.100.778	5.269.259	-	-
Other Payables	15.081.408	15.081.408	1.960.258	13.121.150	-	-

- Foreign Currency Risk

	Current Period				
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	AUD
1. Trade Receivables	10.817.529	6.674.338	355.496	-	-
2a. Monetary Financial Assets	19.164.655	8.746.448	2.775.137	-	-
2b. Non-Monetary Financial Assets	599.298	389.308	6.072	-	-
3. Current Assets	30.581.482	15.810.094	3.136.705	-	-
4. Trade Receivables	5.886.649	-	2.724.922	-	-
5. Non-Monetary Financial Assets	1.311.334	870.913	-	-	-
6. Non-current Assets	7.197.983	870.913	2.724.922	-	-
7. Total Assets	37.779.465	16.681.007	5.861.627	-	-
8. Trade Payables	755.155	426.066	52.598	-	-
9. Financial Liabilities	11.471.396	4.214.905	2.372.362	-	-
10. Other Monetary Financial Liabilities	7.400.429	15.000	3.415.194	-	-
11. Current Liabilities	19.626.980	4.655.971	5.840.154	-	-
12. Financial Liabilities	37.673.484	517.318	17.078.442	-	-
13. Non-current Liabilities	37.673.484	517.318	17.078.442	-	-
14. Total Liabilities	57.300.464	5.173.289	22.918.596	-	-
15. Net Foreign Currency asset/(liability) position	(19.520.999)	11.507.718	(17.056.969)	-	-
16. Net Foreign Currency asset/(liability) position of the monetary items	(14.031.202)	10.262.497	(13.647.847)	-	-
17. Exports	7.542.783	4.968.609	13.300	-	-
18. Imports	2.453.931	1.150.690	299.260	9.735	1.125

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- Foreign Currency Risk (continued)

	Prior Period						
	TRY Equivalent (Functional Currency)	USD	EUR	GBP	CAD	CHF	JPY
1. Trade Receivables	4.260.043	2.532.391	201.003	-	-	-	-
2a. Monetary Financial Assets	20.432.618	7.436.765	4.290.918	-	-	-	-
2b. Non-Monetary Financial Assets	21.172	14.000	-	-	-	-	-
3. Current Assets	24.713.833	9.983.156	4.491.921	-	-	-	-
4a. Non-Monetary Financial Assets	215.077	70.200	50.875	-	-	-	-
5. Non-current Assets	215.077	70.200	50.875	-	-	-	-
6. Total Assets	24.928.910	10.053.356	4.542.796	-	-	-	-
7. Trade Payables	9.373.806	6.098.985	68.016	1.465	1.211	-	-
8. Financial Liabilities	19.395.748	8.134.887	3.313.415	-	-	-	-
9a. Other Monetary Financial Liabilities	1.867.691	1.235.000	-	-	-	-	-
10. Current Liabilities	30.637.245	15.468.872	3.381.431	1.465	1.211	-	-
11. Financial Liabilities	51.702.826	10.117.534	17.003.961	-	-	-	-
12. Non-current Liabilities	51.702.826	10.117.534	17.003.961	-	-	-	-
13. Total Liabilities	82.340.072	25.586.406	20.385.392	1.465	1.211	-	-
14. Net Foreign Currency asset/(liability) position	(57.411.162)	(15.533.050)	(15.842.596)	(1.465)	(1.211)	-	-
15. Net Foreign Currency asset/(liability) position of the monetary items	(57.411.162)	(15.533.050)	(15.842.596)	(1.465)	(1.211)	-	-
16. Exports	6.598.488	5.388.115	489.420	-	-	-	-
17. Imports	6.087.775	4.462.000	612.049	18.972	-	6.318	5.975.000

- Sensitivity to Foreign Currency

The below table shows the Group's sensitivity to 10 % value increase on USD and EUR. Negative amount represents the decrease on net profit and positive amount represents the increase on net profit.

Current Period	Profit/(Loss)		Equity Capital	
	Appreciation of Foreign Currency	Devaluation of Foreign Currency	Appreciation of Foreign Currency	Devaluation of Foreign Currency
In case of %10 change in USD against TRY				
1- US Dollar net assets/liabilities	1.732.717	(1.732.717)	-	-
2- The amount of USD Hedging (-)	-	-	-	-
3- US Dollar Net Effect (1+2)	1.732.717	(1.732.717)	-	-
In case of %10 change in EUR against TRY				
4- Euro net asset/liabilities	(3.684.817)	3.684.817	-	-
5- The amount of EUR Hedging (-)	-	-	-	-
6- Euro Net Effect (4+5)	(3.684.817)	3.684.817	-	-
TOTAL	(1.952.100)	1.952.100		

