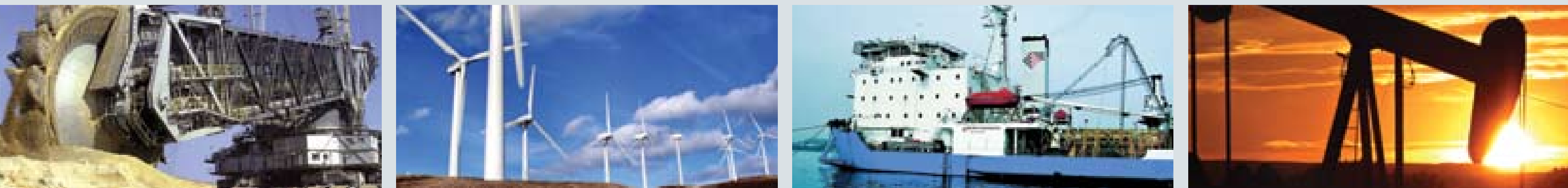
Türk Prysmian Kablo ve Sistemleri A.Ş.

2009 Annual Report



PRYSMIAN
CABLES & SYSTEMS

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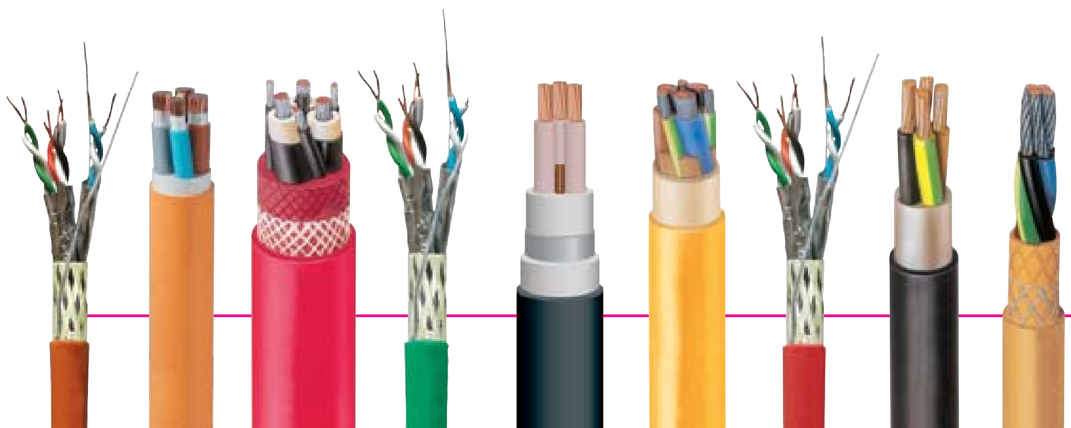


PRYSMIAN
CABLES & SYSTEMS

Türk Prysmian Kablo ve Sistemleri A.Ş. at a Glance

Türk Prysmian Kablo ve Sistemleri A.Ş. has sustained its leadership as regarding to innovation, technology, quality and customer satisfaction in Turkey and in the international markets. The ownership of the cable factory which was established in 1964 in Mudanya and which belonged to Siemens acquired by Pirelli S.p.A. on 5 August 1999 and then by Goldman Sachs Capital Partners on 28 July 2005.

Today, Türk Prysmian Kablo ve Sistemleri A.Ş. carries out its activities in a total area of 180.000 m² (covered area: 79.000 m²). All the energy cables up to 220 kV, special cables used underground and underwater, copper conductor communication cables up to 3600 pairs, coaxial cables and optical fiber cables are in the product mix of Türk Prysmian Kablo ve Sistemleri A.Ş. Our company is the owner of the unique termal, mechanical and electrical research and test laboratories in the cable sector, these laboratories use the most advanced technology, it is renovated at the end of 2005 and it is certified by the Turkish Standards Institute. Besides all these, our company performs "turn key" projects for cables and systems, and provides all our customers with unique and superior services.

With the innovative technology of the patented "AIRBAG™", the cables which are produced also in Turkey, are more flexible, lighter and more unsuspectible to external mechanical damages by an effective protection system. This technology also helps reduce the necessary attachments by giving rise to the production of longer cables and mounting work is thus facilitated. Again, "Afumex™" cables which are novel and which must be used in our country in areas with a dense population and which do not evolve acids and do not emit intense smoke and toxic gases in case of fire are produced by Türk Prysmian, therefore a protection of the highest level as regards life and property security during fire is ensured.

The installed capacity of Türk Prysmian Kablo ve Sistemleri A.Ş. is able to meet the whole demand of the domestic market and is also at a level to compete in the international market. Türk Prysmian Kablo ve Sistemleri A.Ş. which continues to be a privileged export center within the Prysmian Group exported 41% of its TL 519 Million turnover approximately in year 2009.

Türk Prysmian Kablo ve Sistemleri A.Ş. which increases the effectiveness of its products and services everyday not only in Turkey, but also in global markets has proven the value it gives to human being and to the environment by obtaining ISO/DQS 9001, and ISO 14000 certifications in its sector.

The Achievements of Türk Prysmian Kablo ve Sistemleri A.Ş.

Turkey's TOP 500 Industrial Enterprises of ISTANBUL CHAMBER OF INDUSTRY

2008 : **76th in Turkey** according to from Production to Sales
90th in Turkey according to the Net Selling Revenue
74th in Turkey according to the Export Amount

2007 : **62nd in Turkey** according to from Production to Sales
68th in Turkey according to the Net Selling Revenue
73rd in Turkey according to the Export Amount

2006 : **73rd in Turkey** according to from Production to Sales
90th in Turkey according to the Net Selling Revenue
77th in Turkey according to the Export Amount

250 Large Firms in Bursa Research of BURSA CHAMBER OF COMMERCE AND INDUSTRY

2008 : **5th in Bursa** in the grading of 250 Large Firms in Bursa
2007 : **6th in Bursa** in the grading of 250 Large Firms in Bursa
2006 : **8th in Bursa** in the grading of 250 Large Firms in Bursa

Companies Enriching the Economy Research of BURSA CHAMBER OF COMMERCE AND INDUSTRY

2008 : **5th in Bursa** in the grading of the Top Level Exporters
2008 : **11th in Bursa** in the grading of the Top Corporate Tax Payers

2007 : **5th in Bursa** in the grading of the Top Level Exporters
2007 : **6th in Bursa** in the grading of the Top Corporate Tax Payers

2006 : **5th in Bursa** in the grading of the Top Level Exporters
2006 : **4th in Bursa** in the grading of the Top Corporate Tax Payers

TOP Export Performance Survey of ISTANBUL MINERAL AND METALS EXPORTERS' ASSOCIATION

2007 : **1st in Turkey** in the grading of the Exporters of Cables and Insulated Conductors
2006 : **2nd in Turkey** in the grading of the Exporters of Cables and Insulated Conductors

The First 1000 Companies in Export Research of THE ASSEMBLY OF THE TURKISH EXPORTERS

2008 : 81st in Turkey
2007 : 70th in Turkey
2006 : 104th in Turkey

CAPITAL MAGAZINE'S research "The First 500 Biggest Companies in Turkey"

2008 : 131st in Turkey
2007 : 118th in Turkey

FORTUNE MAGAZINE'S research "The First 500 Biggest Companies in Turkey"

2008 : 104th in Turkey according to the Net Selling Revenue
2007 : 100th in Turkey according to the Net Selling Revenue

Moreover, Türk Prysmian Kablo ve Sistemleri A.Ş., in 2008;

- is the most successful and permanent facility among the 55 factories within the body of Prysmian Group in the research of customer service quality that has been increasingly important lately,

- in the "TOP 500 Information and Communication Technologies Companies" Turkey research, which is traditionally done by Interpromedya Publishing every year in the 4 categories including hardware, software, service and special section, and in 46 subcategories, is **"Turkey's primary"** among the 3 Big Cities and Country Wide Hardware Export Revenues, **"2nd in Turkey"** according to the Hardware Export Revenues, **"3rd in Turkey"** according to the Telecommunication Infrastructure Hardware Revenues and **"37th in Turkey"** according to Sales Incomes.

