AGENDA OF THE ORDINARY GENERAL ASSEMBLY OF TAT KONSERVE SANAYİİ A.Ş. TO BE HELD ON 24.03.2009 AT 11:00 HOURS

1. Opening and appointment of the Presidency Council,

2. Presentation and discussion of the Reports of the Board of Directors and Audit Board for year 2008 as well as the report of the External Audit Organization, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., approval, approval with amendment or disapproval of the offer of the Board of Directors regarding the balance sheet and income schedule of year 2008,

3. The discharge of the members of the Board of Directors and auditors from obligations due to activities of the company in year 2008,

4. Reelection or replacement of the members of the Board of Directors, whose periods in office have expired, and the determination of the periods in office and the number of members,

5. Reelection or replacement of the auditors, whose periods in office have expired,

6. Setting the monthly gross remuneration for the chairman and members of the Board of Directors and the auditors,

7. Approval, approval with amendment or disapproval of the offer by our Board of Directors regarding the distribution of the revenues of year 2008 and the date of distribution,

8. Informing our shareholders about our dividend distribution policy under the Corporate Management Principles,

9. Informing the General Assembly about the donations and aids provided by the company to the foundations and associations exempt from taxation for social aid purposes,

10. Approval of the independent audit organization preferred by the Board of Directors upon the suggestion by the Audit Board under the communique regarding Independent Audit Standards for Capital Market,

11. Approval of the draft amendment to articles 8, 11 and 18 of the articles of association in case the necessary permits are received from the Capital Market Board and the Ministry of Industry and Trade,

12. Permitting the members of the Board of Directors for doing the businesses as covered by the subject matter of the company in person or on behalf of others and becoming shareholders to the companies doing such businesses and also acting otherwise under articles 334 and 335 of the Turkish Commercial Code,

13. Issuing due authorization for the minutes of the General Assembly to be signed by the Presiding Council and for such signing to be sufficient,

14. Comments.

FORMER TEXT

Former Article 8 : CAPITAL

The company has adopted the registered capital system under the provisions of the Capital Market Code numbered 2499 and has started implementing such system with the approval of the Capital Market Board dated 20.8.1992 and numbered 454.

The registered capital of the company is YTL 250.000.000 (two hundred and fifty New Turkish Liras) divided into 25.000.000.000 (twenty five billion) shares, each with a nominal value of New Kurus 1.

The issued capital of the company is paid in and provided in full and it amounts to YTL 86.041.814 (eighty six million forty one thousand eight hundred fourteen New Turkish Liras). The issued capital is divided into 8.604.181.400 (eight billion six hundred and four million and one hundred and eight one thousand and four hundred) shares, each with a nominal value of New Kurus 1.

The capital of the company may be incremented and decremented as subject to the provisions of the Turkish Commercial Code, Foreign Capital Encouragement Code and Foreign Capital Framework Decisions and Capital Market Code.

While incrementing capital, the shareholders pay the share amounts in cash and in advance. Any announcements and notices in this respect shall be issued under the provisions of the communiques of the Capital Market Board as well as article 24 of the articles of association.

The Board of Directors is authorized to increment the issued capital by issuing bearer shares and registered shares whenever deemed necessary, to combine the share certificates as deeds representing multiple shares or to issue share certificates in smaller deeds, provided that in this case the share certificates with representing larger shares should be canceled and returned, whenever considered necessary in accordance with the provisions of the Capital Market Board.

No new share certificates may be issued unless all the issued share certificates are sold and their price is paid.
The Board of Directors may resolve about issuing share certificates above the nominal value and limiting the rights of the shareholders regarding the purchase of new shares.

8.24% of shares of the company that is within the scope of the Foreign Capital Encouragement Code numbered 6224 are owned by foreign shareholders. The foreign shareholders subscribe capital by the proportion set out above. The distribution of shares among local and foreign shareholders is as follows.

CURRENT SHAREHOLDING STRUCTURE

SHAREHOLDERS	Number of Registered Shares	Total Share Amount (YTL)	Shareholding (%)
1-Foreign Shareholders			
Kagome Co. LTD	502.759.700	5.027.597	5,85
Sumitomo Corp	206.012.900	2.060.129	2,39

2-Local Shareholders	7.895.408.800	78.954.088	91,76
TOTAL	8.604.181.400	86.041.814	100,00

Provisional Article :

While the nominal value of the shares was TL 5.000, such value was changed to new Kurus 1 within the scope of the code regarding the amendment of the Turkish Commercial Code numbered 5274. due to such change, the total number of shares decreased and 1 share of New Kurus 1 shall be delivered for every 2 shares of TL 5.000. A bill of fraction shall be issued for each share that cannot be completed to a share of New Kurus 1. The rights of the shareholders arising out of the said change shall be reserved.

Due to such operation, the share certificates of group 5-15, which represent the present capital, shall be combined in group 16. The rights of the shareholders arising out of the operations for combining shares and groups shall be reserved.

Change of share certificates shall be commenced by the Board of Directors within the framework of the relevant arrangements following the implementation of the registration for capital market tools.

Former Article 11 : BOARD OF DIRECTORS :

The affairs and management of the company shall be realized by a Board of Directors consisting of minimum 5 and maximum 9 members to be picked among the shareholders under the provisions of the Turkish Commercial Code.

Former Article 18 : GENERAL ASSEMBLIES

The assemblies are organized as ordinarily and extraordinarily. The ordinary assembly is held within the 3 months to follow the expiration of the relevant account period and maximum once a year. The extraordinary general assemblies are held to make the necessary decisions in cases and whenever necessitated by the company affairs and also in cases as set out in the Turkish Commercial Code.

CURRENT TEXT

Current Article 8 : CAPITAL :

The company has adopted the registered capital system under the provisions of the Capital Market Code numbered 2499 and has started implementing such system with the approval of the Capital Market Board dated 20.8.1992 and numbered 454.

The registered capital of the company is TL 250.000.000 (two hundred and fifty Turkish Liras) divided into 25.000.000.000 (twenty five billion) shares, each with a nominal value of Kurus 1.

The registered capital ceiling approval issued by the Capital Market Board is valid for (5 years) between 2009 and 2013. In order to make a resolution for the increment of the capital after 2013, the board of directors is to receive approval from the Capital Market Board about the previous permitted ceiling or the new ceiling amount and to seek the authorization of the general assembly even if the registered capital ceiling permitted for up until late 2013 is not achieved by then. The company shall be considered as excluded from the registered capital system in case of a failure in seeking the said approval.

The issued capital of the company is paid in and provided in full and it amounts to TL 136.000.000 (one hundred and thirty six million). The issued capital is divided into 13.600.000.000 (thirteen billion six hundred million) shares, each with a nominal value of Kurus 1.

The capital of the company may be incremented and decremented as subject to the provisions of the Turkish Commercial Code, Foreign Capital Encouragement Code and Foreign Capital Framework Decisions and Capital Market Code.

The capital of the company may be incremented and decremented as subject to the provisions of the Turkish Commercial Code, Foreign Capital Encouragement Code and Foreign Capital Framework Decisions and Capital Market Code.

While incrementing capital, the shareholders pay the share amounts in cash and in advance. Any announcements and notices in this respect shall be issued under the provisions of the communiques of the Capital Market Board as well as article 24 of the articles of association.

The Board of Directors is authorized to increment the capital by issuing registered shares up to the registered capital ceiling whenever deemed necessary between years 2009 and 2013 in accordance with the provisions of the Capital Market Code.

The shares representing the capital are monitored by registration according to the principles of registration.

No new share certificates may be issued unless all the issued share certificates are sold and their price is paid.
The Board of Directors may resolve about issuing share certificates above the nominal value and limiting the rights of the shareholders regarding the purchase of new shares.

5.26% of shares of the company that is within the scope of the Foreign Capital Encouragement Code numbered 6224 are owned by foreign shareholders. The foreign shareholders subscribe capital by the proportion set out above. The distribution of shares among local and foreign shareholders is as follows.

CURRENT SHAREHOLDING STRUCTURE

SHAREHOLDERS	Number of Registered Shares	Total Share Amount (YTL)	Shareholding (%)
1-Foreign Shareholders			
Kagome Co. Ltd	507.116.820	5.071.168,20	3,73
Sumitomo Corp	207.798.334	2.077.983,34	1,53
2-Local Shareholders	12.885.084.846	128.850.848,46	94,74
TOTAL	13.600.000.000	136.000.000,00	100,00

The phrase "Turkish Lira" in these articles of association are phrases as amended under the Decision of the Cabinet of Ministers dated 4th April 2007 and numbered 2007/11963.

Current Article 11 : BOARD OF DIRECTORS :

The affairs and management of the company shall be realized by a Board of Directors consisting of minimum 5 and maximum 9 members to be picked among the shareholders under the provisions of the Turkish Commercial Code.

The Board of Directors may share the duties of management and representation among themselves or may partly or fully delegate such duties to the executives, who are members of the Board of Directors, or to managers, who do not have to be shareholders.

The Board of Directors shall be authorized for the sharing or delegation of the duties of representation and management as mentioned above.

The Board of Directors determines the powers and responsibilities of the executives and managers and may delegate any powers and responsibilities vested in the Board of Directors to relevant persons subject to the terms, provisions and restrictions as determined by the Board of Directors and may amend, modify or withdraw any or all of such powers whenever deemed necessary.

The Board of Directors may constitute committees or subcommittees of consultation, coordination etc. from the persons that are and/or are not the members of the Board of Directors in relation with the matters deemed appropriate by the Board of Directors.

The principles of organizing meetings, operation and reporting for the chairmen and members of the committees shall be determined, arranged and modified by the Board of Directors.

The members of the Board of Directors and the committees mentioned above may pay be paid remunerations, bonuses, premiums or benefits in return for their services as the members of the Board of Directors and committees. The manner and amount of the payments shall be determined according to the legislation.

Current Article 18 : GENERAL ASSEMBLIES :

The assemblies general of the company are organized as ordinarily and extraordinarily. The ordinary assembly is held within the 3 months to follow the expiration of the relevant account period and maximum once a year. The extraordinary general assemblies are held to make the necessary decisions in cases and whenever necessitated by the company affairs and also in cases as set out in the Turkish Commercial Code.

The announcement of the general assembly is made 3 weeks in advance of the date of the assembly. General Assemblies are announced publicly, including the interested parties and media, provided that no right of speech shall be granted during the announcements.

At least one member of the Board of Directors, one auditor, at least one of the officials responsible for issuing the financial schedules and at least one official who is knowledgeable upon the relevant matter, who will be present to make the necessary explanations regarding any items of the agenda with special features, shall attend the general assembly. The excuses for absence of any such persons, who fail to attend the meeting, shall be announced by the president of the assembly to the general assembly.

THE ANNUAL ACTIVITY REPORT SUBMITTED TO THE FORTY-FIRST ORDINARY GENERAL ASSEMBLY OF TAT KONSERVE SANAYİİ A.Ş. HELD ON 24.03.2009

Dear Shareholders,

We respectfully greet all out shareholders who gather to examine the results of the activities of our company in 2008 and to make due resolutions by means of this Forty First Ordinary General Assembly of ours.

The economic problems that are being experienced in the world and that also affect our country grew in impact especially during the last quarter of the year 2008. The fact that this irregular system that is not based on the real economy but that is based on the artificial increases in the market values of the fixed assets collapsed due to the lack of supervision, authority gap and lack of foresight caused a serious stagnation in the economies of the entire world. The unemployment rates are increasing day by day and the prices of the goods and assets are constantly decreasing, with the trade narrowing down. There is no liquidity flow in the markets and in the real sector due to a crisis of confidence. The states have announced serious financial packs in order to overcome this situation and to vitalize the economies.

In our country, on the other hand, our banking system was affected comparatively less from this crisis due to both the measures taken in the banking sector after the crisis in 2001 and the lack of the irregular financial positions as mentioned above. However, the real sector based especially on construction, automotive and export, suffered serious narrowing down and the unemployment rates keep increasing. It seems that the problem of demand and liquidity will have a serious impact on our country's economy, too.

The indicators of the demand for consumption continued to grow weaker in the last quarter of year 2008. The existing data point out to the fact that that the private consumption expenditures narrowed down on a periodical and yearly basis in the last quarter of year 2008. The capacity use rate with manufacture value emphasis, which was 80,3% in January 2008, became 63,8% in January 2009, which was even lower than the rate in December 2008, 64,7%.

The said economic developments had a negative impact on profit margins in the food sector as was the case with many other sectors, especially during the last quarter of 2008. The manufacturers were able to reflect the arising cost increases to their products only partially. The competition in domestic market in the food sector continued as focused on price as well as quality of goods and services as was the case in 2007.

And in 2008, the restructuring process undertaken in our Tomato Paste and Canning facilities enabled our products to be more competitive and contributed positively to the growth in turnover and gross profit. While the turnover in this business branch increased by 12% as compared to last year, the gross profit increased by 22%. Having been engaging in processing tomatoes only by means of the factories in Marmara and İzmir until now, Tat produced tomatoes and tomato paste by a larger scale in 2008 based on the results of the tomato production for testing purposes in GAP (Southern Anatolian Project) Region in 2007.

As the tomato harvest was high in quantity and low in cost throughout Turkey in 2008, it is expected that the tomato paste prices will decline in the domestic market in 2009; however, no regression is expected in exported tomato paste prices as the tomato harvest in the world was about the same levels as year 2007.

In the light of the strategies of vertical integration and taking costs under control and growth in export markets focusing on nearby geography in tomato business, Tat Konserve realized the largest industrial and agricultural investment project of Turkey in GAP region. In 2008, Tat Konserve sold 10% out of total 68,15% shares held by Tat Konserve in Harranova Company to the project partner, Morning Star firm of USA. In 2008, approximately 71 thousand tons of tomatoes were processed at the Harranova Tomato Paste Enterprise in GAP Region and approximately 10 thousand tons of tomato paste was produced. The tomato paste produced from the tomatoes processed in GAP Region is being sold in Russian and European markets.

At Maret Meat Products Enterprise, the implemented active production planning and stock management practices currently continued in 2008 as well, yielding both a quantitative increase in product sales and growth in gross profit. In 2008, the turnover increased by 20% and the gross profit increased by 28% as compared to the previous year.

With the sale of Sek Enterprise products, a growth was ensured in turnover by 11% and in gross profit by 10% as compared to last year.

The growth in Sek products continued in 2008 and the sales and productions of the products with a high added value such as pasteurized milk, yogurt, buttermilk, fruit juice and butter increased. It is aimed to continue this growth in these products with high profitability in 2009. Although the growth observed in the milk and dairy products market for years is slowing down in 2009, it is still expected to continue. It is considered that the "street milk", the secret leader of the market at present, will be replaced by the milk in packing in time. Although the sterilized milk market grows by a certain extent day by day, it is considered that in the long run, the weight of the daily milk in the milk market will increase as is the case in EU and USA and the company continues its efforts related to this development.

Pastavilla Enterprise increased it turnover by 19% as compared to last year and maintained the level of gross profit of year 2007. It is expected that the domestic market for pasta that has been progressing in a stabilized manner for the past few years will show a slight recovery especially in 2009 and that the demand, a food that is both cheap and filling, will increase in 2009. Being the leader of the market in the premium segment with Pastavilla brand, Tat continues to implement the strategy of a high profit margin and maintains the market share in this segment.

When the domestic turnovers of the products are compared for years 2007 and 2008, the fastest growing category is cattle carcass meat with a growth of 256%. The turnover-based growths in other categories, on the other hand, are 19% in ketchups, 21% in processed meat products, 23% in milk, 8% in green peas, 35% in mayonnaise and 27% in pasta.

Our company is the market leader of year 2008 in categories of tomato paste, ketchups, tomato products and mayonnaise under the trademark Tat.

Efficiently carrying on with the operational practices explained above and acting in parallel with our priorities of 2008 to increase efficiency and profitability, our company achieved to increase its gross profit by by 17,28% from TL 97.053.606 to TL 113.821.737 and to increase the operational profit by 15,47% from TL 33.995.669 to TL 39.255.775..

