

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2007 AND 2006

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

	Notes	2007	2006
ASSETS			
Current assets		218.750.700	190.394.011
Cash and cash equivalents	4	328.956	399.043
Marketable securities (net)	5	-	-
Trade receivables (net)	7	5.554.923	16.906.869
Lease receivables (net)	8	-	-
Due from related parties (net)	9	65.696.514	82.074.360
Other receivables (net)	10	110.128	6.175
Biological assets (net)	11	21.559.327	-
Inventories (net)	12	111.058.438	85.981.804
Assets available for sales	35	1.149.010	-
Receivables from construction contracts work in progress (net)	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	13.293.404	5.025.760
Non-current assets		178.527.568	140.764.806
Trade receivables (net)	7	-	-
Lease receivables (net)	8	-	-
Due from related parties (net)	9	-	-
Other receivables (net)	10	74.455	83.223
Financial assets (net)	16	11.556.191	13.224.898
Goodwill/negative goodwill (net)	17	-	-
Investment properties (net)	18	-	-
Property, plant and equipment (net)	19	131.811.660	89.299.861
Intangible assets (net)	20	843.844	1.149.189
Deferred tax assets	14	34.189.957	37.007.635
Other non-current assets	15	51.461	-
Total assets		397.278.268	331.158.817

The consolidated financial statements prepared as at and for the year ended 31 December 2007 were approved for issue by the Board of Directors on 12 March 2008 and signed on its behalf by Güçlü Toker, Board of Directors Member and Tamer Soyupak, Assistant General Manager - Chief Financial Officer.

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

TAT KONSERVE SANAYİİ A.Ş.**CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2007 AND 2006**

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

	Notes	2007	2006
LIABILITIES			
Current Liabilities		149.135.410	190.550.860
Short-term financial liabilities (net)	6	77.820.480	145.770.937
Current maturities of long-term financial liabilities (net)	6	12.841.145	-
Leasing payables (net)	8	143.868	-
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	41.181.408	31.237.858
Due to related parties (net)	9	11.132.502	9.005.104
Advances received	21	-	-
Construction contracts acquisition value (net)	13	-	-
Provisions	23	502.999	859.421
Deferred tax liabilities	14	-	-
Other liabilities (net)	10	5.513.008	3.677.540
Non-Current Liabilities		99.576.797	68.091.992
Long-term financial liabilities (net)	6	82.536.695	56.224.000
Leasing payables (net)	8	104.200	-
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	-	-
Due to related parties (net)	9	-	-
Advances received	21	-	-
Provisions	23	7.394.443	6.329.918
Deferred tax liabilities	14	-	-
Other liabilities (net)	10	9.541.459	5.538.074
Minority Interest	24	6.676.766	-
Shareholders' Equity		141.889.295	72.515.965
Share capital	25	136.000.000	86.041.814
Treasury shares	25	-	-
Capital reserves	26	85.407.577	76.275.693
Share premium		9.131.884	-
Share cancellation gains		-	-
Revaluation fund		-	-
Financial assets fair value reserve		(864.586)	(864.586)
Inflation adjustment to shareholders' equity		77.140.279	77.140.279
Profit Reserves	27	(685.270)	60.404
Legal reserves		-	-
Statutory reserves		-	-
Extraordinary reserves		(745.674)	-
Special reserves		60.404	60.404
Investment and property sales income to be added to the capital		-	-
Translation reserve		-	-
Current Year Profit/(Loss)		11.028.934	(19.497.144)
Retained Losses	28	(89.861.946)	(70.364.802)
Total Shareholders' Equity and Liabilities		397.278.268	331.158.817

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

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED INCOME STATEMENTS AT 31 DECEMBER 2007 AND 2006

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

	Notes	2007	2006
Operating Revenue			
Sales (net)	36	546.836.505	448.398.975
Cost of sales		(449.782.899)	(377.477.278)
Service income (net)	36	-	-
Other operating income (net)	36	-	-
Gross Operating Profit		97.053.606	70.921.697
Operating expenses	37	(65.824.638)	(53.482.450)
Net Operating Profit		31.228.968	17.439.247
Other income and profits	38	8.983.050	1.829.009
Other expenses and losses	38	(5.730.604)	(9.460.693)
Financial expenses	39	(17.452.487)	(26.941.445)
Income/(Loss) before monetary loss and minority interests		17.028.927	(17.133.882)
Monetary gain/(loss)	40	-	-
Minority interest	24	(960.732)	-
Income/(Loss) Before Taxes		16.068.195	(17.133.882)
Taxes on income	41	(5.039.261)	(2.363.262)
Net Income/(Loss)		11.028.934	(19.497.144)
Earnings/(loss) per share			
with a nominal value of Ykr 1)	42	1,02	(2,25)