Message from CEO

Dear Shareholders, Customers and Business Partners,

Global Economy:

As already evident in the last quarter of 2008, the 2009 has been a dramatic year for the worldwide economies, quickly transforming a continental financial crisis, into a worldwide downturn which affected almost all the worldwide markets and all the different industries, turning the economic scenario among the most difficult of the past 100 years.

The main impacts of this turmoil affected both the various national economies, with a strong and fast decline of the countries' GDP indexes, and the Industrial markets, causing a paramount collapse of the industrial investments, with a remarkable reduction of the overall financial liquidity due to the global credit crunch issue, which has been the most immediate consequence of the crisis itself.

Despite of the negative global economy scenario, we started to see encouraging signs of recovery and/or stabilization already starting in the second half of 2009, although showing different intensity region by region, industrial sector by industrial sector, but highlighting in any case some renewed dynamism after the substantial halt of any positive financial indicator since the beginning of the crisis.

Turkish Economy:

The Turkish Economy has been of course affected by the Global crisis, following the common negative trends of the main worldwide economies (Industrial Investments strong reduction, both into the Private sectors and the Public, very difficult and limited access to financial credit, GDP impressive decline estimated at -6.5% in 2009 vs. +1.1% in 2008 and +4.5% in 2007, unemployment rate increasing), but due to its strong banking system and faster development path, the negative impact has been less dramatic than in many other countries.

Moderate recovery signs have been registered starting from 3rd quarter of 2009, with a weak but positive inversion of the trend as far as Industrial production and private consumption rates are concerned, with a first unfreezing of some important budgets devoted to support the infrastructural development of the country. The Turkish Government latest "medium term economic plan" covering the period between 2010 and 2012 further reinforces the future years expected market's recovery by envisaging already for 2010 a robust improvement of the GDP rate (planned at +3.5% vs. the -6% of 2009), with lower inflation (5.3%) and better unemployment rate (14.6% vs. 14.8% of 2009).

Cable Business and Market:

The Cable Industry is always strictly linked with the macro-economics trends, being particularly affected by the Investments' level on public and private infrastructures as well as by the industrial production trends both for Energy and Telecommunication sectors. Considering that, of course also the cable business has been particularly affected by the impact of the global crisis not only in the mature markets, but also in the fast growing economies like Turkey where the main business sectors driving the demand (Real Estate Companies, Public and Private Utilities, Industrial OEMs, International Contractors…) registered a strong drop during the first half of 2009, partly halted by a smooth recovery already visible from 3rd quarter of 2009.

Moreover, our sector has been also heavily influenced by the high volatility of the raw materials' costs (particularly on metal prices) with a violent decrease of the values during the first part of the year and a reverted increasing trend from 3rd quarter onwards, quite remarkable during the last quarter of the year.

Türk Prysmian, being part of a large worldwide leading group, leveraged of its international synergies to better balance the very negative local market scenario with a robust growth of its Export business; besides that, our competitive strategy more based on long term contracts focus than short term push on daily business commodities products' market, protected us from a potentially much heavier losses than the ones we really faced, all in all in line with the best industries average and aligned with the forecast we envisaged at the beginning of 2009.

Our strong leadership on "High Tech" products has been furtherly consolidated in 2009, allowing us to be awarded at the end of the year for one of the most relevant High Voltage project which will be deployed in 2010: the 380 kV cable underground connection project between Yenibosna and Davutpasa promoted by the Turkish Electricity Transmission Company (TEİAŞ).

Previsions and Recommendations for 2010:

Despite the weak positive signs already seen at the end of 2009, the overall economies are still struggling to find the way for a definitive exit from the recent crisis; market trends remain very unstable, showing at the same time encouraging recovery signals (smooth increase of the industrial production, release of some part of the investments' plan already expected but unrealized during 2009, stable inflation scenario) and worrying elements which can potentially limit the recovery path (high unemployment rate, unstable raw materials cost scenario, uncertain economical and political landscape affecting new economies and Middle East countries, 2010 investments plan effective roll out).

The Turkish market, in our opinion, will generally follow the expected recovery path of the worldwide economy, with a better than average performance due to its faster development speed and structural advantages versus the other European economies, as shown into the "Medium Term Program" presented by the Turkish Government in September 2009 and valid for 2010 - 2012 period, on which we tend to agree. The recovery speed will be partly affected by the possible release or not of the IMF loan, currently still under discussion, and potentially able (in case of positive decision) to give an additional boost to the growing path, even if we still envisage a more concrete recovery sign not earlier than 2nd half of 2010, whilst the first half 2010 will be most probably aligned with the 2nd half 2009 trends.

Our Company is planning to join the expected positive market growth, keeping at least the same market speed, by continuing to leverage on its key strength areas:

a) High added value products portfolio (High Voltage and Extreme High Voltage cables, Special cables for Industrial markets applications, LSOH (Low Smoke Zero Halogen) cables, enhanced Medium Voltage cable to fully support the energy distribution's companies new needs, Optical Fiber telecommunication cables);

b) Superior Product Quality and Technical Innovation (boosting of its best in class R&D capabilities and continuous investments on production processes and product materials);

c) Highly Qualified Team, definitively a reference point for the Turkish cable market.

In conclusion, we still expected a very tough business environment with many critical challenges to be faced which will test again our managerial capabilities to keep on leading the Turkish Cable market; however, I truly believe that working all together with our traditional Business Partners (our Customers and Suppliers' base - which always allowed us to succeed both in the good and bad times), we will continue to deliver value to our market and our shareholders.

Francesco FANCIULLI
CEO

Company Boards

Board of Directors	*Chairman*	**Mahmut Tayfun ANIK**
	Vice Chairman	**Valerio BATTISTA**
	Board Member	**Ennio BERNASCONI**
		Pier Francesco FACCHINI
		Francesco FANCIULLI
		Fabio Ignazio ROMEO
Audit Committee	*Audit Committee Member*	**Mahmut Tayfun ANIK**
		Pier Francesco FACCHINI
The Board of Auditors	*The Board of Auditor*	**Hikmet TÜRKEN**
		Raşit YAVUZ

Mahmut Tayfun ANIK, *Chairman & Audit Committee Member*

Mahmut Tayfun ANIK, who has a BA degree in Business Administration from Bogazici University, has over 25 years of experience within the Pirelli / Prysmian Group, having started his career in treasury and finance in Turkey. After holding various management positions related to Logistics and Procurement in Pirelli Tyres in Turkey, Germany, and Italy, he is now the Chief Procurement Officer for Prysmian S.p.A. since 2003.

Valerio Battista, *Vice Chairman*

Prior to becoming CEO of Prysmian Cables and Systems in 2005, Valerio Battista had over 17 years' experience with the Pirelli Group. A graduate in Mechanical Engineering from Florence University, he first joined UnoAErre before developing his career within Pirelli: firstly in the Steel Cord structure (Pirelli Pneumatici), subsequently managing this division. He then held the position of Purchasing Director for the Tyre Division. In 2002, Valerio Battista became the Managing Director of the Energy Cables Division within Pirelli Cables and Systems and two years later also took responsibility for the Telecommunications Cables Division before the transition from Pirelli to Prysmian.

Ennio Bernasconi, *Board Member*

Prior to becoming General Counsel of the Prysmian Group in 2005, Ennio Bernasconi had over 15 years' experience with the Pirelli Group. A graduate in Law from Milan University, he first joined a private practice in Milan for 2 years and then he joined, in 1984, 3M Group. In 1990 he joined Pirelli group developing his career: firstly in the legal affairs of the Tyres' Division, subsequently in the legal affairs of the Cables' Division. In 2002, Ennio Bernasconi became the responsible of the legal affairs of the Energy Cables Division within Pirelli Group before the transition from Pirelli to Prysmian.

Pier Francesco Facchini, *Board Member & Audit Committee Member*

Pier Francesco Facchini became CFO of our Group in January 2007. He obtained a degree in Business Economics from Bocconi University (Milan) in 1991. His first work experience was with Nestlé Italia where, from 1991 up to 1995, he held different positions in the Management and Finance departments. From 1995 up to 2001, he worked with the Panalpina Group where he held the position of Regional Financial Controller for the Asia-Pacific region. During his career at the Panalpina Group he was also appointed CFO of Panalpina Korea and Panalpina Italia Trasporti Internazionali S.p.A. In April 2001, Mr. Facchini was appointed CFO of the Consumer Services Business Unit of Fiat Auto and from 2003 until November 2006, he held the position of CFO of the Benetton Group.