2008 was a year when operations enhancing efficiency and profitability were implemented for our Company. These practices will be continued with the same resolution.

Term of the Report : 01.01.2008 – 31.12.2008

Title of the Corporation : Tat Konserve Sanayii A.Ş.

Board of Directors and their terms of Duty

Chairman	K.Ömer Bozer	03.04.2008	-	24.03.2009
Vice president	Nevzat Tüfekçioğlu	03.04.2008	-	24.03.2009
Member	Dr.Nüsret Arsel	03.04.2008	-	24.03.2009
Member	İ.Tamer Haşimoğlu	03.04.2008	-	24.03.2009
Member	Ahmet Fadıl Ashaboğlu	03.04.2008	-	24.03.2009
Member	Ali Güler	03.04.2008	-	24.03.2009
Member	Ercan Bayramlı	03.04.2008	-	24.03.2009
Member	Kunihiko Sato	03.04.2008	-	24.03.2009
General Manager/Member	Güçlü Toker	03.04.2008	-	24.03.2009

Limits of Power : Limits of power of the Board of Directors have been specified in the Article 14 of the Articles of Association of the Company and the provisions of Turkish Commercial Code.

Auditors and their Terms of Duty	: İnanç Kiraz	03.04.2008	-	24.03.2009
	Ahmet Sönmez	03.04.2008	-	24.03.2009

Limits of Power : Limits of power of the Auditors have been specified by the provisions of Article 17 of the Articles of Association of the Company and the relevant articles of Turkish Commercial Code.

Change in the Articles of Association: No change has been made on the Articles of Association.

Capital Movements, Shareholder Structure :
By the end of year 2008, the ceiling of the registered capital of the Company is 250,000,000.-TL and the paid-in capital is 136,000,000.-TL, and there isn't any change within the year. The number of shareholders known is about 8,900.

Regarding to the shares traded at the Istanbul Stock Exchange starting from the date 09.08.1993, the lowest value has been 1.06 TL, and the highest value has been 3.92 TL by the day closing values in year 2008.

The shareholders who own more than 10 % of the capital of the Company which is 136,000,000.- TL:
Koç Holding A.Ş. Amount of Shares : 59.364.947,17 TL Share Ratio: 43.65 %

Issued Securities: There isn't any securities issued by the Company.

Investments :
In 2008 within the scope of renewal and modernization, the following investments totally 7.123.006,- TL have been made; at the Head Office 218.642,-TL, Mustafakemalpaşa Plant 664.269.-TL, Karacabey Plant 1.779.391,- TL, Balıkesir Plant 20.650,- TL, Can Plant 13.858,- TL, Torbalı Plant 1.654.036,-TL, Sek Dairy Plant 1.191.093,- TL, Maret Plant 1.276.463,- TL, Pastavilla Plant 304.604,- TL.

Investments made in 2007 were 15.539.276 TL.

We ask you kindly to be advised of the following values of the Tangible Assets by the end of 2008 compared with the previous year:

Tangible Assets :
(Calculated According to the Notices of the Capital Market Board)

TL	31 December 2008	31 December 2007
Cost		
Lands and Plots	9.045.994	9.348.466
Infrastructure	8.843.737	4.922.712
Buildings	109.174.887	99.847.256
Machinery, Plant and Equipment	393.689.531	377.775.255
Vehicles	5.603.832	3.752.475
Registered Fixed Assets	45.248.563	42.550.529
Private costs	8.093.684	8.092.277
Intangible Fixed Assets	21.743.293	21.639.056
Investments Made and Advances Given	2.189.978	3.831.261
Total	**603.633.499**	**571.759.287**

TL	31 December 2008	31 December 2007
Accumulated Depreciation		
Lands and Plots	-	-
Infrastructure	3.000.507	2.371.362
Buildings	48.847.202	46.282.408
Machinery, Plant and Equipment	327.972.266	326.577.740
Vehicles	1.807.583	1.675.623
Registered Fixed Assets	33.038.075	34.889.342
Private costs	8.065.017	8.005.717
Intangible Fixed Assets	21.178.811	20.795.212
Total	**443.909.461**	**440.597.404**
Net Book Value	**159.724.038**	**131.161.883**

Financial Fixed Assets Available for Sale and Subsidiaries :
(Calculated According to the Notices of the Capital Market Board)

Title	**Subject of Business**	**2008 Shareholding %**	**2007 Shareholding %**
Subsidiary			
Harranova Besi ve Tarım Ürünleri A.Ş	Tomato, Tomato Paste Production and Livestock	58,2	68,2
Joint Venture			
Tat-Tariş A.Ş.	Alcohol Drinks		50,0
Investment in Associate			
Tat Tohumculuk A.Ş	Seed Production	30,0	30,0
Tat-Tariş A.Ş.	Alcohol Drinks	18,4	

Financial Assets Available for Sale			
Entek A.Ş.	Power Generation	3,6	3,6
Ram Dış Ticaret A.Ş.	Foreign Trade	7,5	7,5
Düzey A.Ş.	Trade and Marketing	1,1	1,1
Total			

Subsidiary Income Received (TL) :
None.

Movements Regarding Goods Production :
In 2008 at the 6 plants of the Company, 116 thousand tons of raw milk was processed and 99 thousand tons of dairy products and 6 thousand tons of fruit juice, 20 thousand tons of meat and by-products were produced, 8 thousand tons of meat, 11 thousand tons of meat products and 139 thousands ready-made soups, 72 thousand tons of wheat were processed and 45 thousand tons of pasta, 29 thousand tons of by-products, 420 thousand tons of tomatoes, 6 thousand tons of vegetables and fruits were processed, 64 thousand tons of tomato paste, 7 thousand tons of tomato products, 8 thousand tons of ketchup, 4 thousand tons of mayonnaise, 8 thousand tons of other canned products and jam were produced.

Production (Tons)

	31 December 2008	31 December 2007
Tat Products		
Paste (28/30 Type)	63.980	52.882
Diced and Peeled Tomatoes	7.475	6.441
Vegetables and Other Canned Foods	20.258	20.444
Maret Products		
Veal-Lamb Karkas	0	494
Lamb Meat and Meat Products	18.922	17.740
Soup (Thousand units)	139	307
Sek Products		
Milk	53.288	51.245
Fruit Juice	6.249	6.653
Pudding, Cream	580	1.068
Yoghurt	31.606	31.780
Ayran	9.557	8.496
Sahlep	940	766
Others	3.722	3.427
Pastavilla Products		
Pasta	45.327	50.554
Other By-Products	28.527	28.809

Net Sales
(Calculated According to the Notices of the Capital Market Board)

	2008		**2007**		**Difference**	
	%					
	TL	Tons	TL	Tons	TL	Tons
Domestic Sales	582.565.439	232.022	512.652.077	232.115	13,64	-0,04
Export	46.488.075	24.059	34.184.428	28.960	35,99	-16,92
Total	**629.053.514**	**256.081**	**546.836.505**	**261.075**	**15,04**	**-3,83**

Administrative Operations :

Company Top Management

Name and Post	Education	Graduation Year	Professional Experience
Güçlü Toker General Manager	Massachusetts Üniv.	1986	22 Years
Çetin Türeç Assist. Gen. Man. -Production	ODTÜ	1981	26 Years
Tamer Soyupak Assist. Gen. Man.- Finance and Accounting	İstanbul Üniversitesi	1986	21 Years
F.Okan Çığır Commercial Marketing Director	9 Eylül Üniversitesi	1982	27 Years

* Katarzyna Özgen had resigned from the Company as of April 30, 2008.

Employee Movements :
Average number of employees as of 31.12.2008 : 1.520
Average number of employees as of 31.12.2007 : 1.566

Collective Agreement :
Current Collective Agreement has been terminated as of December 31, 2008 and the discussions have been started with Tekgıda-İş Sendikası (Union) for the new period.

Severance Pay-Off Liabiliy :
(Calculated According to the Notices of the Capital Market Board)
The severance pay-off liability as of 31.12.2008 is 7.071.686,- TL.
The severance pay-off liability as of 31.12.2007 is 7.394.443,- TL.

Aids to Social Societies:
Social Aid of 5.177,- TL has been made to various social Societies.

Profit Distribution :
As could be understood from the year 2008 Consolidated Balance Sheet and Income Statement prepared according to the provisions of Capital Market Board, submitted for your approval, the Company has closed the year 2008 with the net loss of 4.280.399 TL. We offer to your approval the addition of relevant loss to the loss of the previous years.

As we conclude the report, we extend our thanks to the dealers of our company, to the governmental authorities and to our esteemed customers. We wish that year 2009 brings the bet of all for our nation and industry. We greet our partners again with respect.

Yours faithfully,

K.Ömer BOZER
Chairman of the Board of Directors

AUDITOR'S REPORT

To The General Shareholders of Tat Konserve Sanayii A.Ş.

Please find below the results of our audit results regarding to the accoun period of 2007 of the Company.

1. As to the Commercial Code of Turkey and relevant legislation;
    a. It was found that the books and records are maintained duly according to the relevant reqirements of the law,
    b. It was found that the documentation evidencing the records are kept regularly,
    c. It was found that the resolutions regarding the Company Management were recorded in the resolution bbok according to the due procedures.
2. In our opinion, the attached consolidated financial statements dated 31.12.2008 issued in accordance with the " Comminique regarding the Accounting Standards in Capital Market" regulated by Capital Market Board of Turkey under Serial XI, No:29, truly reflect the financial status of the Company as of the said date as well as the results of operational reults of the said period.

As a result, we hereby submit the matters of approval of the Company operations summarized in the report issued by the Board of Directors and the consolidated financial statements issued in accordance with the provisions of Capital Market Board of Turkey as well as the release of the Board of Directors to the discretion of General Shreholders.

İstanbul, 27.02.2009

Yours Sincrely,

İnanç KİRAZ **Ahmet SÖNMEZ**

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2008

(translated into English from the original copy)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tat Konserve Sanayii A.Ş.

We have audited the accompanying consolidated financial statements of Tat Konserve Sanayii A.Ş. and its subsidiary (together the "Group"), which comprise the consolidated balance sheet as at 31 December 2008, and the consolidated income statement, statement of changes in equity and cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Company for the year ended 31 December 2007 were audited by other auditors whose report, dated 12 March 2008, expressed an unqualified opinion.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Capital Market Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with Financial Reporting Standards issued by Capital Market Board.

İstanbul, 27 February 2009

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**

Burç Seven
Partner

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TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2008
(Amounts expressed in Turkish Lira (TL) except stated otherwise)

ASSETS	**Notes**	**31 December 2008**	**31 December 2007**
Current Assets		**322.703.177**	**218.750.700**
Cash and Cash Equivalents	6	339.128	328.956
Trade Receivables		137.124.704	71.251.437
-Due from related parties	37	*73.691.257*	*65.696.514*
-Other trade receivables	10	*63.433.447*	*5.554.923*
Other Receivables	11	39.239	110.128
Inventories	13	129.582.075	111.058.438
Biological Assets	14	23.264.684	21.559.327
Other Current Assets	26	32.091.378	13.293.404
		322.441.208	217.601.690
Non-Current Assets Held for Sale	34	261.969	1.149.010
Non-Current Assets		**203.574.456**	**178.527.568**
Other Receivables	11	76.196	74.455
Financial Investments	7	10.543.256	8.071.084
Equity Investments	16	3.842.169	3.485.107
Property, Plant and Equipment	18	159.159.556	130.318.039
Intangible Assets	19	564.482	843.844
Deferred Tax Assets	35	26.690.699	34.189.957
Other Non-Current Assets	26	2.698.098	1.545.082
TOTAL ASSETS		**526.277.633**	**397.278.268**

The accompanying notes form an integral part of financial statements.

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2008
(Amounts expressed in Turkish Lira (TL) except stated otherwise)

LIABILITIES	**Notes**	**31 December 2008**	**31 December 2007**
Short Term Liabilities		**331.569.913**	**149.135.410**
Financial Borrowings	8	262.511.552	90.805.493
Trade Payables		63.040.178	52.313.910
- Due to related parties	37	*9.049.729*	*11.132.502*
- Other trade payables	10	*53.990.449*	*41.181.408*
Provisions	22	1.331.119	502.999
Other Short Term Liabilities	26	4.687.064	5.513.008
Long Term Liabilities		**36.317.413**	**99.576.797**
Financial Borrowings	8	29.139.700	82.640.895
Provision for Employment Termination Benefits	24	7.071.686	7.394.443
Other Long Term Liabilities	26	106.027	9.541.459
SHAREHOLDERS' EQUITY		**158.390.307**	**148.566.061**
Attributable to equity holders of the parent	**27**	**139.780.844**	**141.889.295**
Paid-in Capital		136.000.000	136.000.000
Inflation Adjustment to Share Capital		21.601.088	21.601.088
Share Premium		9.131.884	9.131.884
Revaluation Fund		1.307.362	(864.586)
Restricted Reserves		60.404	60.404
Retained Earnings		(24.039.495)	(35.068.429)
Net Profit for the Period		(4.280.399)	11.028.934
Minority Interest		**18.609.463**	**6.676.766**
TOTAL LIABILITIES AND EQUITY		**526.277.633**	**397.278.268**

The accompanying notes form an integral part of financial statements.

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2008
(Amounts expressed in Turkish Lira (TL) except stated otherwise)

	Notes	1 January - 31 December 2008	1 January - 31 December 2007
CONTINUING OPERATIONS			
Sales Revenue (net)	28	629.053.514	546.836.505
Cost of Sales (-)	28	(515.231.777)	(449.782.899)
GROSS PROFIT		**113.821.737**	**97.053.606**
Marketing, Selling and Distribution Expenses (-)	30	(54.116.288)	(46.929.798)
General Administrative Expenses (-)	30	(21.233.113)	(18.720.618)
Research and Development Expenses (-)	29	(17.201)	(174.222)
Other Operating Income	31	4.977.176	8.497.305
Other Operating Expenses	31	(4.176.536)	(5.730.604)
OPERATING PROFIT		**39.255.775**	**33.995.669**
Income / (loss) from Equity Investments	16	357.062	485.745
Finance Income	32	32.691.440	12.578.823
Finance Expense	33	(72.211.239)	(30.031.310)
CONTINUED OPERATIONS PROFIT/LOSS BEFORE TAXATION		**93.038**	**17.028.927**
Continued Operations Tax Income / (Expense)			
Deferred Tax Income / (Expense)	35	(7.199.032)	(5.039.261)
CONTINUED OPERATIONS PROFIT/LOSS		**(7.105.994)**	**11.989.666**
Profit for the Period Attributable to:			
Minority Interest	27	(2.825.595)	960.732
Parent Company Share		**(4.280.399)**	**11.028.934**
Earnings / (Loss) Per Share (Kr)	36	(0,53)	1,02

The accompanying notes form an integral part of financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2008

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

	Notes	1 January- 31 December 2008	1 January- 31 December 2007
Profit before minority interest and taxation		93.038	17.028.927
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Interest expense	33	33.510.486	28.356.932
Depreciation and amortization	18,19	12.198.382	8.399.547
Increase in provision for retirement pay	24	2.577.910	2.523.466
Allowances for doubtful receivables	10	5.154	532.716
Other provisions	22	1.331.119	502.999
Profit from equity investments	16	(357.062)	(485.745)
Income from foreign currency derivative contracts (net)	32,33	(12.201.034)	-
Income accruals	26	(2.694.648)	(2.480.483)
Profit from sale of tangible assets	31	(1.577.226)	(2.128.545)
Negative goodwill income	31	-	(4.604.460)
Profit on sale of subsidiary shares	31	(1.685.956)	47.772
Loss from joint ventures	32	1.703.691	3.966.235
Interest income	32	(454.683)	(130.661)
Operating profit before working capital change		**32.449.171**	**51.528.700**
Decrease / (increase) in trade receivables and other receivables	10	(57.883.678)	11.063.225
Decrease / (increase) in due from related parties	37	(7.994.743)	22.703.430
Increase in inventories	13	(18.523.637)	(21.432.111)
Increase in biological assets	14	(1.705.357)	(1.546.758)
Decrease / (increase) in non-current assets held for sale	34	887.041	(85.646)
Increase in other current assets	11,26	(5.808.912)	(6.106.340)
Increase in other non-current assets	11,26	(1.154.757)	(51.461)
Increase in trade payables	10	12.809.041	7.569.641
Decrease in due to related parties	37	(2.082.773)	(725.312)
Increase/(Decrease) in other liabilities	22,26	(12.468.649)	440.474
Cash generated from / (used in) activities		**(61.477.253)**	**63.357.842**
Employee termination benefits paid	24	(2.900.667)	(1.691.620)
Interest paid		(30.326.975)	(28.922.923)
Cash generated from / (used in) operations		**(94.704.895)**	**32.743.299**
Investing activities:			
Subsidiary acquisitions		-	(5.500.000)
Tangible and intangible asset purchases	18,19	(42.078.593)	(21.107.964)
Cash generated from sale of tangible assets	18	2.895.282	6.665.009
Cash generated from sale of subsidiary shares		3.261.500	-
Cash obtained from foreign currency derivative contracts (net)		1.977.509	-
Interest received	32	454.683	130.661
Net cash used in investing activities		**(33.489.619)**	**(19.812.294)**
Financing activities:			
Capital and share premium increase	27	-	58.344.396
Harranova capital increase		13.183.333	-
Increase / (decrease) in financial borrowings	8	115.021.353	(71.345.488)
Net cash generated from / (used in) financing activities		**128.204.686**	**(13.001.092)**
Net increase / (decrease) in cash and cash equivalents	6	**10.172**	**(70.087)**
Cash and cash equivalents at the beginning of the period	6	**328.956**	**399.043**
Cash and cash equivalents at the end of the period	6	**339.128**	**328.956**

The accompanying notes form an integral part of financial statements.