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

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED CASH FLOWS AT 31 DECEMBER 2007 AND 2006

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

	Notes	2007	2006
Income/(Loss) before minority interest and taxation		17.028.927	(17.133.882)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:			
Interest expense		28.507.808	26.610.269
Depreciation and amortization	19, 20	8.399.547	6.832.916
Losses from joint ventures	38	3.966.235	7.802.850
Increase in employment termination benefits	23	2.523.466	3.088.524
Provision for doubtful receivables, net	7	494.783	(267.599)
Income on negative goodwill	38	(4.604.460)	-
Gain on sale of property, plant and equipment, net	38	(2.128.545)	(51.363)
Income/(Loss) on affiliates	38	(485.745)	(461.767)
Interest income	39	(130.661)	(10.682)
Other		47.772	-
Operating profit/(Loss) before changes in operating assets and liabilities		53.619.127	26.409.266
Increase/(decrease) in trade receivables		11.101.158	(11.311.502)
Increase/(decrease) in due from related parties		22.703.430	(14.450.795)
Increase in inventories		(21.432.111)	(1.858.052)
Increase in biological assets		(1.546.758)	-
Increase in available for sale assets		(85.646)	-
Increase/(decrease) in other current assets		(7.144.663)	5.543.322
Increase in trade payables		7.569.641	5.821.668
Decrease in due to related parties		(725.312)	(6.624.644)
Increase/(decrease) in advances received and provisions		(356.422)	373.188
Increase/(decrease) in other liabilities		1.299.895	(318.971)
Employment termination benefits paid	23	(1.691.620)	(2.645.496)
Interest paid		(28.922.923)	(25.072.653)
Net cash provided/(used in) by operating activities		34.387.796	(24.134.669)
Investing activities:			
Acquisition of subsidiary	32	(5.500.000)	-
Purchase of property, plant and equipment and intangible assets	19, 20	(22.601.585)	(5.760.458)
Proceeds from the sale of property, plant and equipment		6.665.009	882.155
Purchase of financial assets		-	(1.657.000)
Interest received		130.661	10.682
Net cash used in provided by financing activities		(21.305.915)	(6.524.621)
Financing activities:			
Increase in capital and share premiums	25	58.344.396	-
(Decrease)/Increase in financial liabilities		(71.467.244)	30.877.950
Decrease in finance lease payables		(29.120)	(33.753)
Net cash (used in)/ provided by financing activities		(13.151.968)	30.844.197
Net increase/(decrease) in cash and cash equivalents		(70.087)	184.907
Cash and cash equivalents at the beginning of the year	4	399.043	214.136
Cash and cash equivalents at the end of the year	4	328.956	399.043

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

TAT KONSERVE SANAYİİ A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AT 31 DECEMBER 2007 AND 2006

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

	Share capital	Share premium	Financial assets fair value reserve	Inflation adjustment to shareholders' Equity	Extraordinary reserves	Legal and special reserves	Retained losses and net income /(loss) for the period	Total shareholders' Equity
Balances at 1 January 2006	86.041.814	-	952.913	196.550.824	-	60.404	(189.775.347)	93.830.608
Retained losses offset	-	-	-	(119.410.545)	-	-	119.410.545	-
Financial assets fair value decrease	-	-	(1.817.499)	-	-	-	-	(1.817.499)
Net loss for the period	-	-	-	-	-	-	(19.497.144)	(19.497.144)
Balances at 31 December 2006	86.041.814	-	(864.586)	77.140.279	-	60.404	(89.861.946)	72.515.965
Balances at 1 January 2007	86.041.814	-	(864.586)	77.140.279	-	60.404	(89.861.946)	72.515.965
Capital increase	49.958.186	9.131.884	-	-	(745.674)	-	-	58.344.396
Net income for the period	-	-	-	-	-	-	11.028.934	11.028.934
Balances at 31 December 2007	136.000.000	9.131.884	(864.586)	77.140.279	(745.674)	60.404	(78.833.012)	141.889.295

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