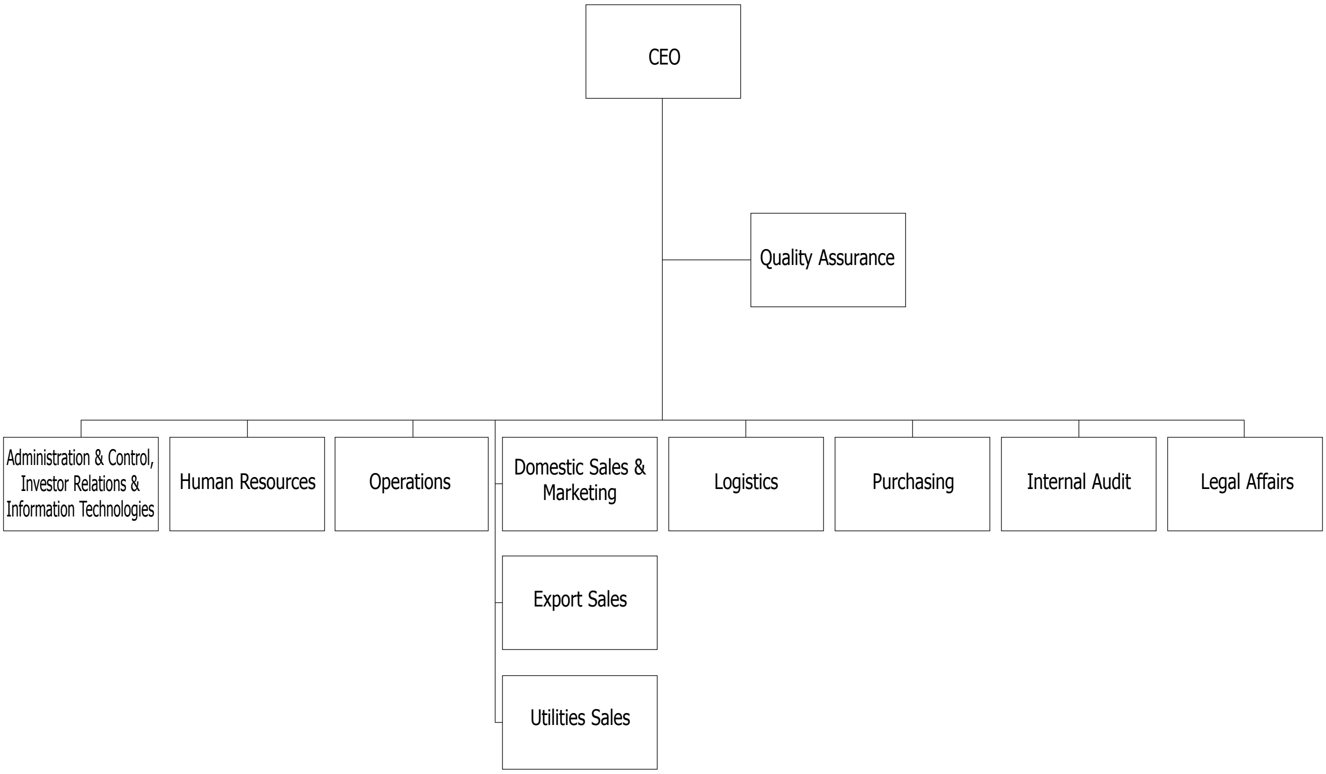
Francesco Fanciulli, *Board Member & CEO*

He started to work in 1988 in a worldwide leading Large Consumer Good Company, within Commercial Department both in Italy and abroad, passing then to Pirelli Group in 1998 as Marketing Director for Italy first, Europe immediately after, becoming then Chief Marketing Officer for Tyre Sector from 2001. In 2003, he has been appointed Business Director for the Car Makers Channel at worldwide level, moving then in 2006 as Markets' Director responsible for worldwide Sales & Marketing activities while being also the Managing Director for all the Commercial Units. Beginning of 2008 has joined the Prysmian Group working on a key Business Development project for Asian area, before being appointed CEO of Prysmian Turkey.

Fabio Ignazio Romeo, *Board Member*

Fabio Romeo is the Head of our Energy Cables & Systems division. He obtained a degree in Electronic Engineering from the Polytechnic University of Milan in 1979, an M.S. and a Ph.D. in Electrical Engineering and Computer Sciences from the University of California at Berkeley, in 1986 and 1989, respectively. His first work experience was in 1981 with Tema (ENI Group) as Project Manager for Chemical Plants. In 1982, he moved to Honeywell as Technical Advisor to the Honeywell's CEO. In 1989 he joined the Electronics division of Magneti Marelli as Innovation Manager. In 1998 he was appointed Managing Director of the Electronics Systems division of Magneti Marelli. He joined the Pirelli Group in 2001 as Director of the Truck business unit for Pirelli Tyre division and, one year later, became the Utilities Director of the Cable division of the Pirelli Group. He has been the Head of our Energy Cables & Systems division since December 2004.

Organisational Structure



Executive Management of 2009

Francesco Fanciulli, *Board Member & CEO*

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Hasan Özgür Demirdöven, *CFO*

H. Özgür Demirdöven has joined to Prysmian family in 2009 as Chief Financial Officer (CFO). Demirdöven has started his professional career in 1996 in PricewaterhouseCoopers (PwC) "Tax & Legal Services" Department Istanbul Office. He has continued his services between 1998-2001 in Izmir office, including the establishment of the PwC office in the region. Demirdöven has continued his career in General Electric (GE) "Energy Infrastructure" business segment between 2001-2007, in order of seniority "Project Finance Manager", "Country Finance Manager", "Balkan Region Finance Manager" and "EurAsia Region Controller" where covers 30 countries including Turkey, Israel, Greece and Russia. Between years 2007 and 2009 he has worked as "Financial Integration Leader / CFO" in General Electric (GE) "Technology Infrastructure" business segment, under "Healthcare" sub-business line for a strategic business development project, where includes an acquisition of a production facility and distribution channel of healthcare clinical devices and services business. Demirdöven has graduated from Economics Department of Bilkent University in 1996 and he is a certified "Greenbelt in Six Sigma" and has "SMMM (CPA Turkey)" Title.

Halil İbrahim Kongur, *Factory Director*

Halil İbrahim Kongur has joined to the Prysmian family in 1986 and since 2003 he has been working as Factory Director. Kongur, worked as Planning Engineer, Logistics Manager, Production Manager and Purchasing Director before assigned to this job. He has graduated from Karadeniz Technical University department of Mechanical Engineering and has completed his master program at Berlin Technical University in Manufacturing Technologies branch.

Erkan Aydoğdu, *Logistics Manager*

Erkan Aydoğdu started to work in the Production Planning department in 1997 in Türk Prysmian Cables and Systems. Between 2001-2002 he went to Italy-HQ and worked as a Process Kaizen Engineer in the Logistics department. He returned to Turkey in 2003 and started to work as Logistics Chief. Since 2004 he has been working as Logistics Manager. Aydoğdu has graduated from Middle East Technical University department of Mechanical Engineering.

İbrahim Etem Bakaç, *Domestics Sales & Marketing Manager*

İbrahim Etem Bakaç started to work in Domestics Sales department in 2001. In 2003, he was appointed as Domestics Sales Manager, and since 2008 he has been working as Domestics Sales and Marketing Manager. He has graduated from Istanbul Technical University department of Electrical & Electronics Engineering and he completed his master degree in Electrical & Electronics Engineering department in İstanbul Technical University.

Esat Baykal, *Quality Manager*

Esat Baykal started to work in Prysmian family in 1984. Since 2004 he has been working as Quality Manager. Before he has been assigned to his current job, he worked as High Voltage Laboratory Chief, Communication Cables Quality Manager and R&D and Quality Assurance Manager. He has graduated from Middle East Technical University department of Electrical Engineering.