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED CHANGES IN STATEMENT OF EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

	Notes	Share capital	Inflation adjustment on share capital	Share premium	Revaluation fund on financial assets	Restricted reserves assorted from profit	Retained earnings / accumulated losses	Equity attributable to Parent Company	Minority interest	Total equity
Balance at 31 December 2006	**27**	**86.041.814**	**21.601.088**	**-**	**(864.586)**	**60.404**	**(34.322.755)**	**72.515.965**	**-**	**72.515.965**
Capital increase		49.958.186	-	9.131.884	-	-	(745.674)	58.344.396	-	**58.344.396**
Business combinations	3	-	-	-	-	-	-	-	5.716.034	5.716.034
Net profit for the year			-	-	-	-	-	11.028.934	11.028.934	960.732
Balance at 31 December 2007	**27**	**136.000.000**	**21.601.088**	**9.131.884**	**(864.586)**	**60.404**	**(24.039.495)**	**141.889.295**	**6.676.766**	**148.566.061**

	Notes	Share Capital	Inflation adjustment on share capital	Share Premium	Revaluation fund on financial assets	Restricted reserves assorted from profit	Retained earnings / accumulated losses	Equity attributable to parent company	Minority interest	Total equity
Balance at 31 December 2007		**136.000.000**	**21.601.088**	**9.131.884**	**(864.586)**	**60.404**	**(24.039.495)**	**141.889.295**	**6.676.766**	**148.566.061**
Effect of the change in group structure	2	-	-	-	-	-	-	-	1.574.959	**1.574.959**
Changes in revaluation fund	27	-	-	-	2.171.948	-	-	2.171.948	-	**2.171.948**
Increase in capital of Harranova	27	-	-	-	-	-	-	-	13.183.333	**13.183.333**
Net profit for the year		-	-	-	-	-	(4.280.399)	(4.280.399)	(2.825.595)	**(7.105.994)**
Balance at 31 December 2008	**27**	**136.000.000**	**21.601.088**	**9.131.884**	**1.307.362**	**60.404**	**(28.319.894)**	**139.780.844**	**18.609.463**	**158.390.307**

The accompanying notes form an integral part of financial statements.

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Tat Konserve Sanayii A.Ş. ("Tat Konserve" or "the Company") was established in 1967. The Company is engaged in production, distribution, marketing, domestic and foreign trade and brokerage of semi finished goods and finished goods of such products; merchandise goods, food, beverage, juice, agricultural and animal products, frozen foods, dried goods, including pulverized goods and raw and primitive form of materials recipient and additives, sweet and sugar free juice and caned goods. Koç Holding A.Ş. is the main shareholder and the ultimate owner of the Group. The Company is registered in Turkey and is operating in accordance with the Turkish Commercial Code. The Company has 1.520 employees at 31 December 2008 (2007: 1.566).

The domestic marketing and sales activities of the Company are performed by Düzey Tüketim Malları Sanayi Pazarlama A.Ş. ("Düzey"), a Koç Group company.

The shares of the Company are quated to Istanbul Stock Exchange Market since 1993.

The registered office address of the Company is as follows.

TEM Çıkışı Şile Otobanı 11. Km. Sırrı Çelik Bulvarı
34788 Taşdelen 34788 Istanbul

Acceptance of financial statements:

Consolidated financial statements are authorized for issue by Board of Directors meeting on 27 February 2009 ; on behalf of the Board of Directors Güçlü Toker, Board Member, and Tamer Soyupak, Chief Financial Officer signed the consolidated financial statements. The General Assembly has authority to amend these consolidated financial statements.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Financial Reporting Standards

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation.

Capital Market Board (CMB) issued Decree No XI-29 "Capital Markets Reporting Standards" that provides a detailed accounting principals set. This particular decree became effective for periods after 1 January 2008 and Decree No XI-25 "Capital Markets Accounting Standards" is abolished. The mentioned Decree XI-29 , declares that the entities applying International Financial Reporting Standards (IFRS) are accepted as applying the preparation and disclosure requirements of Decree No XI-29. In this context, Turkish Accounting/ Financial Reporting Standards ("TAS/TFRS") which are not contrary to standards adopted and promulgated by TASB and will be applied.

The consolidated financial statements are prepared in Turkish Lira ("TL") based on the historical cost conversion except for the financial assets and liabilities which are expressed with their fair values.

According to the No. 5083 "State of the Republic of Turkey Currency Law" (Law No. 5083) and the currency of the Republic of Turkey is defined as New Turkish Lira (YTL), the new sub-unit Kuruş (YKR).On the other hand , effective 1 January 2009, Council of Ministers legislated for the removal of "New" from the definition of the currency unit. For this reason, the accompanying financial statements have been prepared in TL.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.2 Financial Reporting in Hyperinflationary Periods

CMB, with its resolution dated 17 March 2005 declared that companies operating in Turkey which prepare their financial statements in accordance with CMB Accounting Standards, effective 1 January 2005, will not be subject to the application of inflation accounting. Consequently, in the accompanying financial statements IAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied.

2.3 Adoption of New and Revised International Financial Reporting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("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 2008.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2008 but they are not relevant to the Group's operations:

IFRIC 11, "IFRS 2 – Group and treasury share transactions",
IFRIC 12, "Service concession arrangements",
IFRIC 14, "IAS 19- The limit on a defined benefit asset, minimum funding requirements and their interaction",

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

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

• IFRS 8, "Operating segments"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 13, "Customer loyalty programmes"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 15, "Agreements for the construction of real estate"	Effective for annual periods beginning on or after 1 January 2009
• IFRIC 16, "Hedges of a net investment in a foreign operation"	Effective for annual periods beginning on or after 1 October 2008
• IFRS 2, "Share-based Payment" Amendment relating to vesting conditions and cancellations"	Effective for annual periods beginning on or after 1 January 2009
• IFRS 1, "First-time Adoption of International Financial Reporting Standards" — Amendment relating to cost of an investment on first-time adoption	Effective for annual periods beginning on or after 1 January 2009
• IFRS 3, "Business Combinations"	Effective for annual periods beginning on or after 1 July 2009
• IAS 27, "Consolidated and Separate Financial Statements	Effective for annual periods beginning on or after 1 July 2009
• IAS 28, "Investments in Associates"	Effective for annual periods beginning on or after 1 July 2009
• IAS 31 "Interests in Joint Ventures" Comprehensive revision on applying the acquisition method	Effective for annual periods beginning on or after 1 July 2009

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.3 Adoption of New and Revised International Financial Reporting Standards(cont'd)

• IAS 23, "(Amendment) Borrowing costs" Comprehensive revision to prohibit immediate expensing	Effective for annual periods beginning on or after 1 January 2009
• IAS 27, "Consolidated and Separate Financial Statements" Amendment relating to cost of an investment on first-time adoption	Effective for annual periods beginning on or after 1 January 2009
• IAS 1, "Presentation of Financial Statements"	Effective for annual periods beginning on or after 1 January 2009
• IAS 32, "Financial Instruments: Presentation" Amendments relating to disclosure of puttable instruments and obligations arising on liquidation	Effective for annual periods beginning on or after 1 January 2009
• IAS 1, "Presentation of Financial Statements" Comprehensive revision including requiring a statement of comprehensive income	Effective for annual periods beginning on or after 1 January 2009
• IAS 39, "Financial Instruments: Recognition and Measurement" Amendments for eligible hedged items	Effective for annual periods beginning on or after 1 January 2009

IFRS 8, "Operating Segments"

IFRS 8 "Operating Segments" replaces IAS 14 'Segment Reporting"'. This standard requires theidentification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. The Group, will apply IFRS 8 effective 1 January 2009.

IAS 23, "(Revised) Borrowing Costs"

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, should be capitalised. Other borrowing costs are recognised as an expense. The option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale will be removed by this change.The Group, will apply IAS 23(Revised) effective 1 January 2009.

IFRS 3, "Business Combinations"

Costs related with acquisitions shall be presented under profit and loss statement when occurred and changes in the contingent costs recorded at the time of inception shall be recorded under profit and loss statement instead of correction from goodwill.

The management anticipates that the adoption of the Standards and Interpretations in future periods will have no material impact on the financial statements of the Group, except for the revisions and interpretations in IFRS 8,IFRS 3 and IAS 23.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.4 Basis of Consolidation

The consolidated financial statements include the accounts of Tat Konserve, the parent company, the financial statements of its Subsidiary, Joint Venture and Associate. The financial statements of the companies included in the scope of consolidation have been prepared at the date of the consolidated financial statements, and are prepared in accordance with CMB Financial Reporting Standards.

Subsidiaries are companies in which the Company has the power to control the financial and operating policies for the benefit of the Holding, either (a) through the power to exercise more than 50% of the voting rights relating to shares in the companies as a result of shares owned directly and indirectly, or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies.

Interest in joint venture is accounted for by the equity method of accounting. Joint venture is the company in respect of which there is contractual arrangement through which an economic activity is undertaken subject to joint control by Tat Konserve.

Investment in associate is accounted for by the equity method of accounting. These are entities over which the Company generally has between 20% and 50% of voting rights, or over which the Company has significant influence, but which it does not control. Unrealised gains that result from intercompany transactions between the Company and its associate is eliminated on consolidation, whereas unrealised losses are eliminated unless they do not address any impairment.

The table below sets out shareholding structure of the subsidiary, joint venture and associate at 31 December 2008:

	Direct and indirect share of the Company (%)	
	31 December 2008	**31 December 2007**
Subsidiary:		
Harranova Besi ve Tarım Ürünleri A.Ş. ("Harranova Besi")	58,2%	68,2%
Joint venture:		
Tariş-Tat Alkollü İçecekler A.Ş.	0%	50,0%
Investment in associate:		
Tat Tohumculuk A.Ş.	30,0%	30,0%

TAT Konserve sold its 10% shares equivalent of 13.500.000 shares with the nominal amount of Ykr 10 on Harranova Besi ve Tarım Ürünleri A.Ş. (Harranova) at cash amount 2.500.000 USD to The Morning Star Company in California, USA. Then the shares of the company decreased from 68,2% to 58,2%. Thereafter, registered capital of Harranova increased 31.500.000 TL and share capital increased from 31.500.000 TL to 45.000.000 TL. Changes in minority interests as a result of the capital increase is presented as "Increase in Harraova Capital" and "Effect of Change in Group Structure" under shareholders' equity.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.4 Basis of Consolidation (cont'd)

The Group's joint venture, Tariş-Tat Alkollü İçecekler A.Ş., took a decision to increase the share capital by 12.000.000 TRY at extraordinary general meeting held on 24 June 2008, but the Group decided not attend capital increase and then the Goup's shares decreased from 50% to 18,42. After the change in ownership structure, Tariş-Tat Alkollü İçecekler A.Ş. is presented with its fair value instead of subsidiary in the accompanying consolidated financial statements. Consequently, "Obligations arising from the joint venture" account under "Other Long Term Liabilities" group in the financial statements of 31 December 2007, is has zero balance for the period ended 31 December 2008.

The accounting policies considered during the preparation of the consolidated financial statements are as follows:

2.5 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments, whose maturity at the time of purchase is less than three months (Note 6).

2.6 Trade receivables and provision for doubtful receivables

Trade receivables that are created by the Company by way of providing goods or services directly to a debtor are carried at amortized cost. Trade receivables, net of unearned financial income, are measured at amortized cost, using the effective interest rate method, less the unearned financial income. Short duration receivables with no stated interest rate are measured at the 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. The recoverable amount is 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.

2.7 Related Parties

For the purpose of these financial statements, Koç Holding A.Ş., shareholders, key management personnel and Board members, in each case together with their families and companies, associates and joint ventures controlled by or affiliated with them are considered and referred to as related parties (Note 37).

2.8 Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is determined on the moving monthly average basis. Cost elements included in inventories are materials, labour and an appropriate amount for factory overheads. Cost elements do not include borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses (Note 13).

2.9 Biological Assets

Livestock is measured at its fair value less estimated point-of-sale costs (Note 14).

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.10 Property, plant, equipment and depreciation

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated financial statements. Depreciation is provided on property, plant and equipment on a straight-line basis.

Depreciation is not calculated for land due to indefinite useful life estimation.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of asset net selling price or value in use.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in operating profit.

2.11 Taxation and deferred tax

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis.

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.11 Taxation and deferred tax (cont'd)

Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilitiesand assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

2.12 Financial Instruments

Financial assets

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

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' (FVTPL), 'held-to-maturity investments', 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

Effective interest method

The effective interest method is a method of calculating the amortized 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 debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term.Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Held-to-maturity investments

Investments in debt securities with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortized cost using the effective interest method less impairment, with revenue recognized on an effective yield basis

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.12 Financial Instruments (cont'd)

Available-for-sale financial assets

Investments other than held-to-maturity debt securities and held for trading securities are classified as available-for-sale, and are measured at subsequent reporting dates at fair value except available-for sale investments that do not have quoted prices in active markets and whose fair values cannot be reliably measured are stated at cost and restated to the equivalent purchasing power. Gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment of financial assets

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

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.12 Financial Instruments (cont'd)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

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

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

Derivative financial instruments:

Derivative financial instruments are initially recognized in the balance sheet at cost (including transaction costs) and are subsequently re-measured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate. The fair value of over-the-counter forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated in reference to the market interest rates of the related currency for the remaining period of the contract. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under IAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses are reported in the income statement.

2.13 Finance leases

Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in leasing payables. Obligations under finance leases are stated in the financial statements at the acquisition values of the related property, plant and equipment. The interest element of the finance cost is charged to the income statement over the lease period.

2.14 Provision for employment termination benefits

Employment termination benefits, represents the present value of the future probable obligation of the Company arising from the retirement of the employees calculated in accordance with the Turkish Labour Law, employment termination without due cause, call up for military service and death of the employees after at least one year work (Note 24).

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made (Note 22).

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.16 Contingent assets and liabilities

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

2.17 Shareholders' equity

In the restatement of shareholders' equity items, the addition of funds formed due to hyperinflation such as the revaluation value increase fund in share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders.