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38. QUALITIES AND LEVEL OF RISKS FROM FINANCIAL INSTRUMENTS (continued)

- Sensitivity to Foreign Currency (Continued)

Prior Period	Profit/(Loss)		Equity Capital	
	Appreciation of Foreign Currency	Devaluation of Foreign Currency	Appreciation of Foreign Currency	Devaluation of Foreign Currency
In case of %10 change in USD against TRY				
1- US Dollar net assets/liabilities	(2.349.063)	2.349.063	-	-
2- The amount of USD Hedging (-)	-	-	-	-
3- US Dollar Net Effect (1+2)	(2.349.063)	2.349.063	-	-
In case of %10 change in EUR against TRY				
4- Euro net asset/liabilities	(3.391.582)	3.391.582	-	-
5- The amount of EUR Hedging (-)	-	-	-	-
6- Euro Net Effect (4+5)	(3.391.582)	3.391.582	-	-
In case of %10 change in the other currencies against TRY				
7- Other currencies asset/liabilities	(470)	(470)		
8- The amount of the other currencies Hedging (-)				
9- Other currencies Net Effect (7+8)	(470)	(470)		
TOTAL	(5.741.115)	5.741.115		

- Interest Rate Risk

The Group should handle the risk of interest rate occurred as a result of the variations in the prices of financial assets being affected by the changes in the market interest rates.

As of December 31, 2009 Interest risk position of the Group are as follows;

Financial instruments with fixed rate	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial Payables	94.201.945	71.124.797
Cash and Cash Equivalents	25.186.993	23.851.009
Financial instruments with inconstant rate	<u>December 31, 2009</u>	<u>December 31, 2008</u>
Financial Payables	2.310.000	2.000.000
Cash and Cash Equivalents	-	-

As of December 31, 2009 If the interest rates of bank loans increases/decreases by 1 % and other variables stand the same , Income of the Group would be TRY 6.160 higher / lower.

The Group is not exposed to interest rate risk because of time deposits since the average maturity of time deposits is 15 days.

- Price Risk

The Group is exposed to market risk arising from price changes in Stock Market. As of December 31, 2009 If the prices of Equities which are traded in ISE increases/decreases by 10 % and other variables stand the same , Income of the Group would be TRY 562 higher / lower.

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39. FINANCIAL INSTRUMENTS

	Financial assets at Amortized Cost	Loans and Receivables	Financial Assets Evaluated by Cost Value	Financial Assets at Fair Value		Carrying Value	Fair Value	Note
				Through Profit or Loss	Financial Liabilities at Amortized Cost			
31 December 2009								
Financial Assets								
Cash and Cash Equivalents	27.472.179	-	-	-	-	27.472.179	27.472.179	6
Trade Receivables	-	33.861.229	-	-	-	33.861.229	33.861.229	10
Financial Investments	-	-	125.000	5.618	-	130.618	130.618	7
Financial Liabilities								
Financial Liabilities	-	-	-	-	96.511.945	96.511.945	96.511.945	8
Trade Payables	-	-	-	-	33.666.581	33.666.581	33.666.581	10
Other Financial Liabilities	-	-	-	-	-	-	-	35

31 December 2008

	Financial assets at Amortized Cost	Loans and Receivables	Financial Assets Evaluated by Cost Value	Financial Assets at Fair Value		Carrying Value	Fair Value	Note
				Through Profit or Loss	Financial Liabilities at Amortized Cost			
31 December 2008								
Financial Assets								
Cash and Cash Equivalents	27.324.404	-	-	-	-	27.324.404	27.324.404	6
Trade Receivables	-	33.727.349	-	-	-	33.727.349	33.727.349	10
Financial Investments	-	-	75.000	5.384	-	80.384	80.384	7
Financial Liabilities								
Financial Liabilities	-	-	-	-	73.124.797	73.124.797	73.124.797	8
Trade Payables	-	-	-	-	26.370.037	26.370.037	26.370.037	10
Other Financial Liabilities	-	-	-	-	951.623	951.623	951.623	35

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40. POST BALANCE SHEET EVENTS

December 31, 2009

- Turkges Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. has been established by the partnership of Anel Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. (Anel Enerji) which is 5% participated by the Group and Cimak Makina ve Ziraat Ekipman Sanayi Ticaret A.Ş.. Anel Enerji participated with 49,5% of Turkges Enerji Elektrik Üretim Sanayi ve Ticaret A.Ş. which has TRY 500.000 capital.

- Anel Elektrik Proje Taahhüt ve Ticaret A.Ş. which is the shareholder of the company decided to go public.

December 31, 2008

The Company's application to Capital Markets Board (CMB) which was made on February 2, 2009 about registered capital, amounting to 150.000.000 TRY was approved on March 27, 2009.

41. DISCLOSURE OF OTHER MATTERS

None.