İdris Çolakgil, *Information Technology Manager*

İdris Çolakgil has provided consulting services to our company since 1998, and started to work in the Information Technology department in 2000 in Prysmian Cables and Systems. He worked as SAP Logistics Specialist and Information Technology Chief and since 2008 he has been working as Information Technology Manager. İdris Çolakgil has graduated from Middle East Technical University department of Electrical & Electronics Engineering.

Abdurrahman Güngör, *R&D and Quality Assurance Manager*

Abdurrahman Güngör started to work in the Technical Services department in 1990 in Prysmian Cables and Systems. He has been working as R&D and Quality Assurance Manager. Güngör has graduated from Yıldız Technical University department of Electrical Engineering.

Executive Management of 2009

Faik Kürkçü, *Utilities Sales Manager*

Faik Kürkçü started to work in Utility Sales department in 1995. Since 2005 he has been working as Utility Sales Manager. He has graduated from Yıldız Technical University department of Electrical Engineering.

Sabri Levent Özçengel, *Human Resources Manager*

Sabri Levent Özçengel has joined to Prysmian family in 2000. Since 2006 he has been working as Human Resources Manager, before he assigned to his current job, he worked in Administration & Control and Export Sales departments. Özçengel has graduated from Middle East Technical University department of Public Administration.

Murat Tezcan, *Export Sales Manager*

Murat Tezcan started to work in Export Sales department in 1992 in Prysmian. He has been working as Export Sales Manager since 2000. Tezcan, graduated from Yıldız Technical University department of Mechanical Engineering. He completed his master degree in Istanbul University in International Trade department and he is currently attending to his second master education about Finance in Yeditepe University.

Yiğit Türsoy, *Legal Affairs Manager*

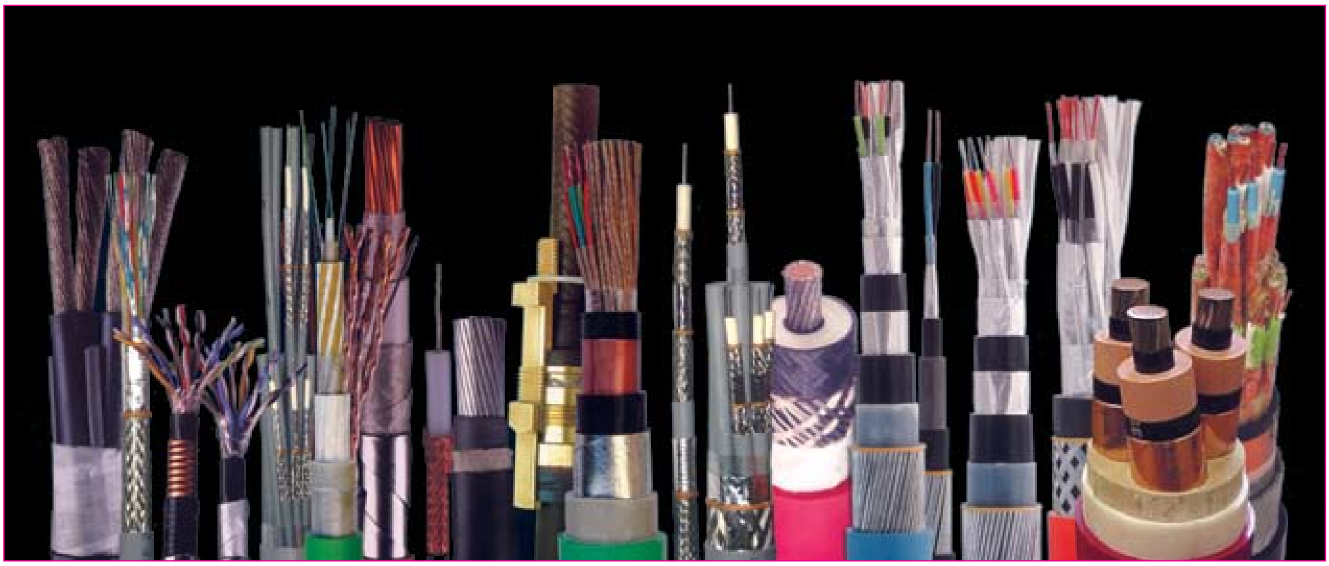
Yiğit Türsoy has joined to Prysmian family in 2005. He has been working as Legal Affairs Manager, graduated from Istanbul University Faculty of Law. Türsoy, in 2007, completed his masters degree in Galatasaray University in Law and Economics department and in 2010 Istanbul Bilgi University Master of Business Administration programme.

Okay Yıldız, *Technical Services Manager*

Okay Yıldız started to work in the Technical Services department in 1988 in Prysmian. From 1993, he worked as Mechanical Group Manager and Energy Cables Production Manager, since 2002 he has been working as Technical Services Manager. Yıldız has graduated from Uludağ University department of Mechanical Engineering.

Sevda Yücel, *Purchasing Manager*

Sevda Yücel started to work in Purchasing department in 1997 in Prysmian family. Between 2001-2002, she went to Italy-HQ and worked as a Lead Buyer in the Purchasing department. She returned to Turkey in 2003 and continued her task as Raw Material Purchasing Chief in Türk Pirelli Tyres. Since 2005, she has been working as Purchasing Manager. She has graduated from Istanbul Technical University department of Mechanical Engineering, and she completed her master degree in the same university.



Agenda for Ordinary General Assembly Meeting

1. Opening of the Meeting and formation of the Meeting Council,

2. Authorization of the Meeting Council to sign the Minutes of the General Assembly Meeting,

3. Review and discussion of the Reports issued by the Board of Directors, Auditors' Board and Independent External Auditing Company Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Price Waterhouse Coopers) as well as Company's Balance Sheet and Profit/Loss accounts submitted to the General Assembly for the Account Period belonging to the period between 01.01.2009 - 31.12.2009,

4. Discussion and approval of the Report of the Board and Auditing Report covering the Account Period between 01.01.2009 – 31.12.2009 as well as the Company's Balance Sheet and Profit/Loss Accounts, release of members of the Board of Directors and Auditors' Board,

5. Discussion and voting of the proposal made by the Board of Directors in connection with the distribution of the profit recorded for the Account Period between 01.01.2009 - 31.12.2009,

6. Furnishing information to the General Assembly on the donations given during the year 2009 and obtaining approval in this respect,

7. Election of the directors in replacement of the Board members whose terms of office are to be expired, and determination of remuneration of the directors,

8. Election of the members of the Auditors' Board and determination of their fees,

9. Discussion and approval of the "Independent Auditing Company" proposed by the Board of Directors,

10. Furnishing information on the Company's Disclosure Policy,

11. Delegation of the Managing Director Francesco Fanciulli with the authority to award bonuses to the Company's personnel who contributed to realization of Company's targets during the year 2009 within the frame of general principles adopted by the Company, and determination of amount of bonus vis a vis the targets achieved by the Company's management and submission of the same to the approval of the General Assembly,

12. Furnishing information to the General Assembly on the asset, service and obligation transferring transactions with the related parties, which trigger transfer pricing evaluation within the scope of CMB Communiqué Serial: IV, No:41,

13. Approval of the activities mentioned under article 14 of the Articles of Association of the company realized until the General Assembly and grant prior authorization for the same activities to be realised after the General Assembly,

14. Authorization of the Chairman and Directors of the Board to perform transactions pursuant to Clauses 334 and 335 of the Turkish Commercial Code,

15. Recommendation and Adjournment.

Informative Document for General Assembly

The important Board of Directors resolutions related to 2009 General Assembly Meeting as follows;

Resolution No: 2010 / 01 **Date: 16 February 2010** **Subject: Approval of Financial Statements**

"It has been unanimously resolved to approve the audited financial statements and notes belonging to the twelve months interval between 1 December 2009 - 31 December 2009."