In the restatement of shareholders' equity items added to share capital the capital increase registry dates or the payment dates are considered. In the restatement of share premiums, the payment dates are considered (Note 27).

2.18 Revenue Recognition

Revenue is recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable. Net sales are calculated after the sales returns and sales discounts are deducted.

Revenues from sale of tomato paste and canned foods, milk and diary products, meat and meat products and pasta and mealy products are recognized when all the following conditions are satisfied:

• The Group transfers the significant risks and rewards of ownership of the goods to the buyer,

• The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,

• The amount of revenue can be measured reliably,

• It is probable that the economic benefits associated with the transaction will flow to the entity,

• The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend and interest income:

Interest revenue 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.

Rental income

Rental income from investment properties is recognized on a straight-line basis over the term of the relevant lease.

2.19 Credit finance income/charges

Credit finance income/charges represent imputed finance income/charges on credit sales and purchases. Such income/charges are recognized as financial income or expenses over the period of credit sales and purchases, and included under financial income and expenses.

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.20 Foreign currency transactions

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into TRY at Central Bank of Turkey exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from the settlement and translation of foreign currency items have been included in the consolidated statement of income.

2.21 Discontinued operations

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered through a sales transaction not through continuing use.

The milk production of Harranova Besi, the subsidiary, which represented a separate major line of business, was discontinued in 2007 (Note 34).

Non-current assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

2.22 Earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

2.23 Statement 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 the sales of goods and commodities 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.

2.24 Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.25 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS(cont'd)

2.25 Critical accounting estimates and assumptions (cont'd)

(a) Useful lives of property, plant and equipment

The depreciation on property, plant and equipment is provided using the useful lives discussed in Note 18 to the consolidated financial statements.

(b) Deferred income tax assets

The Group takes into account its budgeted taxable income for 2009 and following years in the measurement of deferred income tax assets arising from carry forward tax losses.

(c) Current value of biological assets

The Group takes into account prices in market and meat exchanges together expected sales prices while estimating fair value of biological assets

NOTE 3 - BUSINESS COMBINATIONS

Tat Konserve, the parent company, acquired 50% shares of Harranova Besi ve Tarım Ürünleri A.Ş. on 28 September 2007 for TRY 5.500.000. Following the share purchase Tat Konserve's share in Harranova Besi has increased to 68,2%. Harranova Besi became a subsidiary following this share purchase and was consolidated on a line-by-line basis since 30 September 2007. Tat Konserve sold its 10% shares on Harranova Besi ve Tarım Ürünleri A.Ş.(Harranova) at cash amount 2.500.000 USD for 13.500.000 shares to The Morning Star Company in California, USA. Then the shares of the company decreased from 68,2% to 58,2%. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the purchase amounts in the purchase accounting consideration of 68,2% Shares at Harranova Besi as of 30 September 2007 are as follows:

Cash and cash equivalents	50.214
Trade receivables	339.180
Due from related parties	6.325.584
Biological assets	20.012.569
Inventories	3.644.523
Non-current assets held for sale	1.063.364
Other current assets	1.019.863
Property, plant and equipment	32.507.858
Intangible assets	33.022
Deferred income tax assets	2.219.142
Other non-current assets	154.579
Borrowings	(43.085.744)
Leasing payables	(277.189)
Trade payables	(2.373.909)
Due to related parties	(2.852.710)
Provisions	(232.679)
Other liabilities	(572.721)
Total net assets	**17.974.946**
Minority interest	(5.716.034)
Total net asset acquired	**12.258.912**
Less: cost of acquisition	(7.654.452)

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

Negative Goodwill Income (Note 31)	**4.604.460**

NOTE 4 – JOINT VENTURES

The Group's joint venture, Tariş-Tat Alkollü İçecekler A.Ş., took a decision to increase the share capital by 12.000.000 TRY at extraordinary general meeting held on 24 June 2008, but the Group decided not attend capital increase and then the Goup's shares decreased from 50% to 18,42. After the change in ownership structure, Tariş-Tat Alkollü İçecekler A.Ş. is presented with its fair value instead of subsidiary in the accompanying consolidated financial statements. Consequently, "Obligations arising from the joint venture" account under "Other Long Term Liabilities" group in the financial statements of 31 December 2007, is has zero balance for the period ended 31 December 2008.

NOTE 5 - SEGMENTAL REPORTING

Primary Segmental Reporting Method - Industrial Segments

The products of the Company have different risks and returns, then the below segments have been accepted by the Company:

- Tomato paste and canned foods
- Milk and dairy products
- Meat and meat products
- Pasta and mealy products

Secondary Segmental Reporting Method- Geographical Segments

The Group performs significant part of the sales and purchases in Turkey. Therefore, there is no need to report in terms of geographical regions.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 5 - SEGMENTAL REPORTING(cont'd)

a) Segmental Analysis between 1 January 2008 - 31 December 2008

	Tomato paste and canned foods	Milk and dairy products	Meat and meat products	Pasta and mealy products	Total
Sales Revenue (net)	182.317.991	159.657.664	220.600.576	66.477.283	629.053.514
Cost of Sales	(131.355.543)	(129.097.669)	(199.024.374)	(55.754.191)	(515.231.777)
Gross Operating Profit	**50.962.448**	**30.559.995**	**21.576.202**	**10.723.092**	**113.821.737**
Operating Expenses					(74.565.962)
Operating Profit					**39.255.775**

Segmental Analysis between 1 January 2007 - 31 December 2007

	Tomato paste and canned foods	Milk and dairy products	Meat and meat products	Pasta and mealy products	Total
Sales Revenue (net)	163.160.831	143.202.990	184.438.069	56.034.615	546.836.505
Cost of Sales	(121.521.421)	(115.358.598)	(167.570.746)	(45.332.134)	(449.782.899)
Gross Operating Profit	**41.639.410**	**27.844.392**	**16.867.323**	**10.702.481**	**97.053.606**
Operating Expenses					(63.057.937)
Operating Profit					**33.995.669**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 5 - SEGMENTAL REPORTING (cont'd)

b) Segment Assets

Described as the assets of the entity (group of entities) that are directly employed in the operating activities of the segment or can be allocated to the segment on a reasonable basis.

Sales network and tangibles&intangibles in terms of the organizational structure of Tat Konserve are described as segment assets.

As of 31 December 2008 and 31 December 2007, the recorded amount of the segment assets according to industrial segments are as follows:

	31 December 2008	31 December 2007
Meat and meat products	71.574.592	50.759.035
Tomato paste and canned foods	57.676.301	44.540.051
Milk and dairy products	26.057.515	32.307.897
Pasta and mealy products	3.784.564	3.497.944
Assets not allocated to the segments	631.066	513.956
	159.724.038	**131.618.883**

Segment assets of Harranova Besi amounting to TRY 37.673.840 is included to meat and meat products segment as of 31 December 2007.

c) Segment Liabilities

Described as liabilities that result from the operating activities of a segment and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

In the general framework of the organizational structure of Tat Konserve and its internal financial reporting system, trade and other payables are analysed in the basis of industrial segments. As a result, reporting of segment liabilities are not required.

d) Depreciation expense, amortization and investment expenditures

Depreciation and amortization of the industrial segment assets for the periods ended 31 December 2008 and 31 December 2007 are as follows:

	1 January-31 December 2008	1 January-31 December 2007
Meat and meat products	5.355.568	2.998.754
Tomato paste and canned foods	4.357.084	2.668.457
Milk and Dairy products	2.036.297	2.303.028
Pasta and mealy products	209.501	322.662
Assets not allocated to the segments	239.932	106.646
	12.198.382	**8.399.547**

Between 30 September 2007 and 31 December 2007, the subsidiary's, Harranova Besi, depreciation and amortization relating to industrial segments assets amounting at 1.269.283 TRY is included in the segments of "Meat and meat products".

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 5 - SEGMENTAL REPORTING (cont'd)

For the periods ended 31 December 2008 and 31 December 2007, investment expenditures for the industrial segment assets are as follows:

	31 December 2008	31 December 2007
Meat and meat products	7.416.259	13.205.687
Tomato paste and canned foods	32.854.599	5.537.641
Milk and Dairy products	1.191.093	2.144.654
Pasta and mealy products	304.604	124.837
Assets not allocated to the segments	312.038	95.145
	42.078.593	**21.107.964**

Between 30 September 2007 and 31 December 2007, the subsidiary's, Harranova Besi, investment expenditures relating to industrial segments assets amounting at 6.362.271 TRY is included in the segments of "Meat and meat products".

NOTE 6 – CASH AND CASH EQUIVALENTS

As of 31 December 2008 and 31 December 2007, cash and cash equivalents comprised the following:

	31 December 2008	31 December 2007
Cash On Hand	9.343	3.969
Banks	329.515	324.591
- Demand Deposit – TL	311.913	320.747
- Demand Deposit – Foreign Exchange	17.602	3.844
Other	270	396
	339.128	**328.956**

As of 31 December 2008, the demand deposits include restricted bank deposits that are not available for the use of the Group amounting to TL 61.936 (31 December 2007: TL 54.588)

NOTE 7 – FINANCIAL ASSETS

Available for sale financial assets	%	31 December 2008	%	31 December 2007
Entek Elektrik Üretimi Otoprodüktör A.Ş.	3,6	8.865.882	3,6	6.513.710
Ram Dış Ticaret A.Ş.	7,5	1.125.000	7,5	1.005.000
Düzey Tüketim Malları Sanayi Pazarlama A.Ş.(*)	1,1	544.641	1,1	544.641
Other (*)		7.733		7.733
		10.543.256		**8.071.084**

(*) Presented with its cost value in the accompanying financial statemets.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 8 – FINANCIAL BORROWINGS

The financial borrowings at 31 December 2008 and 31 December 2007 are as follows:

	31 December 2008	**31 December 2007**
Short term bank borrowings	151.822.174	77.820.480
Short term finance lease payables (net)	97.528	143.868
Current maturities of long term borrowings	110.591.850	12.841.145
Total short term financial borrowings	**262.511.552**	**90.805.493**
Long term borrowings	29.120.176	82.536.695
Short term finance lease payables (net)	19.524	104.200
Total short term financial borrowings	**29.139.700**	**82.640.895**
	291.651.252	**173.446.388**

The details of financial borrowings as of 31 December 2008 are as follows:

	Annual weighted interest rate	**Original Amount**	**31 December 2008**
Short term financial borrowings			
TL borrowings	22,1%	148.797.574	148.797.574
USD borrowings	9,0%	2.000.000	3.024.600
			151.822.174
Current maturities of long term borrowings			
USD borrowings	3,3%	70.894.444	107.213.668
EUR borrowings	6,6%	1.578.000	3.378.182
			110.591.850

	Annual weighted interest rate	**Original Amount**	**31 December 2008**
Long term financial borrowings			
USD loans	5,1%	19.255.556	29.120.176
			29.120.176

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 8 – FINANCIAL BORROWINGS (cont'd)

The details of financial borrowings as of 31 December 2007 are as follows:

	Annual weighted interest rate	Original Amount	31 December 2007
Short term financial borrowings			
TL loans	16,73%	77.172.470	77.172.470
USD loans	6,02%	556.375	648.010
			77.820.480
Current maturities of long term borrowings			
USD loans	5,97%	1.292.225	1.505.054
Euro loans	6,24%	6.628.518	11.336.091
			12.841.145

	Annual weighted interest rate	Original Amount	31 December 2007
Long term financial Borrowings			
USD loans	5,98%	69.250.000	80.655.475
Euro loans	5,96%	1.100.000	1.881.220
			82.536.695

The redemption schedule of the long-term borrowings at 31 December 2008 of is as follows:

	USD TL EQUIVALENT
2010	18.584.486
2011	10.535.690
	29.120.176

The redemption schedule of the long-term borrowings at 31 December 2007 of is as follows:

	Euro TL EQUIVALENT	USD TL EQUIVALENT
2009	1.881.220	77.161.375
2010	-	3.494.100
	1.881.220	**80.655.475**

To manage liquidity risk, Group management retains cash and credit commitments to meet short term cash outflow.In this context , the Company has credit right with banks amounted to 410.874.669 TL to use if necessary.

NOTE 9 – OTHER FINANCIAL LIABILITIES

None (2007: None).

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 10 - TRADE RECEIVABLES AND TRADE PAYABLES

The analysis of trade receivables and trade payables at 31 December 2008 and 31 December 2007 is as follows:

	31 December 2008	31 December 2007
Trade Receivables:		
Receivables	42.000.454	7.363.430
Notes and cheques receivable	23.744.987	498.333
Less: provision for impairment of receivables	(2.311.994)	(2.306.840)
	63.433. 447	**5.554.923**

Movement of allowance for doubtful receivables of the Group for the period ended 31 December 2008 and 31 December 2007 is as follows:

	31 December 2008	31 December 2007
Opening Balance	(2.306.840)	(1.097.836)
Business combinations	-	(714.221)
Collections	-	37.933
Provisions for the current period	(5.154)	(532.716)
	(2.311.994)	**(2.306.840)**

The explanations related to quality and level of risks at trade receivables are explained at note 38.

As of 31 December 2008 and 31 December 2007, the details of trade payables are as follows:

	31 December 2008	31 December 2007
Trade Payables:		
Domestic Suppliers	52.954.262	40.823.443
Foreign Suppliers	1.036.187	357.965
	53.990.449	**41.181.408**

NOTE 11 – OTHER RECEIVABLES AND PAYABLES

As of 31 December 2008 and 31 December 2007, the details of other trade receivables are as follows:

	31 December 2008	31 December 2007
Other short term trade receivables:		
Prepaid taxes and funds	11.350	110.128
Other receivables	27.889	-
	39.239	**110.128**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 11 – OTHER RECEIVABLES AND PAYABLES (cont'd)

	31 December 2008	31 December 2007
Other long term receivables:		
Deposit and guarantees given	76.196	74.455

NOTE 12 – RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None (2007: None).

NOTE 13 - INVENTORIES

As of 31 December 2008 and 31 December 2007, the details of inventories are as follows:

	31 December 2008	31 December 2007
Raw Material	32.683.253	40.286.984
Work-in process	2.318.258	1.718.595
Finished goods	94.346.985	66.411.751
- Tomato sauce and canned foods	83.610.084	56.664.605
- Milk and Dairy products	4.034.729	2.264.579
- Meat and meat products	2.530.209	5.659.942
- Macaroni and mealy products	4.171.963	1.822.625
Other Inventories	233.579	2.641.108
	129.582.075	**111.058.438**

NOTE 14 - BIOLOGICAL ASSETS

The biological assets at 31 December 2008 comprise livestock amounting to TRY 23.264.684 (2007: 21.559.327).

The movements in the carrying value of biological assets in the period ended 31 December 2008 and 2007 are as follows:

	31 December 2008	31 December 2007
Openning Balance	21.559.327	-
Business combinations (note 3)	-	20.012.569
Increase due to purchases	22.838.404	4.653.337
Increase in fair value	370.926	124.608
Decreases attributable to sales	(21.503.973)	(3.231.187)
	23.264.684	**21.559.327**

NOTE 15 - CONSTRUCTION CONTRACT RECEIVABLES AND PROGRESS BILLING

None (2007: None).