Resolution No: 2010 / 02 **Date: 10 March 2010** **Subject: General Assembly Meeting**

"As a result of the discussions held in connection with the annual Ordinary General Assembly Meeting of the Company; it has been unanimously resolved that the General Assembly should be called for a meeting on 26 March 2010 (Friday) at 09.00 a.m. in our Company's Head Office located in the address Ömerbey Mah. Bursa Asfaltı Cad. No:51 Mudanya 16941 Bursa to discuss the results of Account Period between 01 January 2009 - 31 December 2009 as well as the issues listed in the agenda and to pass the necessary resolutions in this respect."

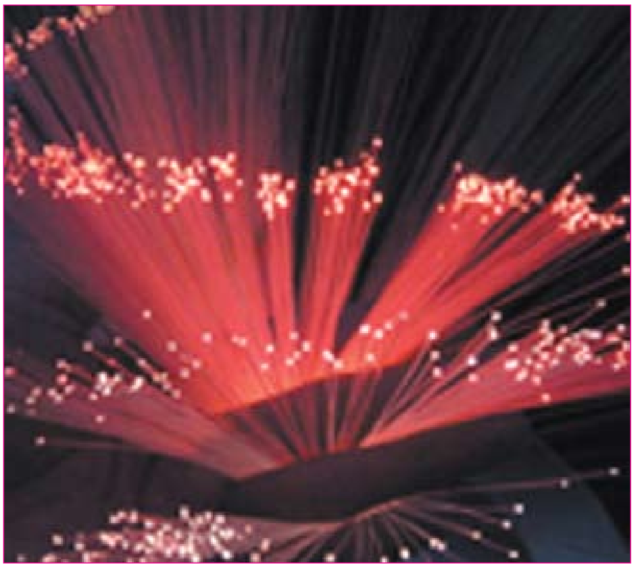
Resolution No: 2010 / 03 **Date: 11 March 2010** **Subject: Profit Distribution Proposal**

"As a result of discussions with respect to the "Profit Distribution Proposal" to be submitted to the Ordinary General Assembly dated 26 March 2010 related to financial year of 2009. It has been unanimously resolved that since, according to 2009 financial tables which are prepared pursuant to the CMB Communiqué Serial XI and No 29 and in accordance with the International Financial Reporting Standards and audited by independent auditors as required by CMB's decision dated 17 April 2008, when the "period tax liabilities" and "tax deferred income" is considered, "Net Loss for The Period" is determined as TL5.289.062, not to distribute any dividend for 2009 fiscal year according to CMB's rules relating to distribution of dividend, current profit distribution policy and submission of this decision to the approval of the General Assembly and notifying the shareholders."

Resolution No: 2010 / 04 **Date: 12 March 2010** **Subject: Approval of Annual Report**

"As a result of the discussions, it has been unanimously resolved to approve the annual report belonging to the twelve months interval between 1 December 2009 - 31 December 2009."

CHAIRMAN Mahmut Tayfun Anık	**VICE CHAIRMAN** Valerio Battista	**MEMBER** Pier Francesco Facchini
MEMBER Fabio Ignazio Romeo	**MEMBER** Francesco Fanciulli	**MEMBER** Ennio Bernasconi



2009 Economic Review

The impact of the global crises on the financial markets which intensified in the last quarter of 2008 deepened throughout the first quarter of 2009. However in the following period of the year, the financial markets entered into a normalization process and registered record gains as a result of the implementation of extraordinary fiscal and monetary policies together with the improvement in expectations. The significant decline in external demand has been one of main factors driving the sharp contraction in the economic activity during this period. External demand conditions would continue to play a critical role regarding the pace of the recovery in economic activity in the forthcoming period as well. Recent data releases suggest that a gradual upturn in exports are continuing. External demand is not expected to reach its pre-levels for a long-time, developments confirmed the expectations that the enlivening in the economy would be gradual and slower in advanced economies than emerging countries.

The GDP (Gross Domestic Product) figures of the third quarter pointed out that the contraction in economic activity also slowed down in Turkey. The Turkish economy contracted by 3.3% below the market expectations in the third quarter of 2009 compared to the same period of the previous year. In the first nine month of the year the contraction in the economy was realized as 8.4%. The most eye-catching development in the third quarter was the continuing deceleration in the slowdown of manufacturing sector, -which contracted by 21.8% and 11.2% in the first and the second quarters respectively- the sector contracted by only 3.9% in the third quarter. October industrial production which is one of the leading indicators for the last quarter has registered an increase for the first time since August 2008 and has raised by 6.5% on an annual basis. According to the Automotive Manufacturers Association, the automobile production increased by 30% in November. Thus the motor vehicles sector is expected to have contributed to industrial production in November. Although the third quarter growth figure surpassed the markets annual contraction can be around 6% for 2009 and growth can be expected by 5% for 2010.

According to the Household Labor Force Survey, the unemployment rate rose to 13.4% in September 2009 from 10.7% in September 2008. In this period non-agricultural unemployment rate also rose from 13.4% to 16.9%.

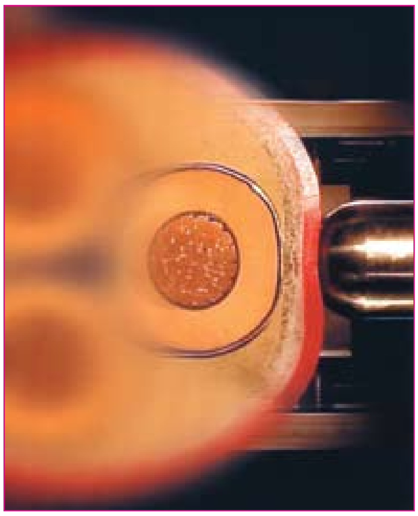
Annual inflation at 6.53% in 2009 was lower than the 7.5% inflation target but higher than Central Bank's 5.5% projection in last October. The increase in inflation in the last quarter of 2009 is mainly due to temporary developments and factors beyond the immediate control of monetary policy. The cumulative interest rates cuts of CBT (Central Bank of Turkey) between November 2008 and November 2009 reached 1.025 basis points bringing Turkey's policy rate to 6.5% at the end of the year which is closer to the average of emerging markets implementing inflation targeting regimes. Taking into account the favourable developments in the credit markets and the moderate recovery in the economic activity in the last quarter of 2009 the Monetary Policy Committee slowed the pace of rate cuts and finally decided to keep rates unchanged during the last two meetings. As a result market interest rates have eased to historically low levels.

Annual foreign trade deficit rose to USD38.6 Billion in December. Imports and exports both expanded over 30%. The same trend in trade deficit supported by previous year's low base effect is likely to continue in coming months Imports may grow not surprisingly faster than exports in first months of 2010. Turkish exporters ability to enter in non-EU markets, specially in Northern Africa, Iraq and Switzerland created a relative resilience to global conditions in 2009 and possibly may continue to support exports in coming period.

In the first 11 months of the year the average maturity of domestic borrowing was 35.4 months which was 31.7 months on average in 2008. The average cost of TRL borrowing in same period was 11.9% which is much lower than the annual average borrowing cost of 19.2% in 2008 the decline owing solely to the CBT's aggressive policy easing in 2009 as domestic debt rollover ratio in the same period remained high at 106%. Turkey's total foreign debt stock increased to USD273.5 Billion in the 3rd quarter of 2009 due to exchange rate changes although the country was net debt payer.

TRL gained 3% against the USD while having appreciated nearly 1.6% against the 50:50 EURO:USD basket in 2009 CBT bought USD4.3 Billion from the market through FX buying auctions and will continue in 2010 unless there are significant changes in FX liquidity. EURO/USD parity closed the year at 1.4316 Total TRL deposits raised by 11.7% in December compared to the year end 2008. The rising tendency in TRL deposits became evident in the second half of the year, continued. However, FX deposits in Dollar terms have displayed a downward trend since the second half of November. Total credit volume increased by 5.3% compared to the year end of 2008.

Increasing by 24.8% gold prices closed 2009 at USD/Ons 1.096, testing USD/Ons 1.215 at the beginning of December.



2010 Economic Expectations

As the government's ability to deliver a fast tightening in 2010 is limited, the real benchmark in 2010 will be enactment of "Fiscal Rule Law" in first quarter of 2010 as targeted in the government's Medium Term Programme announced last September which might constitute a strong base for Turkey to move forwards investment grade in the coming years. Remembering fiscal rules have so far been implemented in countries with a high degree of market confidence the task is more complicated for Turkey than a passing a law and strong financial institutions and enhanced public transparency will matter to guarantee effectiveness of the rule. The law will bring more stability to economy.

Public price increases are going to create an important amount of pressure on prices throughout 2010. With regard to 2010 revenue targets the government increased tax rates on tobacco, alcoholic beverages, gasoline significantly up in January 2010. Monetary policy committee indicated at the beginning of the year that tax adjustments and base effects would cause inflation to rise upwards even if policy rates remain at low levels for a long period. Therefore inflation is expected to stay above the target some time especially in first months of the year. It is expected that the global developments would continue to be main driving factor for the outlook for domestic activity and inflation in 2010. Inflation targets for 2010 and 2011 should be considered around 7% and 6% respectively.

Closing the last year at 9.45% compound, the 2 year benchmark bond decreased to 8.4% compound in January its lowest level since late October with improved prospects of an IMF deal and Moody's upgrade Turkey's rating from Ba3 to Ba2 reflecting its growing confidence in the governments financial shock- absorption capacity on 8th January. The treasury decided to make a 10 year bond auction in domestic markets for the first time in its history. Further upgrades within this year from Moody's and/or Fitch are likely depending on fiscal rule and IMF developments. IMF deal expectations have been boosted again with high level comments as of early January that discussions will be concluded to seal a deal in a very near term but official invitation to IMF team not followed these explanations. We will need to see a delegate being invited to justify expectations in the near term.

Turkey took advantage of decreasing interest costs as the global economic recovery attracts investors to emerging markets. The Turkish Treasury received USD7.3 Billion of orders in a sale of USD2 Billion of a 30 year global bond issue due 2040. Its important that the total size of the issue marked the largest ever emerging markets sovereign transaction with a 30 year maturity and Turkish Treasury's largest USD offering since January 2005.

The U.S. crude oil futures rose to a 15 month high of USD83.95 a barrel at the beginning of 2010. China's strong oil imports and robust export activity and the USD weakness boosted crude oil prices.

PRYSMIAN
CABLES & SYSTEMS

Sector Analysis

The 2009 has been an hard and critical year for all industries in our country, not excluding the Cable Industry. Differently than the previous national economical turmoil, where the difficulties coming from Domestic market were almost always balanced by Export market's demand, this time the downturn affected the entire global scenario, producing an overall weak demand and leaving large portion of the installed production capacity not saturated.

Within this negative landscape, the cable sector has been touched even more negatively, due to the more than proportional negative impacts affecting specific business sectors with large usage of energy & telecom cable products like the Construction business, the Public and Private Utilities (wherein the restricted investments' policy caused cancellations or delays on many planned activities),Telecommunication operators, Automotive, Infrastructure operating industries, Marine shipbuilders, etc..

Based on our estimates, the Turkish cable market went down by at least 30% in volume respect to previous year, showing an even worst decrease in value due to the much lower raw material value content vs. previous year.

However, starting from last quarter 2009, weak positive signals coming both from industrial production rate and incoming demand related to some unfrozen investments are supporting a better outlook for 2010.

If the planned infrastructural investments announced by Turkish Government will take effectively place during 2010, we can expect a better market than 2009, even if not fully in the position to recover the 2008 level.

The overall challenges related to "product quality" and "fair competition" in the market will continue to require strong efforts from each market players to constantly improve the current not fully satisfactory situation, and Turk Prysmian will continue to play a leading role in these areas.

Value, Sales Revenue and Sales Conditions and Efficiency

The prices of the goods are determined also in accordance with the daily raw materials' cost and exchange rates fluctuation; consequently, the variability of the raw material prices and exchange rates affect daily goods' prices directly. Due to the high volatility trends both on Strategic Raw material (which declined substantially during 1st half of 2009 vs. the 2008 average) and Exchange rate, the absolute value of the market has been affected negatively, as well as the Producers' performance. This trend has been partly reverted during the 2nd half of 2009, giving a better perspective to the market, and we hope these factors will be further stabilized during 2010

The credit crunch issue following the general financial downturn, created an overall shortage of liquidity and critical cash flow situation for many small/medium size players into the market place, putting the credit terms severely under pressure.

Contrariously than many others, Turk Prysmian Kablo ve Sistemleri A.Ş. managed the cash flow issue with a more firm, selective and professional manner, enabling to the Company to not be affected particularly by that, keep on working with always unyielding approach and constant positive liquidity to safety run the operations.

For 2010 we expect a stabilization of the credit market, which should facilitate a better development of the daily business

Corporate Social Responsibility

Türk Prysmian Kablo ve Sistemleri A.Ş.

CORPORATE SOCIAL RESPONSIBILITY

Türk Prysmian Kablo ve Sistemleri A.Ş. works on multiple themes in corporate social responsibility, but focuses especially on educational projects.

In 2008, Türk Prysmian supported "Uluabat Lake's Management Plan, Stork Friendly Villages' Project". Within the project, Türk Prysmian aimed to renovate the electricity system of the village with the cooperation of Karacabey Town, Eskikaraağaç Village and to transform the bare copper conductors to the insulated wires and accordingly to prevent the storks to be wounded because of hurting the village's electric lines.

Türk Prysmian, during the same year, yielded the cable infrastructure and granted the cables for Turkish Hearing and Speech Rehabilitation Foundation to build a centre for the deaf kids aged between 0-6 which are not provided with decent education.

Additionally to these projects, in 2008, Türk Prysmian published a book named as "From past to present Tirilye" to support the advertising and the cultural heritage of the region where Türk Prysmian's factory is located. Reyan Tuvi was the writer and the photographer of the book.

Türk Prysmian has renovated Balabancık Köyü İlköğretim Okulu (Balabancık Village Primary School) which is located in Bursa where Türk Prysmian's factory is located too. After the re-opening ceremony in October 7, 2009; education at the school started. Through this project, Balabancık Village's students; instead of going to another village, started to receive education in their own village.

Türk Prysmian yielded the cable infrastructure and granted the cables for the Istanbul Technical University's Solar Automobile to join World Solar Challenge in Australia - one of the most important races of its category worldwide. Istanbul Technical University's Solar Automobile Team composed of mechanical, electrical and organizational sub-groups which got together in 2004; came back from the 4000 km. race in Turkey with "Best Newcomer Award".

Furthermore, Türk Prysmian has donated some equipment to Yakacık Hatice Abbas Halim Çocuk Yuvası (Yakacık Hatice Abbas Halim Kindergarden)'s gym in pursuit of the negotiations with the school, to contribute the renovation.

Türk Prysmian and Mimar Sinan Üniversitesi Güzel Sanatlar Fakültesi (Mimar Sinan University, Faculty of Fine Arts) signed the contracts towards the end of 2009 to realize 2nd "Hayatımda Kablo Art Workshop". Within the workshop which will be realized between April 7-14, 2010, with the cooperation and attendance of Mimar Sinan University, Faculty of Fine Arts; the students will create unique pieces of art by using different types of cables individually, which are produced for industrial use. The aim of the workshop is to support education and arts.

Türk Prysmian has proved its interest to education by making contributions to students from kindergarten to universities. The company's support to similar projects are going to reiterate in the future.

Financial Analysis

Overall Review

Despite the impact of the general economic crises –which has impacted the key financials as expected, including the sensible decrease of the main raw material value-, the Company as being able to keep a solid and sustainable route for ensuring the best capability to react faster than the others, wherever the market will turn up.

Remarkable Financial Highlights as follows:

- **Operating profit...** Positive TL7.6 Million -excluding the tax case impact- equivalent to 1.8% of total net sales,
- **Fixed costs...** Decreased by 4.7% despite inflation rate of 6.5%,
- **R&D...** 4.3% Higher expenditure comparing to 2008, to keep on further boosting product quality & innovation,
- **Investments...** Still relevant investments done, TL3.3 Million, to improve our production capabilities,
- **Liquidity...** Generated TL3.9 Million cash in 2009 (from TL22.1 Million to TL26 Million), despite overall financial crises and "nonrecurring tax case payment*" impacts,

The detailed Balance Sheet and Income Statement for 2009 are enclosed. The explanations as regards assets and liabilities and income statement are given below.