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 16 – INVESTMENTS VALUED BY EQUITY PICK UP METHOD

As of 31 December 2008 and 31 December 2007, the details of investments valued by equity pick up method are as follows:

	%	31 December 2008	%	31 December 2007
Tat Tohumculuk A.Ş. (*)	30,0	3.842.169	30,0	3.485.107
Tariş-Tat Alkollü İçecekler A.Ş. (**)	18,4	-	50,0	-
		3.842.169		**3.485.107**

(*) As of 31 December 2008 and 31 December 2007, the amounts of current assets, non-current assets, short-term liabilities, long-term liabilities, revenue, expense and net profit for the period of Tat Tohumculuk A.Ş. which is consolidated by equity pick up method are as follows:

	31 December 2008	31 December 2007
Current Assets	13.408.305	9.277.470
Non-current assets	1.794.325	3.676.736
Short-term liabilities	2.011.970	819.608
Long-term liabilities	383.430	517.574.
Net Assets	12.807.230	11.617.024
Group’s portion in net assets	3.842.169	3.485.107
Revenue	10.252.006	8.062.760
Expenses	(7.573.613)	(6.472.930)
Net profit for the period	2.678.393	1.589.830

(**) The Group’s partnership, Tariş-Tat Alkollü İçecekler A.Ş., took a decision to increase the share capital by 12.000.000 TRY at extraordinary general meeting on 24 June 2008, but the Group decided not use right of preference and then their interest rate decreased from 50% to 18,42. After this change, Tariş-Tat Alkollü İçecekler A.Ş. is presented at current value instead of business association in consolidated financial statements. As a result of this, “Obligations arising from the joint venture” account, in the financial statements of 31 December 2007, under “Other Long Term Liabilities” group is not used for the period.

NOTE 17 – INVESTMENT PROPERTY

None (2007: None).

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant, equipment and their accumulated depreciation for the period ended 31 December 2008 and 31 December 2007 are as follows:

	1 January 2008	**Additions**	**Disposals**	**Transfers**	**31 December 2008**
Cost:					
Land	9.348.466	-	(302.472)	-	9.045.994
Land improvements	4.922.712	197.201	(5.448)	3.729.272	8.843.737
Buildings	99.847.256	719.094	-	8.608.537	109.174.887
Machinery and equipment	377.775.255	3.071.996	(5.662.322)	18.504.602	393.689.531
Vehicles	3.752.475	2.162.163	(310.806)	-	5.603.832
Furniture and fixture	42.550.529	6.621.367	(3.923.333)	-	45.248.563
Leasehold improvements	8.092.277	1.407	-	-	8.093.684
Construction in progress	3.831.261	29.201.128	-	(30.842.411)	2.189.978
	550.120.231	**41.974.356**	**(10.204.381)**	**-**	**581.890.206**

Accumulated Depreciation:	**1 January 2008**	**Charge for the year**	**Disposals**	**Transfers**	**31 December 2008**
Land improvements	2.371.362	629.145	-	-	3.000.507
Buildings	46.282.408	2.564.794	-	-	48.847.202
Machinery and equipment	326.577.740	6.491.676	(5.097.150)	-	327.972.266
Vehicles	1.675.623	381.629	(249.669)	-	1.807.583
Furnitures and fixtures	34.889.342	1.688.239	(3.539.506)	-	33.038.075
Leasehold improvements	8.005.717	59.300	-	-	8.065.017
	419.802.192	**11.814.783**	**(8.886.325)**	**-**	**422.730.650**
Net Book Value	**130.318.039**				**159.159.556**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT (cont'd)

	1 January 2007	**Additions**	**Disposals**	**Transfers**		**31 December 2007**
Cost:						
Land	4.536.768	1.612.050	(1.275.483)	1.333.558	3.141.573	9.348.466
Land improvements	3.527.072	134.577	-	460.372	800.691	4.922.712
Buildings	78.402.872	872.346	-	4.705.440	15.866.598	99.847.256
Machinery and equipment	372.457.572	2.559.168	(8.604.231)	3.869.107	7.493.639	377.775.255
Vehicles	2.263.551	325.114	(744.928)	542.895	1.365.843	3.752.475
Furniture and fixture	38.415.788	689.164	(143.170)	630.563	2.958.184	42.550.529
Leasehold improvements	8.092.277	-	-	-	-	8.092.277
Construction in progress	2.286.973	14.872.405	(2.667.512)	(11.541.935)	881.330	3.831.261
	509.982.873	**21.064.824**	**(13.435.324)**	**-**	**32.507.858**	**550.120.231**

Accumulated Depreciation:	**1 January 2007**	**Charge for the year**	**Disposals**	**Transfers**		**31 December 2007**
Land improvements	2.124.204	247.158	-	-	-	2.371.362
Buildings	44.199.158	2.083.250	-	-	-	46.282.408
Machinery and equipment	330.306.206	4.608.094	(8.336.560)	-	-	326.577.740
Vehicles	2.033.016	106.890	(464.283)	-	-	1.675.623
Furnitures and fixtures	34.075.635	911.724	(98.017)	-	-	34.889.342
Leasehold improvements	7.944.793	60.924	-	-	-	8.005.717
	420.683.012	**8.018.040**	**(8.898.860)**	**-**	**-**	**419.802.192**
Net Book Value	**89.299.861**					**130.318.039**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT(cont'd)

The expected useful life of property, plant and equipment is as follows:

Land improvements	30 years
Buildings	30 years
Machinery and equipment	15 to 30 years
Furniture and fixtures	10 to 12 years
Vehicles	9 years
Leasehold Improvements	5 to 8 years

As part of the efforts to restructure operations for efficiency and considering the domestic and foreign market conditions, in accordance with Board of Directors meeting dated 23 November 2007, it was decided to relocate a part of the production facilities to South East of Turkey as it was determined that raw material costs will significantly decrease and production process will be significantly improved. Accordingly, it was unanimously resolved that the operations in Balıkesir facilities be terminated permanently by the end of January 2008 and machinery and equipment of the facility be sold to Harranova, the subsidiary of the Company. As of 31 December 2008, the transfer was completed.

NOTE 19 – INTANGIBLE ASSETS

The movements in intangible assets and accumulated amortisation in the periods ended 31 December 2008 and 31 December 2007 are as follows:

	1 January 2008	Additions	31 December 2008
Cost	21.639.056	104.237	21.743.293
Accumulated amortization	(20.795.212)	(383.599)	(21.178.811)
Net Book Value	**843.844**	**(279.362)**	**564.482**

	1 January 2007	Additions	Business Combination	31 December 2007
Cost	21.562.894	43.140	33.022	21.639.056
Accumulated amortization	(20.413.705)	(381.507)	-	(20.795.212)
Net Book Value	**1.149.189**	**(338.367)**	**33.022**	**843.844**

NOTE 20 - GOODWILL

None (2007: None).

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 21 - GOVERNMENT INCENTIVES AND GRANTS

The major investment incentives granted by government authorities in conjunction with the major investment expenditures and the rights of the Company in consideration of these incentives are as follows:

i) 100% customs exemption related with imported machinery and equipment,

ii) 100%, 60% and 40% investment incentive for purchases related to production facility construction and construction cost burden, and,

iii) customs exemption related with imported goods, VAT exemption and taxes, duties, charges exceptions related with purchases of investment goods supplied from domestic markets.

Harranova Besi, the subsidiary of the Company, has incentive allowance at the rate of 80% related to Sosyal Sigortalar Kurumu (“SSK”) employer contribution.

NOTE 22 – PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS

As of 31 December 2008 and 31 December 2007, the details of liability provisions are as follows:

	31 December 2008	31 December 2007
Foreign currency forward contracts	-	149.400
Provision of cost of purchases	258.148	-
Provision for employee expenses	55.000	-
Provision of other sale expenses	201.091	-
Provision for benefits and services received from third parties	630.623	121.204
Provision for sales discount	12.657	42.111
Provision for returns and sale commisions	30.851	-
Provision for unused vacation	120.349	-
Other	22.400	190.284
	1.331.119	**502.999**

At 31 December 2008, the Company has no indemnity for the borrowings of Tariş-Tat Alkollü İçkiler A.Ş (2007: TRY 8.033.336). Also, there are miscellaneous borrowings which are amounting to TRY 16.263.593 (2007: TRY 13.476.358) including guarantee letters given to customs and agriculture enterprises and mortgages amounting to TRY 3.842.400 (2007: TRY 7.353.860 guarantee letter).

NOTE 23 – COMMITMENTS

None (2007: None).

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 24 – EMPLOYEE BENEFITS

	31 December 2008	31 December 2007
Retirement Pay Provision	7.071.686	7.394.443

Retirement Pay Provision

Retirement pay provision is calculated in terms of the below explanations:

Under Turkish Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

At 31 December 2008, the amount payable consists of one month's salary limited to a maximum of TRY 2.260,04 (2007: TRY 2.030,19) for each year of service.

Provision for employment termination benefit is not funded, as there is no funding requirement. Provision for employment termination benefit has been calculated by estimating the present value of the future probable obligation of the company arising from the retirement of the employees.

The financial reporting standards issued by Capital Markets Board require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used at 31 December 2008 and 31 December 2007 in the calculation of the total provision:

	2008	2007
Discount Rate	%6,26	%5,71
Turnover rate to estimate the probability of retirement	%4	%3

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY 2.260,04 (1 January 2007: TRY 2.030,19), which is effective from. 1 January 2009, has been taken into consideration in calculating the reserve for employment termination benefit of the Company.

Movements in the provision for employment termination benefits for the periods ended 31 December 2008 and 31 December 2007 are as follows:

	31 December 2008	31 December 2007
Openning Balance	7.394.443	6.329.918
Increase in the period	2.787.722	2.523.466
Actuarial loss	(209.812)	-
Paid in the period	(2.900.667)	(1.691.620)
Business combinations	-	232.679
	7.071.686	**7.394.443**

NOTE 25 - RETIREMENT PLANS

The Company has no liabilities concerning retirement plans except employee termination benefit which is explained in Note 24.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 26 – OTHER ASSETS AND LIABILITIES

As of 31 December 2008 and 31 December 2007, the details of current/non-current assets and short-term/long-term liabilities are as follows:

	31 December 2008	31 December 2007
Other current assets:		
Deductible value added taxes and funds	16.938.338	8.030.356
Income accruals	2.694.648	2.480.483
Foreign currency forward contracts (*)	10.074.125	-
Prepaid expenses	1.913.489	2.243.137
Advances given	411.580	297.263
Work advances	6.949	112.616
Other	52.249	129.549
	32.091.378	**13.293.404**

(*) The Group has foreign currency option contracts amounting to 5.000.000 USD and foreign forward contracts amounting to 30.000.000 USD.(Notes 38)

	31 December 2008	31 December 2007
Other non-current assets:		
Prepaid expenses – long term	2.505.929	-
Advances given	192.169	1.545.082
	2.698.098	**1.545.082**

	31 December 2008	31 December 2007
Other Liabilities:		
Wages Payable	1.021.329	900.317
Taxes and funds payable	1.924.215	1.329.994
Social security premiums payable	909.678	885.038
Employee premiums payable	755.740	1.377.120
Deferred value added tax (“VAT”)	-	379.578
Other Payables	76.102	640.961
	4.687.064	**5.513.008**

	31 December 2008	31 December 2007
Other long-term liabilities:		
Obligations arising from the joint venture	-	9.504.309
Other	106.027	37.150
	106.027	**9.541.459**

As at 31 December 2007, the Company’s share of the accumulated losses (including the current year losses) of Tariş - Tat, the joint venture of the Company, exceed the Company’s interest in the share capital of Tariş - Tat. Since the Company has an obligation to provide additional funds and has the capacity to make good the losses of Tariş - Tat’s losses, the excess of the accumulated losses over the share capital has been recognised as other long-term liabilities in these consolidated financial statements. As explained in note 3, Tariş-Tat Alkollü İçecekler A.Ş., which was previously presented as joint venture, is presented with its fair value. As a result of the change in shareholder structure, “Obligations arising from the joint venture” account under “Other Long Term Liabilities” group in the financial statements as of 31 December 2007, has zero balance for the period ended 31 December 2008.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 27 - SHARE CAPITAL

At 31 December 2008 and 31 December 2007, the Company's share capital and shareholding structure were as follows:

	%	31 December 2008	%	31 December 2007
Koç Holding A.Ş.	43,7	59.364.947	37,1	50.394.390
Shares publicly open in stock exchange	41,2	55.964.000	41,2	55.964.000
Kagome Co. Ltd.	3,7	5.071.168	3,7	5.071.168
KAV Danışmanlık Pazarlama ve Ticaret A.Ş.(*)	-	-	3,7	5.069.254
Temel Ticaret ve Yatırım A.Ş.	3,3	4.427.889	3,3	4.427.889
Migros Türk T.A.Ş.(*)	-	-	2,9	3.901.303
Sumitomo Corporation	1,5	2.077.983	1,5	2.077.983
Other	6,6	9.094.013	6,6	9.094.013
Total Share Capital	**100,0**	**136.000.000**	**100,0**	**136.000.000**

(*) Migros Türk T.A.Ş. and KAV Danışmanlık A.Ş. have sold their shares to Koç Holding A.Ş. on 22 May 2008 and 23 July 2008 respectively.

Restricted reserves calculated over profit consists of legal reserves.

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

Public companies pay dividend according to Capital Market Board Standards as explained below:

Capital Markets Board declared minimum dividend ratio as 20% as described in article 5 of SPK Decree no: IV.27 "Dividend and Advance Dividend Distribution Requirements of Public Companies Subject to Capital Markets Law". Companies can decide between cash distribution, non-cash capital increase or mixture of these options based on General Assembly decisions in line with this decree. In case of the first dividend is less than or equal to 5% of paid capital, the Companies have an option not to distribute dividends.

According to CMB's decision numbered 4/138 and dated 8 January 2008, beginning from 1January 2008, minimum ratio of profit distribution will be applied as % 20 for corporations whose shares are publicly held (31 December 2007: %20). According to this decision, it is allowed that companies may distribute cash dividends or by increase of capital bonus shares to shareholders or as some amount of cash and some amount of bonus shares depending on a decision made by General Assembly, and also companies, in case first dividend amount is less than % 5 of share capital/issued capital, may retain that amount without distribution; but it is compulsory to distribute the first dividend in cash for corporations which increased capital without distributing dividends relating to previous period and therefore whose shares are seperated as "old" and "new" and these corporations will distribute the first dividend as cash out of profit as the result of 2007 operations.

Since the Group made a loss in 2008, there will be no dividend distrubution. According to the legal records the Group has no distributable profit from retained earnings.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 27 - SHARE CAPITAL(cont'd)

At 31 December 2008 and 31 December 2007, shareholders' equity accounts, which are presented with the nominal values and the shareholders' equity restatement differences of the nominal values are as follows:

	31 December 2008	**31 December 2007**
Share capital	136.000.000	136.000.000
Inflation adjustment on share capital	21.601.088	21.601.088
Share premium	9.131.884	9.131.884
Revaluation fund on financial assets	1.307.362	(864.586)
Restricted reserves	60.404	60.404
Retained earnings/(loss)	(29.039.495)	(35.068.429)
Net income/(loss) for the period	(4.280.399)	11.028.934
	139.780.844	**141.889.295**

Revaluation Fund on Financial Assets:

Revaluation fund financial assets is resulted from fair value differences of available-for-sale financial assets. In case of disposal of a financial assets, which is presented with its fair value, revaluation fund related with disposed financial asset is recorded as income or loss under the profit and loss statement. When there is an impairment on a financial asset, revaluation fund related with impaired financial asset is recorded under profit and loss statement.

Minority Interests

The Group's minority interests come from Harranova and as of balance sheet date amounting to 2.825.595 TRY as of 31 December 2008. (31 December 2007: 960.732 TRY).

	31 December 2008	**31 December 2007**
Openning Balance	6.676.766	-
Business combinations	-	5.716.034
Current year loss attributable to minority interests	(2.825.595)	960.732
Increase in Harranova share capital	13.183.333	-
Effect of the change in the group structure	1.574.959	-
	18.609.463	**6.676.766**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 28 – SALES AND COST OF GOODS SOLD

For the periods ended 31 December 2008 and 2007, the details of operating income and cost of goods sold are as follows:

	1 January-31 December 2008	1 January-31 December 2007
Domestic Sales	637.841.651	563.803.544
Foreign Sales	46.488.075	34.184.428
Rebates and sales discounts	(55.276.212)	(51.151.467)
Total Operating Revenue	**629.053.514**	**546.836.505**
Raw material costs	431.115.363	367.388.095
Labor costs	17.220.916	16.993.093
General production overheads	60.827.266	50.593.055
Depreciation costs	10.014.042	8.817.565
Amortization costs	10.399	363.914
Change in fair value of biological assets	(370.926)	(124.608)
Changes in inventories	(25.785.686)	(13.169.523)
Cost of trade goods sold	22.200.403	18.921.308
Cost of sales	**(515.231.777)**	**(449.782.899)**
Gross operating income	**113.821. 737**	**97.053.606**

NOTE 29 – RESEARCH AND DEVELOPMENT, MARKETING, SALES AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES

For the periods ended 31 December 2008 and 2007, the details of operating expenses are as follows:

	1 January-31 December 2008	1 January-31 December 2007
Marketing, selling and distribution expenses	54.116.288	46.929.798
General administrative expenses	21.233.113	18.720.618
Research and development expenses	17.201	174.222
	75.366.602	**65.824.638**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 30- NATURE OF EXPENSES

For the periods ended 31 December 2008 and 2007, the details of operating expenses are as follows:

	1 January- 31 December 2008	1 January- 31 December 2007
Marketing, Selling and Distribution Expenses:		
Sales incentive and gondola participation expenses	16.540.324	13.639.490
Transportation and insurance expenses	17.266.630	14.951.568
Advertisement expenses	4.896.722	5.623.126
Personnel expenses	5.404.013	2.950.274
Sales support expenses	4.696.597	4.311.329
Other sales expenses	3.881.509	3.873.867
Sales promotion and commision expenses	583.501	581.992
Depreciation and amortisation expenses	571.603	-
Other	275.389	998.152
	54.116.288	**46.929.798**

	1 January- 31 December 2008	1 January- 31 December 2007
Administrative expenses:		
Personnel expenses	10.315.713	9.098.940
Employee termination benefits	2.577.910	2.523.466
Taxes and duties expenses	1.196.530	296.232
Transportation and travel expenses	1.171.565	1.211.886
Depreciation and amortisation expenses	1.076.247	835.725
Consultancy and lawsuit expenses	715.328	1.196.757
Information technologies expenses	459.494	484.491
Other	3.720.326	3.073.121
	21.233.113	**18.720.618**

NOTE 31 – OTHER OPERATING INCOME/EXPENSE

For the periods ended 31 December 2008 and 2007, the details of other operating gain and income are as follows:

	1 January- 31 December 2008	1 January- 31 December 2007
Other operating gain and income		
Gain on sale of property, plant and equipment	1.577.226	2.195.715
Income on sale of Harranova shares (Note 2.3)	1.685.956	-
Negative goodwill income	-	4.604.460
Other	1.713.994	1.697.130
	4.977.176	**8.497.305**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 31 – OTHER OPERATING INCOME/EXPENSE (cont'd)

For the periods ended 31 December 2008 and 31 December 2007, the details of other operating loss and expense are as follows:

	1 January- 31 December 2008	1 January- 31 December 2007
Other operating loss and expenses:		
Losses from the depreciation of unused assets	(1.037.815)	(694.852)
Losses due to obligations arising from the joint venture	(1.703.691)	(3.966.235)
Losses from discontinued operations	(61.888)	(712.979)
Foreign exchange loss	(990.292)	(9.227)
Other	(382.850)	(347.311)
	(4.176.536)	**(5.730.604)**

NOTE 32 – FINANCIAL INCOME

For the periods ended 31 December 2008 and 2007, the details of financial income are as follows:

	1 January- 31 December 2008	1 January- 31 December 2007
Interest income	454.683	130.661
Income generated from maturity differences of sales made on credit	15.636.172	4.503.046
Foreign exchange gain	-	7.945.116
Finance income related with derivative and forward transactions	16.600.585	-
	32.691.440	**12.578.823**

NOTE 33 – FINANCIAL EXPENSE

For the periods ended 31 December 2008 and 2007, the details of financial expenses are as follows:

	1 January- 31 December 2008	1 January- 31 December 2007
Interest expenses	(33.510.486)	(28.356.932)
Expense from maturity differences of purchases on credit	(5.446.138)	(1.674.378)
Finance expense related with derivative and forward transactions	(4.399.551)	-
Foreign exchange losses	(28.855.064)	-
	(72.211.239)	**(30.031.310)**

NOTE 34 – NON-CURRENTASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Harranova Besi, the subsidiary of the Company, discontinued milk production business in 2007.

As of 31 December 2008, assets relating to discontinued operations comprise livestock (biological assets) and property, plant and equipment which are classified as non-current assets held for sale in the consolidated balance sheet.

Losses arising from discontinued operations amounting to TL 61.888 is included in other expenses and losses in the consolidated income statement for the year ended 31 December 2008 (2007: TL 712.979)

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 35 - TAX ASSETS AND LIABILITIES

For the periods ended 31 December 2008 and 2007, the details of tax expenses stated in income statement are as follows:

	1 January-31 December 2008	1 January-31 December 2007
Corporate tax expense	-	-
Deferred tax expense	(7.199.032)	(5.039.261)
	(7.199.032)	**(5.039.261)**

Corporate tax:

The Company is subject to Turkish corporate taxes. Provision is recognized in the accompanying financial statements for the estimated charge based on the Group's results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rate in 2008 is 20% (2007: 30% for Tat Konserve A.Ş., 20% for Harranova Besi).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2008 (2007: 20%). Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. The companies with special accounting periods file their tax returns between 1st-25th of fourth month after fiscal year end. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income withholding tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is applied as 10% for the periods between 24 April 2003 and 22 July 2006. This rate was changed to 15% commencing from 22 July 2006 with the decision of Board of Ministries decision no: 2006/10731. Undistributed dividends included to share capital are not subject to income witholding tax.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the Group. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentive certificates are revoked commencing from January 1, 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of December 31, 2005 so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2006, 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

NOTE 35 - TAX ASSETS AND LIABILITIES(cont'd)

Income withholding tax: (cont'd)

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2006, 2007 and 2008 is 30%. If the Company cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

Inflation adjusted legal tax calculation:

For 2003 and previous years, taxable profits were calculated without any inflation adjustment to the statutory records, except that fixed assets and the related depreciation were revalued annually. Law No. 5024 published in the Official Gazette No. 25332 on 30 December 2003 requires the application of inflation accounting in Turkey in 2004 and future years for tax purposes, if the actual rate of inflation meets certain thresholds, using principles which do not differ substantially from the principles in IAS 29 "Financial Reporting in Hyperinflationary Economies". As inflation met certain thresholds as of 31 December 2004, the Companies have adjusted its statutory financial statements as of 31 December 2004 in accordance with Law No. 5024 and inflation adjusted balances as at 31 December 2004 were taken as opening balances as of 1 January 2005. However, as inflation did not meet the required thresholds as at 31 December 2005, no further inflation adjustment made to the Companies' statutory financial statements in 2005, 2006,2007 and 2008.

Deferred tax assets and Liabilities :

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for IFRS purposes and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation.

The rate applied in the calculation of deferred tax assets and liabilities is 20% for 2008. Tat Konserve, the parent company, opted to deduct investment incentive allowances in the corporate income tax calculation for the fiscal year ending 31 December 2007 and 2008. Accordingly, deferred tax income assets and liabilities are measured at the enacted tax rate of 30% using the liability method on the temporary differences expected to reverse until 31 December 2008. Harranova Besi, the subsidiary opted not to deduct investment incentive allowances. Accordingly, deferred tax income assets and liabilities are measured at the enacted tax rate of 20% using the liability method on the temporary differences.

As the entities can not declare consolidated corporate tax, deferred tax assets of subsidiaries can not be offset with deferred tax liabilities of other subsidiaries and presented seperately.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 35 - TAX ASSETS AND LIABILITIES(cont'd)

Deferred tax assets and Liabilities : (cont'd)

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 31 December 2008 and 2007 using the enacted tax rates is as follows:

	Cumulative temporary difference		**Deferred tax assets / (liabilities)**	
	31 December 2008	**31 December 2007**	**31 December 2008**	**31 December 2007**
Carryforward tax losses	124.003.049	121.862.271	24.800.610	30.912.288
Difference between tax base and Carry value of property, plant &equipment	9.587.041	9.486.163	2.149.504	1.936.955
Revaluation reverse on financial assets	(6.004.496)	-	(300.225)	-
Provision for employment termination benefits	7.071.685	7.394.443	1.414.337	1.642.777
Provision for doubtful receivables	465.198	465.198	93.039	139.560
Fair value of derivative instruments	(5.727.095)	298.272	(1.145.419)	89.482
Accrued income	(1.670.354)	(1.954.780)	(334.071)	(586.434)
Difference between tax base and carrying value of inventories	(499.037)	(1.254.655)	(99.807)	(316.741)
Difference between tax base and fair value of biological assets	354.925	(134.431)	(70.985)	(26.886)
Other	553.525	1.578.817	183.716	398.956
	128.134.441	**137.741.298**	**26.690.699**	**34.189.957**

Movement of the deferred tax for the years ended 31 December 2008 and 31 December 2007 is as follows:

	31 December 2008	**31 December 2007**
Opening balance	34.189.957	37.007.635
Business combinations	-	2.219.142
Attributable to revaluation fund of financial assets	(300.226)	-
Attributable to discontinued operations	-	2.441
Deferred tax expense	(7.199.032)	(5.039.261)
	26.690.699	**34.189.957**

Expiration schedule of carryforward tax losses is as follows:

	31 December 2008	**31 December 2007**
2008	-	740.258
2009	39.651.484	53.397.555
2010	51.224.456	51.224.455
2011	16.500.004	16.500.003
2013	16.627.105	-
	124.003.049	**121.862.271**

As of 31 December 2008, the Company accounted for deferred income tax assets over carry forward tax losses of YTL 124.003.049 (2007: 121.862.271 YTL) Management plans to utilize carry forward tax losses through the future taxable profits.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 36 – EARNING PER SHARE

The loss per thousands of shares with Kr 1 nominal value amounted to TL 0,53 for the year ended 31 December 2008 (31 December 2007: TL 1,02 earnings per thousand shares)

NOTE 37 – RELATED PARTY TRANSACTIONS

i) For the periods ended 31 December 2008 and 31 December 2007, the details of related party balances are as follows:

a) Deposits at banks

	31 December 2008	31 December 2007
Yapı ve Kredi Bankası A.Ş.	193.082	107.919
	193.082	**107.919**

b) Loans form related parties

	31 December 2008	31 December 2007
Koç Holding A.Ş. (*)	93.269.968	46.588.000
Yapı Kredi Factoring A.O.	8.548.390	-
Yapı ve Kredi Bankası A.Ş	32.051.612	14.025.000
	133.869.970	**60.613.000**

(*)The borrowings from Koç Holidng A.Ş., the parent company, represents the funds borrowed from financial institutions where Koç Holding A.Ş. acting as an agent.

c) Due from related parties

	31 December 2008	31 December 2007
Düzey Düzey Pazarlama A.Ş.	72.947.692	57.406.817
Migros Türk T.A.Ş. ("Migros") (*)	-	8.443.611
Sumitomo Corporation	821.547	796.215
Other	171.958	112.290
Due from related parties (gross)	**73.941.197**	**66.758.933**
Deferred financial income	(249.940)	(1.062.419)
Due from related parties	**73.691.257**	**65.696.514**

(*) Sold by the parent company Koç Holding A.Ş. at 22 May 2008

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 37 – RELATED PARTY TRANSACTIONS (cont'd)

d)Due to related parties

	31 December 2008	**31 December 2007**
Sumitomo Corporation	1.667.383	5.228.050
Zer Merkezi Hizmetler ve Ticaret A.Ş.	3.732.562	4.044.745
The Morning Star Company	985.112	-
Ram Sigorta Aracılık Hizmetleri A.Ş.	719.348	813.663
Palmira Turizm Ticaret A.Ş.	16.141	413.071
Koç Holding A.Ş.	845.165	307.858
Tat Tohumculuk A.Ş.	214.191	8.271
Türk Traktör	241.400	-
Other	628.427	316.844
	9.049.729	**11.132.502**

ii) For the periods ended 31 December 2008 and 2007, the details of significant sales to related parties and purchases from related parties are as follows:

a) Sales to related parties:

	1 January-31 December 2008	**1 January-31 December 2007**
Düzey Pazarlama A.Ş.	407.186.003	371.473.681
Migros T.A.Ş. (*)	38.723.036	111.858.172
Sumitomo Corporation	18.767.754	14.897.369
Palmira Turizm Ticaret A.Ş.	2.468.389	4.936.776
Other	885.227	-
	468.030.409	**503.165.998**

(*) Sold by the parent company Koç Holding A.Ş. at 22 May 2008

b) Purchases from related parties:

	1 January-31 December 2008	**1 January-31 December 2007**
Migros Türk T.A.Ş. (*)	5.371.046	15.912.329
Tat Tohumculuk A.Ş.	1.690.649	2.993.723
Palmira Turizm Ticaret A.Ş.	-	2.083.715
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	87.815	575.310
Aygaz A.Ş.	64.427	-
Ram Dış Ticaret A.Ş	1.275.580	-
Other	617.841	-
	9.107.358	**21.565.077**

(*) Sold by the parent company Koç Holding A.Ş. at 22 May 2008

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 37 – RELATED PARTY TRANSACTIONS (cont'd)

c) Services obtained from related parties:

	1 January-31 December 2008	1 January-31 December 2007
Zer Merkezi Hizmetler ve Ticaret A.Ş.	10.319.509	7.519.502
Ram Dış Ticaret A.Ş.	-	4.555.694
Koç Holding A.Ş.	1.230.527	1.385.269
Ram Sigorta Aracılık Hizmetleri A.Ş.	770.702	1.093.883
Koç Sistem A.Ş.	483.563	462.190
Opet Petrolcülük A.Ş.	-	459.089
Koçnet Haberleşme Teknoloji ve İletişim Hiz. A.Ş.	187.033	160.723
Other	2.169.632	848.318
	15.160.966	**16.484.668**

iii) For the periods ended 31 December 2008 and 2007, the details of financial expenses to related parties are as follows:

a) Interest expenses:

	1 January-31 December 2008	1 January-31 December 2007
Koç Holding A.Ş.	2.868.089	-
Yapı ve Kredi Bankası A.Ş.	6.788.164	4.854.358
Yapı Kredi Faktoring A.Ş.	1.118.659	1.728.893
	10.774.912	**6.583.251**

iv) For the periods ended 31 December 2008 and 2007, the details of other income and expenses from/ to related parties are as follows:

a) Rent expense:

	1 January-31 December 2008	1 January-31 December 2007
Temel Ticaret ve Yatırım A.Ş.	209.876	202.440

b) Payments to key management:

	1 January-31 December 2008	1 January-31 December 2007
Key management	3.405.078	3.410.239

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS

a) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or rearrange capital structure, the Company can return back capital to shareholders, issue new shares and sale assets in order to decrease debt requirement.

The Group controls its capital using the net debt/total capital ratio parallel to other companies in the sector. This ratio is the calculated as net debt divided by the total capital amount. Net debt is calculated as total liability amount (comprises of financial liabilities, leasing , trade payables and payables to related parties as presented in the balance sheet) less cash and cash equivalents. Total capital is calculated as shareholders' equity plus the net debt amount as presented in the balance sheet

	31 December 2008	**31 December 2007**
Total Liabilities	354.691.430	225.760.298
Less:Cash and cash equivalents (Notes 6)	(339.128)	(328.956)
Net Debt	354.352.302	225.431.342
Shareholders' Equity	158.390.307	148.566.061
Total Capital	512.742.609	373.997.403
Debt Capital Ratio	0,69	0,60

Group management sets policy to keep net debt capital ratio between 0,60 and 0,90

b) Financial risk factors

The risks of the Group, resulted from operations, include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's risk management

program generally seeks to minimize the effects of uncertainty in financial market on financial performance of the Group. The Group uses derivative financial instruments in order to safeguard itself from different financial risks.Risk management is implemented by finance department according to the policies approved by Board of Directors. The Group's finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. The written procedures are formed by Board of Directors to manage the foreign currency risk, interest risk, credit risk, use of derivative and non-derivative financial instruments and the assessment of excess liquidity

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaultsThe Group manages this risk by the credit limits up to the guarantees received from customers. The usage of credit limits are monitored by the Group according to the customer's credibility is evaluated continuously.