** Please refer to note 41 on Independent Auditor's Report*

Assets

Cash holdings amount to TL8,218, of which TL1,394 is in Turkish Liras and the remainder in foreign currency.

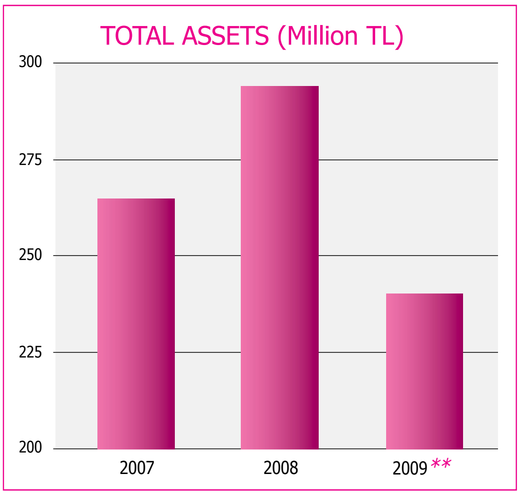
Deposits in banks total TL24,881,678, of which TL17,527,957 is held in Turkish Lira accounts and TL7,353,721 in foreign currency accounts. Cheques received amount to TL1,129,706.

Short term trade receivables reached the sum of TL102,321,477. In this group, customer accounts amount to TL69,943,926, of which TL26,716,767 is from domestic customers and TL43,227,159 from customers outside Turkey in foreign currency. The average collection period of our receivables was 77 days.

Rediscount on notes receivable to the sum of TL32,748,767 was calculated as TL371,216. The provision for doubtful domestic and foreign receivables is TL14,459,511.

Amount due from related parties is TL3,813,585; of which TL3,615,084 is due from group companies and TL198,501 due from company personnel.

Assets related to construction contracts sum up to TL271,553 as of 31 December 2009



Our inventories decreased by 31% over the previous year and totalled the sum of TL44,434,941. The total of raw materials and materials existing in the inventories amounted to TL9,557,974, semi-finished goods to TL14,483,162, commercial goods to TL446,660, and finished goods to TL21,856,559. The other inventories to the sum of TL49,982 consist of scrap inventories. Provision for the inventories is TL1,959,396.

Other receivables total TL4,290,464, and consist of VAT receivable to the sum of TL2,779,445, expenses for the coming months and other receivables to the sum of TL1,368,792.

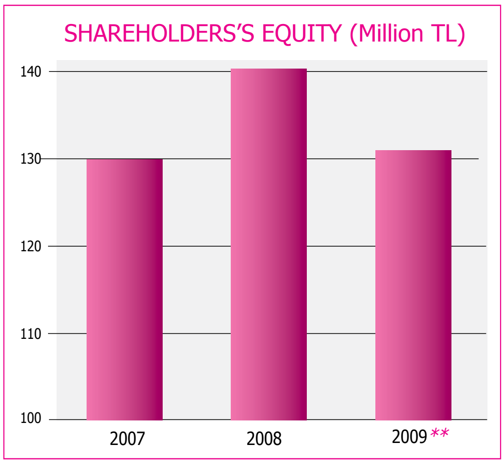
During the year, the expenses for tangible fixed assets amounted to TL3,277,371 and the amount of tangible fixed assets which had been sold totalled TL17,346,847. Net asset value was calculated as TL52,191,927 by adding the additions of fixed tangible assets to the value of fixed tangible assets at the beginning of the year, deducting disposals and the accumulated depreciation. An important item within intangible fixed assets to the sum of TL74,088 is the SAP software.

*** Beyond economical crises impact, the key figures in 2009 have also been heavily affected by raw material value difference respect to previous year. Strategic material variance equals to -14% compare to previous year in stock LME level.*

Liabilities

There is no bank loans indicated in financial debts as of 31 December 2009.

Trade payables decreased by 34% as compared to last year and were realized at TL78,033,380. In trade payables, debts to domestic suppliers amounted to TL41,213,223, debts to related party suppliers amounted to TL4,571,484 and debts to other foreign suppliers totalled TL32,277,922.



*** Beyond economical crises impact, the key figures in 2009 have also been heavily affected by raw material value difference respect to previous year. Strategic material variance equals to -14% compare to previous year in stock LME level.*

Other current payables total TL3,209,271 consist of order advances received to the sum of TL3,198,439 and dividends due to shareholders from previous years to the sum of TL10,832.

Other current liabilities reached the sum of TL2,584,310. Out of this sum, TL387,980 consists of payables to the personnel, and the remainders are for other short term liabilities to be paid.

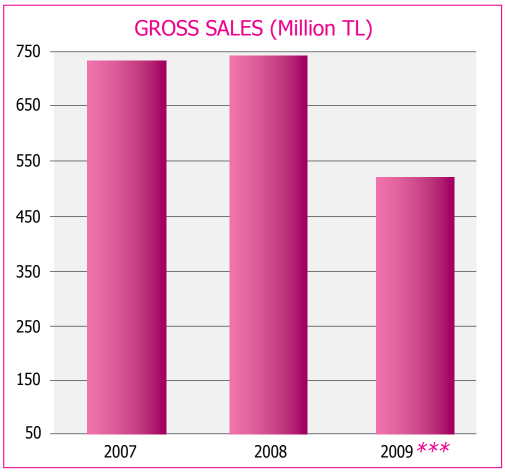
Provision for corporate tax for 2009 is TL3,774,096.

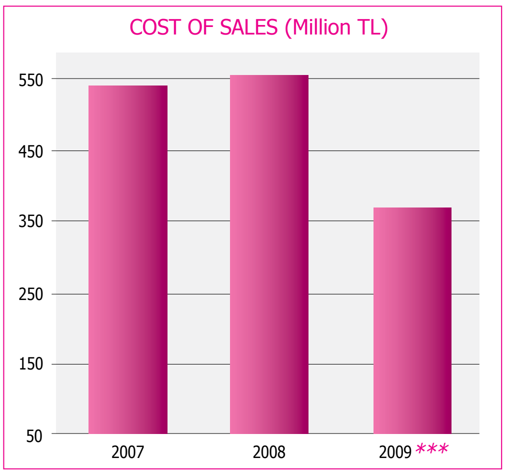
In cases where the Labor Act deems it suitable, provision for severance indemnity payable to our personnel is TL5,792,637 as of the end of the accounting period, the severance indemnity being calculated on the ceiling value of TL2,427.04.

As regards legal reserves, first legal reserve is kept aside in proportion of 5% every year until it reaches 20% of the paid in capital. Within this framework, at the end of the year, legal reserves amounted to TL2,677,497.

Paid in capital for 31 December 2009 is TL112,233,652.

Net income for the period decreased to a value of TL5,289,062 as loss, including also the impact of nonrecurring TL10,065,000 tax case reconciliation payment related to year 2003.





**** Beyond economical crises impact, the key figures in 2009 have also been heavily affected by raw material value difference respect to previous year. Strategic material variance equals to -18% compare to previous year in sales LME level.*

Income Statement

Following of the overall economic crises and sharp decrease in strategical metal prices impacts, our gross sales deterioted to TL518,684,861. Our domestic sales totalled TL334,456,730, and our exports TL174,690,128. Other sales amounted to TL9,042,975 of which TL495,028 consists of interest charged on credit sales.

Total sales deductions amounted to TL89,916,424, of which TL3,354,283 consisted of sales returns and TL86,562,141 corresponded to sales discounts.

The cost of the goods sold totalled TL370,369,617 which corresponded to 86% of our net sales. The cost of the goods sold included the cost of raw materials and auxiliary materials, direct labour, expenditures for general production, overheads and depreciation, and changes in the inventories of semi-finished and finished goods.

During the year, operational expenses amounted to 13% of our net sales. Within this scope, in line with the importance accorded to research and development, our R&D expenses constituted 03% of our net sales revenue and reached the sum of TL1,182,030, therefore keeping same level of previous year in absolute value despite the economic crises.