Trade receivables consist of many customers that operate in various industries and locations. Credit risk of the receivables from counterparties are evaluated perpetually.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management (cont'd)

Credit Risk of Financial Instruments	Receivables						
	Trade Receivables		Other Receivables				
31 December 2008	Related Party	Third Party	Related Party	Third Party	Deposits in banks	Derivative Instruments	Other
Maximum net credit risk as of balance sheet date	73.691.257	63.433.447	-	39.239	329.515	-	-
The part of maximum risk under guarantee with collateral etc.	-	19.639.115	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	73.691.257	63.341.275	-	39.329	329.515	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	92.172	-	-	-	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	2.311.994	-	-	-	-	-
- Past due (gross carrying amount)	-	2.311.994	-	-	-	-	-
- Impairment (-)	-	(2.311.994)	-	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management (cont'd)

Credit Risk of Financial Instruments	Receivables						
	Trade Receivables		Other Receivables				
31 December 2007	Related Party	Third Party	Related Party	Third Party	Deposits in banks	Derivative Instruments	Other
Maximum net credit risk as of balance sheet date	65.696.514	5.554.923	-	110.128	324.591	-	-
The part of maximum risk under guarantee with collateral etc.	-	-	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	65.696.514	5.432.876	-	110.128	324.591	-	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	-	122.047	-	-	-	-	-
- The part under guarantee with collateral etc	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	2.306.840	-	-	-	-	-
- Past due (gross carrying amount)	-	2.306.840	-	-	-	-	-
- Impairment (-)	-	(2.306.840)	-	-	-	-	-
The part of net value under guarantee with collateral etc	-	-	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
-The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk management (cont'd)

The aging of the past due receivables are as follows :

	Receivables					
31 December 2008	**Trade Receivables**	**Other Receivables**	**Deposits in banks**	**Derivative Instruments**	**Other**	**Total**
Past due 1-30 days	92.172	-	-	-	-	92.172
Past due 1-3 months	-	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-	-
Past due more than 5 years	-	-	-	-	-	-
Total past due receivables	92.172	-	-	-	-	92.172
The part under guarantee with collateral	-	-	-	-	-	-

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

b.1) Credit risk managemen t(cont'd)

The aging of the past due receivables are as follows :

	Receivables					
31 December 2007	**Trade Receivables**	**Other Receivables**	**Deposits in banks**	**Derivative Instruments**	**Other**	**Total**
Past due 1-30 days	122.047	-	-	-	-	-
Past due 1-3 months	-	-	-	-	-	-
Past due 3-12 months	-	-	-	-	-	-
Past due 1-5 years	-	-	-	-	-	-
Past due more than 5 years	-	-	-	-	-	-
Total past due receivables	122.047	-	-	-	-	-
The part under guarantee with collateral	-	-	-	-	-	-

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors (cont'd)

b.2) Liquidity risk management

Liquidity risk management responsibility mainly belongs to the board of directors. The board of directors has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk 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. Line of credits that are ready to use the liquidity requirements of the Group are disclosed in note 8.

The following table presents the maturity of Group's derivative and non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Derivative financial liabilities are presented according to undiscounted net cash inflow and cash outflow. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows and (outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

31 December 2008

Contractual Maturity Analysis	**Carrying Value**	**Total Cash Outflow According to the contract (I+II+III+IV)**	**Less than 3 months (I)**	**3-12 months (II)**	**1-5 years(III)**	**More than 5 Years (IV)**
Non-derivative Financial liabilities						
Bank borrowings	291.651.252	295.636.292	242.307.049	22.935.183	30.394.060	-
Trade payables	53.990.449	53.990.449	53.990.449	-	-	-
Payables to related parties	9.049.729	9.049.729	9.049.729	-	-	-
Total liabilities	**345.691.430**	**358.676.470**	**305.347.227**	**22.935.183**	**30.394.060**	**-**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors(cont'd)

b.2) Liquidity risk management (cont'd)

31 December 2007

Contractual Maturity Analysis	Carrying Value	Total Cash Outflow According to the contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years(III)	More than 5 Years (IV)
Non-derivative Financial liabilities						
Bank borrowings	173.446.388	180.536.277	-	96.402.880	84.133.397	-
Trade payables	41.181.408	41.181.408	41.181.408	-	-	-
Payables to related parties	11.132.502	11.132.502	11.132.502	-	-	-
Total liabilities	**225.760.298**	**232.850.187**	**52.313.910**	**96.402.880**	**84.133.397**	**-**

31 December 2008

Contractual Maturity Analysis	Carrying Value	Total Cash Outflow According to the contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years(III)	More than 5 Years (IV)
Derivative Financial Liabilities						
Derivative Cash Inflow	46.785.000	38.140.000	38.140.000	-	-	-

31 December 2007

Contractual Maturity Analysis	Carrying Value	Total Cash Outflow According to the contract (I+II+III+IV)	Less than 3 months (I)	3-12 months (II)	1-5 years(III)	More than 5 Years (IV)
Derivative Financial Liabilities						
Derivative Cash Inflow	2.583.000	2.583.000	-	2.583.000	-	-

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors(cont'd)

b.3) Market Risk Management

The Group's activities expose it to a variety of financial risks including foreign currency risk and interest rate risk as explained below. The Group uses derivative financial instruments to hedge certain risk exposures in order to manage foreign currency and interest rate risks. These instruments are:

1. Foreign exchange forward purchase agreements to manage exposure to liabilities denominated in foreign currencies.
2. Foreign exchange purchase options to manage exposure to liabilities denominated in foreign currencies.

At the Group level market risk exposures are measured by sensitivity analysis and stress scenarios.

There has been no change in the Group's exposure to market risks or the manner which it manages and measures the risk.

b.3.1) Foreign Currency Risk Management

The Group controls foreign currency risk coming from its operations and cash flows of finance contracts by using "forward foreign exchange contracts".

The foreign currency denominated assets and liabilities of monetary and non-monetary items are as follows:

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors(cont'd)

b.3) Market Risk Management (cont'd)

31 December 2008	Total TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	19.182.597	18.768.207	414.390	-
2. a. Monetary Financial Assets	17.603	16.405	762	436
2.b Non-monetary Financial Assets	-	-	-	-
3. Other	2.364.505	2.364.505	-	-
4. Current Assets	21.564.705	21.149.117	415.152	436
5. Trade Receivables	-	-	-	-
6.a Monetary Financial Assets	-	-	-	-
6.b Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8 Non-current assets	-	-	-	-
9. TOTAL ASSETS	21.564.705	21.149.117	415.152	436
10. Trade Receivables	(4.112.381)	(3.134.801)	(977.275)	(305)
11. Financial Liabilities	(143.661.741)	(140.097.386)	(3.564.355)	-
12.a Other Monetary Financial Liabilities	-	-	-	-
12.b Other Non-monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	(147.774.122)	143.232.187)	(4.541.630)	(305)
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16.a . Other Monetary Financial Liabilities	-	-	-	-
16.b Other Non-monetary Financial Liabilities	-	-	-	-
17. NON CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	(147.774.122)	143.232.187)	(4.541.630)	(305)
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	52.930.500	52.930.500	-	-
19.a Off-balance sheet foreign currency derivative assets	52.930.500	52.930.500	-	-
19.b Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position	(73.278.917)	(69.152.570)	(4.126.478)	131
21 Net foreign currency asset / liability position of monetary İtems	(73.278.917)	(69.152.570)	(4.126.478)	131
22 Fair value of foreign currency hedged financial assets	-	-	-	-
23 Hedged foreign currency assets	-	-	-	-
24. Export	38.871.292	38.871.292	-	-
25. Import	11.564.443	11.564.443	-	-

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors(cont'd)

b.3) Market Risk Management (cont'd)

31 December 2007	Total TL Equivalent	US Dollar	Euro	Other
1. Trade Receivables	7.655.641	7.387.537	258.556	9.548
2. a. Monetary Financial Assets	3.844	153	3.443	248
2.b Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets	7.659.485	7.387.690	261.999	9.796
5. Trade Receivables	-	-	-	-
6.a Monetary Financial Assets	-	-	-	-
6.b Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8 Non-current assets	-	-	-	-
9. TOTAL ASSETS	7.659.485	7.387.690	261.999	9.796
10. Trade Receivables	(6.906.905)	(6.546.002)	(360.579)	(324)
11. Financial Liabilities	(96.025.850)	(82.808.539)	(13.217.311)	-
12.a Other Monetary Financial Liabilities	-	-	-	-
12.b Other Non-monetary Financial Liabilities	-	-	-	-
13. CURRENT LIABILITIES	(102.932.755)	(89.354.541)	(13.577.890)	(324)
14. Trade Payables	-	-	-	-
15. Financial Liabilities	-	-	-	-
16.a . Other Monetary Financial Liabilities	-	-	-	-
16.b Other Non-monetary Financial Liabilities	-	-	-	-
17. NON CURRENT LIABILITIES	-	-	-	-
18. TOTAL LIABILITIES	(102.932.755)	(89.354.541)	(13.577.890)	(324)
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	34.941.000	34.941.000	-	-
19.a Off-balance sheet foreign currency derivative assets	34.941.000	34.941.000	-	-
19.b Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position	(60.332.270)	(47.025.851)	(13.315.891)	9.472
21 Net foreign currency asset / liability position of monetary İtems	(60.332.270)	(47.025.851)	(13.315.891)	9.472
22 Fair value of foreign currency hedged financial assets	-	-	-	-
23 Hedged foreign currency assets	-	-	-	-
24. Export	34.184.428	34.184.428	-	-
25. Import	13.591.539	13.591.539	-	-

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk factors(cont'd)

Foreign currency sensitivity

The Group is mainly exposed to foreign currency risk in USD and EURO.

The following table details the Group's sensitivity to a 10% increase and decrease in the USD and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit / loss and other equity.

Foreign currency sensitivity

31 December 2008	Appreciation of Foreign currency	Devaluation of Foreign currency
In the case of appreciation of US Dollar at %10 ratio compared to TL		
US Dollar net asset / liability	(12.208.307)	12.208.307
Part of hedged from US Dollar risk (-)	5.293.050	(5.293.050)
US Dollar net effect	(6.915.257)	6.915.257
In the case of appreciation of EURO at %10 ratio compared to TL		
Euro net asset / liability	(412.648)	412.648
Part of hedged from EURO risk (-)	-	-
Euro net effect	(412.648)	412.648
TOTAL	**(7.169.955)**	**7.169.955**

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

Foreign currency sensitivity (cont'd)

	Profit / Loss	
31 December 2007	Appreciation of Foreign currency	Devaluation of Foreign currency
In the case of appreciation of US Dollar at %10 ratio compared to TL		
US Dollar net asset / liability	(8.196.685)	8.196.685
Part of hedged from US Dollar risk (-)	3.494.100	(3.494.100)
US Dollar net effect	(4.702.585)	4.702.585
In the case of appreciation of EURO at %10 ratio compared to TL		
Euro net asset / liability	(1.331.589)	1.331.589
Part of hedged from EURO risk (-)		
Euro net effect	(1.331.589)	1.331.589
TOTAL		
Euro net asset / liability	**(6.034.174)**	**6.034.174**

Foreign currency purchase/sale contracts

The Group makes forward contracts and currency swaps to cover the risks of receipts and payments, in a certain foreign currency. When expected sale and purchase transactions occur, book values of the items hedged from non-financial risk are adjusted.

The table below shows the details of the outstanding contracts.

Unrealized purchase/sale contracts	Average FX rate		Foreign Currency		Fair Value	
	2008	2007	2008	2007	2008	2007
US Dollar Purchase						
Less than 3 months	1,5595	1,2915	30.000.000	2.000.000	46.785.000	2.583.000

Unrealized purchase/sale options	Average FX rate		Foreign Currency		Fair Value	
	2008	2007	2008	2007	2008	2007
US Dollar Purchase						
Less than 3 months	1,5450	1,3150	5.000.000	28.000.000	7.725.000	36.820.000

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

Foreign currency sensitivity (cont'd)

The detail of foreign currency options receivable as of 31 December 2008 is as shown:

Transaction Date	Maturity	USD Amount	FX Rate
11 July 2008	15 January 2009	5.000.000	1,2700

The detail of foreign currency options receivable as of 31 December 2007 is as shown:

Transaction Date	Maturity	Amount	FX Rate
19 September 2007	28 February 2008	5.000.000	1,3500
24 September 2007	28 February 2008	5.000.000	1,3500
2 October 2007	31 March 2008	3.000.000	1,2900
2 October 2007	31 March 2008	5.000.000	1,3200
8 October 2007	30 April 2008	5.000.000	1,2700
8 October 2007	30 April 2008	5.000.000	1,3000

The detail of foreign currency purchase agreements as of 31 December 2008 is as shown:

Transaction Date	Maturity	Amount	FX Rate
18 July 2008	20 Ocak 2009	20.000.000	1,2860
1 August 2008	20 Ocak 2009	10.000.000	1,2420

The detail of foreign currency purchase agreements as of 31 December 2007 is as shown:

Transaction Date	Maturity	Amount	FX Rate
2 October 2007	25 Nisan 2008	2.000.000	1,2915

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 38 – NATURE AND THE LEVEL OF RISK RESULTED FROM FINANCIAL INSTRUMENTS (cont'd)

b) Financial Risk Factors (cont'd)

b.3.2) Interest Rate Risk Management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring optimal hedging strategies are applied, by either positioning the balance sheet or protecting interest expense through different interest rate cycles.

Details of Group's financial instruments that are sensitive to interets rates are as follows:

Interest position table

	31 December 2008	31 December 2007
Fixed interest instruments		
Financial Liabilities	147.952.778	77.172.470
Variable interest financial instruments		
Financial Liabilities	143.678.950	96.025.850

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates 1% lower / higher with all other variables held constant, income before income taxes would have been TL 1.400.901 higher / lower as a result of interest expense on floating rate borrowings.

(Amounts expressed in Turkish Lira (TL) except stated otherwise)

NOTE 39 – FINANCIAL INSTRUMENTS

Financial Instrument Categories

31 December 2008	Financial assets at amortized cost	Loans and Receivables	Available for sale Financial assets	Financial liabilities at amortized cost	Carrying Value	Fair Value	Note
Financial Assets							
Cash and cash equivalents	339.128	-	-	-	339.128	339.128	6
Receivables from related parties	-	73.691.257	-	-	73.691.257	73.691.257	37
Other trade receivables	-	63.433.447	-	-	63.433.447	63.433.447	10
Financial Investments	-	-	10.543.256	-	10.543.256	10.543.256	7
Financial Liabilities							
Financial liabilities	-	-	-	291.651.252	291.651.252	291.651.252	8
Payables to related parties	-	-	-	9.049.729	9.049.729	9.049.729	37
Other trade payables	-	-	-	53.990.449	53.990.449	53.990.449	10

31 December 2007	Financial assets at amortized cost	Loans and Receivables	Available for sale Financial assets	Financial liabilities at amortized cost	Carrying Value	Fair Value	Note
Financial Assets							
Cash and cash equivalents	328.956	-	-	-	328.956	328.956	6
Receivables from related parties	-	65.696.514	-	-	65.696.514	65.696.514	37
Other trade receivables	-	5.554.923	-	-	5.554.923	5.554.923	10
Financial Investments	-	-	8.071.084	-	8.071.084	8.071.084	7
Financial Liabilities							
Financial liabilities	-	-	-	173.446.388	173.446.388	173.446.388	8
Payables to related parties	-	-	-	11.132.502	11.132.502	11.132.502	37
Other trade payables	-	-	-	41.181.408	41.181.408	41.181.408	10

NOTE 39 – FINANCIAL INSTRUMENTS (cont'd)

Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;

- The fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and

- The fair value of derivative instruments, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

NOTE 40 - SUBSEQUENT EVENTS

Group has signed an agreement for USD 40.000.000 loan from National Bank of Greece, London Branch with 3-year maturity and Libor+5.25% interest rate. There will be no principal payment in the first year of the agreement.

The Board of Directors of the Groups decided that USD 30.000.000 of loan obtained from international finance corporations by Koç Holding A.Ş., the main shareholder of the Group, shall be used by Harranova Besi ve Tarım Ürünleri A.Ş., which is the subsidiary of the Group, in order to pay Harranova's short term loan payments. According to the loan agreement, principle amount shall be paid at the end of the loan agreement. Loan will mature in one year with three or six-month interest payment option and interest rate is Libor+2,5 excuding transaction costs.

NOTE 41 - THE OTHER SIGNIFICANT ISSUES AFFECTING THE FINANCIAL STATEMENTS OR THE OTHER ISSUES REQUIRED FOR CLARIFICATION OF FINANCIAL STATEMENTS

The group prepared its financial statements in accordance with the Capital Market Board standard Decree No XI-29 starting from first interim period after 1 January 2008. The Group has made necessary changes in the accounting policies starting from 1 January 2007.

The Group's joint venture, Tariş-Tat Alkollü İçecekler A.Ş., took a decision to increase the share capital by 12.000.000 TRY at extraordinary general meeting held on 24 June 2008, but the Group decided not attend capital increase and then the Goup's shares decreased from 50% to 18,42. After the change in ownership structure, Tariş-Tat Alkollü İçecekler A.Ş. is presented with its fair value instead of subsidiary in the accompanying consolidated financial statements. Consequently, "Obligations arising from the joint venture" account under "Other Long Term Liabilities" group in the financial statements of 31 December 2007, is has zero balance for the period ended 31 December 2008.

CORPORATE GOVERNANCE PRINCIPLES

'Application and Implementation of Corporate Governance Principles' accepted by Capital Market Board with decision dated 04.07.2003 and no. 35/835 and announced to public in July, 2003; bears significance especially regarding to the credibility and financial activities of publicly held companies. The said principles revealing the corporate governance quality have been adopted by our company and are partly implemented. The other principles, as detailed in the following, demanded to be applied in parallel with this regulation but not harmonized yet are to be implemented after completion of administrative and technical infrastructural studies.

As required by decision of meeting of Capital Market Board dated 10.12.2004 and no. 48/1588, it is approved that starting from the annual reports for the year 2004, the companies listed in Istanbul Stock Exchange are advised to include their statements about compliance with the said Corporate Governance Principles in their annual reports and internet websites if any. Tat Konserve Sanayii A.Ş., starting from the year 2005, have added the information about the compliance with Corporate Governance Principles, the details of which are provided in the following and that it has implemented and is already working on it to its annual reports and internet website.

CHAPTER I – SHAREHOLDERS

Department of Investor Relations

At Tat Konserve Sanayii **A.Ş., relations with the shareholders are being carried out by a department constituted within the organization of Assistant General Management of Accounting and Finance. Among the main operations executed by the Department are:**

- Presentation of our Company to individual and institutional investors; informing the potential investors and shareholders,
- Meeting the requests of bachelor and master degree students and the members of the faculty at the universities who make researches about our company and the sector,
- Preparation of the General Shareholders Meeting, relevant documentation, providing prerequisite permissions regarding to the modifications of the Articles of Association and submitting them to the approval of General Shareholders,
- Holding the General Shareholders Meeting of the Company, preparation of documents for the shareholders, delivery of minutes to the requestors,
- Informing our shareholders,
- Taking into consideration the announcement of Capital Market Board's Series VIII, No:39, to inform the necessary Material Statement Declarations to ISE and CMB,
- Realizing the Capital Increase procedures,
- Tracking the modifications incurred in the legislation regarding the Capital Market Code and submitting them to the attention of the related departments of the company.

Assistant Gen. Manager – Accounting and Finance : Tamer SOYUPAK
Tel : 0216 430 00 00
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E- mail : tamer.soyupak@tat.com.tr

Employees responsible for investor relations
Neslihan KAZANCI neslihan.kazanci@tat.com.tr Telephone : 0216 430 00 00
Hikmet İN hikmeti@tat.com.tr Fax : 0216 430 80 15

In 2008, meetings have been held with 141 investors for the purpose of sharing detailed information about the company to the current and potential shareholders.

Use of the Right of Shareholders to Acquire Information

At Tat Konserve Sanayii A.Ş., there is no discrimination among the shareholders regarding the right of use of acquiring information and examination.

In order to broaden the right of acquiring information of shareholders, any kind of information that may affect the use of rights are offered to the use of shareholders as updated in electronic environment.

The demand for appointment of private auditor has not been specified as an individual right in the Articles of Association. No demand has been received from our shareholders regarding this matter. Company operations are audited periodically by the Independent External Auditor decided at the General Shareholders and by the Auditors chosen at the General Shareholders.

General Shareholders Information

In 2008, only the Ordinary General Shareholders meeting has been held. 67% attendance was provided to the General Shareholders. Beneficiaries of the company and media attended the meeting.

Invitation to General Shareholders meeting is made by the Board of Directors as required by Turkish Commercial Code, the provisions of Capital Market Code and the Articles of Association of the Company. As soon as the decision is made by the Board of Directors about the General Shareholders, declarations are made to ISE and CMB to inform the public.

Besides, at least 21 days before the General Shareholders Meeting, the place where the General Shareholders is held, agenda, modification drafts on the Articles of Association, if any, and the sample of power of attorney are announced in 2 daily newspapers published in Turkey. It is specified in this announcement where the financial tables of the related period prepared by the independent auditors are available for review.

Each shareholder who made a talk at the General Shareholders may point out his opinion about the company operations and request for information by asking questions to company management and is responded in return. Our General Shareholders Meeting is held under surveillance of the Government Officer of the Ministry of Industry and Commerce.

At the General Shareholders Meeting in 2008, suggestions made by the shareholders have been taken into consideration.

Minutes of the General Shareholders Meeting are submitted in our web site. Furthermore, these minutes are open for review of our shareholders at the head office of our company and issued upon request by the shareholders.

Although the General Shareholders approval is not required for transactions such as sale, purchase, lease of substantial part of assets in the Articles of Association, splitting transaction is subject to the approval of General Shareholders. There was no such significant transaction realized in 2008.

Voting Rights and Minority Rights

There is no privilege provided in the Articles of Association for the use of voting rights in our company. There is no legal entity among our shareholders in which we have equity participation. Including beyond the borders, each shareholder is vested with the opportunity to use the voting right at the easiest and proper way. Aggregated voting system has not been implemented yet.

Profit Distribution Policy and Profit Distribution Time

Our Company provides no privilege in profit distribution. Profit share distribution policy of our company disclosed to public and announced to our shareholders at the General Shareholders Meeting, is applied within the scope of Article 28 regarding "Distribution of Profit" in the Articles of Association. In distribution of profit, long-term strategies, investment and finance policies, profitability status of our Company are taken into consideration, and it is decided upon to distribute the part, under discretion of the General Shareholders, of the distributable profit calculated as not being less than the rate specified on the Notice of Capital Market Board, Series IV, No.27, in full cash or cash at a specific rate, or as bonus shares by the General Shareholders.

Transfer of Shares

In the Articles of Association, there are not any practices that make difficult for the free transfer of shares of shareholders and provisions that restrict share transfer.

CHAPTER II – ENLIGHTING THE PUBLIC AND TRANSPARENCY

Informing Policy of the Company

At our company, the division in charge of informing the public is the Accounting and Finance department, information required for the investor are announced to public at necessary intervals. In informing practices of our company, legal regulations are strictly adhered to.

Material Statement Disclosures

Within the year, 17 material statement disclosures have been made by our company. We don't have any additional disclosures made upon requests of CMB and ISE. Since our company is not quoted at foreign stock exchanges, it is not necessary to make Material Statement Disclosures other than CMB and ISE. Since Material Statement Disclosures are made within the course foreseen by law, no liability has been applied by CMB

Internet Site of the Company and its Content

Our Company, in order to maintain investor relations more effectively and rapidly, and to be in continuous contact with the shareholders, has a formal web site at the address www.tat.com.tr. The website of the Company contains financial tables accompanied with the following information:

- Articles Association of the Company
- Date of the General Shareholders Meeting, agenda and explanations about the agenda items
- Sample of Power of Attorney
- Minutes and the Attendance list of the General Shareholders Meeting
- CMB Material Statement Disclosures
- Shareholdership structure of the company
- Information about the members of the Board of Directors and top management of the company

- Frequently asked questions
- Annual reports
- Corporate Governance Principles

Disclosure of Real Person Final Governing Shareholder/Shareholders

Final governing shareholders of our company which is a member of Koç Group are the Koç Family. Other than this information, there is no material statement that may influence the investor in disclosing the real person and owners of the company to public.

Disclosure of the Persons who are in the status of Insiders to the Public

In maintaining the balance between transparency and protection of the company benefits, it bears great importance for the entire employee to pay careful attention to rules of using inside information.

Information learned during the course of working that belong to the company and not desired by the company to be learned only by those necessary and may be qualified as "commercial secret" are accepted as 'Company Information'. Any and all the employees protect the company confidentiality while and after they work at Tat Konserve Sanayii A.Ş., and they cannot use it directly or indirectly.

None of the Tat Konserve Sanayii A.Ş. employees could be involved in operations that result in profit by dealing with shares of Tat Konserve Sanayii A.Ş. or any other Koç Grubu company depending on the inside information obtained because of his post.

Persons who may be classified generally as in the status of obtaining inside information are the members of the Board of Directors and the top management of our Company, data of these said persons are specified in our internet site.

CHAPTER III – BENEFICIARIES

Informing the Beneficiaries

Beneficiaries related with the Company are invited as required to meetings held on points concerning themselves or by using telecommunication media.

Though there is no special mechanism for enabling the beneficiaries to join the management, views and suggestions transmitted to the relevant departments are taken into consideration to the extent that they coincide with our long term strategies.

Policy of Human Resources

Within the scope of human resources policy of our Company, criteria regarding personnel nomination and promotion mechanism have been specified in written. As the Human resources Process, our aim is to adhere to the following principles;

- To hire the employees that shall lead our Company to future,
- To create fair remuneration policies,
- To evaluate individual performance,
- To reward/appreciate the successful employees
- To maintain training and development of employees in accordance with company targets and business requirements

And to develop our competences of human power constantly and maintain our permanent superiority at global rivalry circumstances. Operation of human resources systems specified for this purpose are identified by procedures and announced to all the employees.

At our human resources department, Mehmet Saim AŞÇI carries out the relations with employees.

Our human resources department has not received any complaints regarding making discrimination by the employees.

Information About Relations with the Customers and the Suppliers

In marketing and selling goods and services, customer satisfaction is our primary and basic target. Customer satisfaction is reported and tracked regularly.

Social Responsibility

Our Company acts as sensitive to environment in its operations, and there isn't any legal procedures applied against our company due to damages caused to environment within the period.

CHAPTER IV – BOARD OF DIRECTORS

Structure and Formation of the Board of Directors

There is no discrimination of executive or non-executive and independent member at the Board of Directors of our Company. Following the General Shareholders meetings where the members of the Board of Directors are chosen, assignment of posts is decided upon and the Chairman and the Assistant Chairman of the Board of Directors are appointed. Within the term in case vacancies occur among members of the Board of Directors, article 315 of Turkish Commercial Code is applied.

Approval is received from the General Shareholders within the scope of articles 334 and 335 of TCC to enable the Chairman and the members of the Board of Directors to carry out the related business of the Company duly for his name or for the name of others and to be partners to the Company while carrying out this type of jobs.

Qualifications of the Board of Directors

Despite the fact that qualifications of the members of the Board of Directors of our Company have not been regulated privately in the Articles of Association, our present members bear the qualifications specified in the principles.

Mission and Vision and the Strategical Target of the Company

Vision and mission of our Company have been specified and announced in our internet site. Accordingly;

Our vision is ;
To be the revolutionary, leading food and distribution company of Turkey.

Our mission is;
To become a profitably developing company together with the strong brands which presents renovated and unique products being close to the consumers with innovations, high R&D structure, increasing productivity and consistency in the area of food production and distribution.

Strategic targets determined in accordance with the mission and vision of our company has been announced in our internet site, and degree of achievement is evaluated by our Board of Directors.

Risk Management and Internal Control System

Risk management and internal control of our company is provided periodically by our Board of Directors, the Committee responsible for Audit, Independent Audit Company and the audit teams of the group we are affiliated with.

Powers and Responsibilities of the Members of the Board of Directors and Managers

Powers and Responsibilities of the members of the Board of Directors have been clearly identified in the Articles of Association of the company. Powers have been clarified in detail in the signature circular of the Company.

Operative Principals of the Board of Directors

Agenda of the meetings of the Board of Directors is specified by informing the points ordered clearly by the Articles of Association of the company subject to the decision of the Board of Directors, by the relevant departments to top management and members of the Board of Directors of the Company. Furthermore, Meeting Agenda is also specified by any of the members of the Board of Directors the matter of taking a decision regarding a specific subject to the Top Management of the Company.

Subjects requested to be discussed at the Board of Directors of the Company, are gathered at the Accounting and Finance Department and an agenda is formed by consolidating them.

Assistant General Manager of Accounting and Finance of Tat Konserve Sanayii A.Ş. is assigned with determining the agenda of meetings of the Board of Directors of Tat Konserve Sanayii A.Ş., preparation of the decisions of the Board of Directors taken within the frames of the provision 330/II of TTK, informing the members of the Board of Directors and maintaining the communication.

The Board of Directors takes decisions to the extent required by the business and in any case, in minimum number determined by the Articles of Association of our Company.

Reasons of different views and counter votes explained at the meetings of the Board of Directors are recorded in the minutes of meeting. However since this type of opposition or different view is not declared in recent times, no disclosure is made to public.

Making Transactions with the Company and Competition Forbiddance

Approval is received from the General Shareholders within the scope of articles 334 and 335 of TTK to enable the Chairman and the members of the Board of Directors to carry out the business of the Company duly for his name or for the name of others and to be partners to the Company while carrying out this type of jobs.

Ethical Rules

Our Company, in accordance with the responsibility as required by being a company open to public, has adapted a management system compliant with laws and ethical rules, playing an active role in social responsibility projects, aimed at satisfaction of employees and customers.

Number, Structure and Independence of Committees Formed at the Board of Directors

There is a committee in charge of audit at our Company formed for the purpose of fulfilling the obligations and responsibilities of the Board of Directors.

The committee consists of the following members.

Nevzat TÜFEKÇİOĞLU Vice Chairman of the Board of Directors
Ahmet Fadıl Ashaboğlu Member of the Board of Directors

Audit Committee performs the duty foreseen for the audit committee in the Capital Market Legislation. Within this scope, accounting system of our Company supervises the disclosure of financial data to public, independent audit, and operation and effectiveness of internal control of the shareholdership. Appointment of independent audit committee, preparation of independent audit agreements, starting the independent audit process and all the studies at every stage of independent audit committee are all carried out under supervision of the committee in charge of audit.

Committee in charge of audit takes the views of the responsible managers of the corporation and of independent auditors, regarding whether the annual and interim term financial tables to be disclosed to public is compliant with the accounting principles tracked by corporation, with reality and accuracy, and meet at least four times a year and ore frequently when necessary to submit its report with his own assessments in written to the Board of Directors.

Fiscal Rights Provided for the Board of Directors

Rights provided for the members of the Board of Directors are decided upon at the General Shareholders Meeting. At the General Shareholders Meeting dated 03.04.2008, shareholders decided to pay a monthly salary of 665,- TL to the members of the Board of Directors.

Transactions that may lead to conflict of interest due to providing credits, debts to the managers and members of the Board of Directors by the Company cannot even be discussed.

CHAIRMAN OF THE BOARD OF DIRECTORS

K.Ömer BOZER

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