Marketing, sales and distribution expenses accounted for 7% of the net sales and totalled TL29,760,391, whereas general administrative expenses to the sum of TL23,215,163 accounted for 5% of the net sales revenue.

Our other operating income decreased as compared to the previous year and reached the sum of TL4,402,707, of which TL1,127,947 was generated by cost sharing income, TL955,709 consisted of income from reserved provisions, TL807,658 consisted of income from previous year, TL723,554 consisted of rediscount income, TL580,756 by purchasing bonuses, TL112,190 consisted of research and development grants and TL94,893 consisted of other income.

Our other operating expenses reached the sum of TL11,150,350, of which TL11,064,673 consisted of payments, legal and advisory expenses related to 2003 tax penalty declarations, TL45,703 consisted of provision expenses and TL39,974 consisted of other expenses.

Financial expenses amounted to TL784,262, of which TL573,071 consisted of interest on bank deposits and losses originated from buying and selling our marketable securities as well as interest revenue limited as of the end of accounting period and TL211,191 consisted of exchange rate losses.

Auditors' Review Report

TO THE GENERAL ASSEMBLY OF TÜRK PRYSMİAN KABLO VE SİSTEMLERİ A.Ş.

Company Title	: Türk Prysmian Kablo ve Sistemleri A.Ş.
Head Office	: Mudanya
Capital	: TL112,233,652.00
Activity	: Manufacturing of energy and telecommunication cables, insulated conductors
Auditors' names and duration of their appointment, their relation to the Company (partners or not)	: Hikmet TÜRKEN and Raşit YAVUZ appointed to the accounting year 2009, both are not the employees.
Number of Board of Directors meetings participated	: No participation took place in Board of Directors meetings.
Extent of audit made on the Company's accounts, books and documents and conclusions reached	: During audits, it has been observed that the records were kept in accordance with the documents and accounting principles.
Counts made at the Company treasury according to Article 353/1-3 of the Turkish Commercial Law and their results	: The records for the Period January 1, 2009 - December 31, 2009 have been inspected, it was observed that the cash balance was in accordance with the actual records.
Dates of audits made at the company treasury according to Article 353/1-4 of the Turkish Commercial Law and their results	: The obligatory monthly inspections of the records of securities were conducted and audits showed that the assets were existing and corresponded to the records kept.
Denunciations or irregularities reported to the Board of Directors and measures taken	: No complaints or denunciations of any kind have been made to the Board of Auditors.

We have audited the accounts and the operations of Türk Prysmian Kablo ve Sistemleri A.Ş. for the period January 1, 2009 - December 31, 2009 in accordance with Turkish Commercial Law, the Company's Articles of Association and other legislation, as well as according to the generally accepted accounting principles and standards.

In our opinion, the appended Balance Sheet, established on December 31, 2009 the contents of which we have approved, reflects the Company's real financial situation during the considered period and that the Income Statement for the period January 1, 2009 - December 31, 2009 reflects the real results of the activities for the considered period.

We submit for the ratification the Balance Sheet and the Income Statement as well as the acquittal of the Board of Directors.

THE BOARD OF AUDITORS

Hikmet TÜRKEN Raşit YAVUZ

Independent Auditor's Report

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers
BJK Plaza, Süleyman Seba Caddesi
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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

   Our independent audit involves performing independent audit procedures to obtain independent audit evidence about the amounts and disclosures in the financial statements. The independent audit procedures selected depend on our 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, internal control system relevant to the Company's preparation and fair presentation of the financial statements is considered in order to design independent audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control system. Our independent 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 independent audit evidence we have obtained is sufficient and appropriate to provide a basis for our independent audit opinion.

Opinion

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

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

5. As explained in Note 41, the Company received "Tax investigation report" related with 2004 on 24 November 2009. In the mentioned tax investigation report, it was stated that there were irregularities related with purchases from one supplier in 2004. It was also stated in the report that although the Company had no wrong intention by the usage of the documents which cause the irregularities, Tax Office calculated a VAT loss, penalty and irregularity fine amounting to total TL28,132,664. The Company management applied for reconciliation with the tax authority related with the mentioned 'Tax investigation report' and waiting for the determination of reconciliation date.

   There is an uncertainty related with the outcome of the above tax penalty at the report date and no provision has been accounted for in the financial statements as of 31 December 2009.

Additional paragraph for convenience translation into English:

6. The effects of differences between accounting principles issued by CMB and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with accounting principles generally accepted in such countries and IFRS.

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

Coşkun Şen, SMMM
Partner

İstanbul, 16 February 2010

Financial Statements

Türk Prysmian Kablo ve Sistemleri A.Ş.

BALANCE SHEETS AT OF 31 DECEMBER 2009 AND 31 DECEMBER 2008

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

	Notes	(AUDITED) 31 December 2009	(AUDITED) 31 December 2008
ASSETS			
Current Assets		**184,906,098**	**234,965,525**
Cash and Cash Equivalents	6	26,019,602	22,165,909
Financial Investments	7	-	-
Trade Receivables	10, 37	102,321,477	129,964,327
Receivables on Construction Contracts	15	271,553	2,023,974
Receivables from Finance Activities	12	-	-
Other Current Receivables	11	4,290,464	3,347,614
Inventories	13	44,434,941	64,506,011
Other Current Assets	26	7,568,061	12,957,690
(Subtotal)		*184,906,098*	*234,965,525*
Assets Held for Sale	34	-	-
Non-Current Assets		**55,165,748**	**58,171,386**
Trade Receivables	10, 37	-	-
Receivables from Finance Activities	12	-	-
Other Non-Current Receivables	11	-	-
Financial Investments	7	-	-
Investments Valued at Equity Method	16	-	-
Investment Properties	17	-	-
Property, Plant and Equipment	18	52,191,927	56,384,236
Intangible Assets	19	74,088	116,345
Goodwill	20	-	-
Deferred Tax Assets	35	2,426,122	650,419
Other Non-Current Assets	26	473,611	1,020,386
TOTAL ASSETS		**240,071,846**	**293,136,911**

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

Financial Statements

	Notes	(AUDITED) 31 December 2009	(AUDITED) 31 December 2008
LIABILITIES			
Current Liabilities		**97,923,966**	**141,471,885**
Financial Liabilities	8	-	-
Other Financial Liabilities	9	-	-
Trade Payables	10, 37	78,033,380	117,586,387
Construction Contracts Acquisition Value	15	-	-
Other Current Payables	11	3,209,271	10,626,837
Payables Due to Finance Activities	12	-	-
Government Grants	21	-	-
Tax Liabilities	35	3,774,096	3,251,755
Provisions	22	10,322,909	8,942,977
Other Current Liabilities	26	2,584,310	1,063,929
(Subtotal)		*97,923,966*	*141,471,885*
Liabilities Related to Assets Held for Sale	34	-	-
Non-Current Liabilities		**10,804,661**	**11,613,893**
Financial Liabilities	8	-	-
Other Financial Liabilities	9	-	-
Trade Payables	10, 37	-	-
Other Non-Current Payables	11	-	-
Payables Due to Finance Activities	12	-	-
Government Grants	21	-	-
Provisions	22	3,129,440	4,036,105
Benefits to Personnel	24	7,675,221	7,577,788
Deferred Tax Liabilities	35	-	-
Other Non-Current Liabilities	26	-	-
SHAREHOLDERS' EQUITY		**131,343,219**	**140,051,133**
Shareholders' Equity of Parent Company			
Paid-in Capital	27	112,233,652	39,312,000
Paid-in Capital Inflation Adjustment Differences	27	-	8,462,823
Share Premium	27	-	-
Revaluation Fund	27	-	-
Foreign Currency Translation Differences	27	-	-
Restricted Reserves	27	5,656,089	1,616,684
Retained Earnings	27	18,742,540	72,654,896
Net Income/(loss) for the Period	27	(5,289,062)	18,004,730
Minority Interests			
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**240,071,846**	**293,136,911**

These financial statements as at and for the period ended 31 December 2009 were approved by Board of Directors on 16 February 2010.
The accompanying notes form an integral part of these financial statements.

Financial Statements

Türk Prysmian Kablo ve Sistemleri A.Ş.

STATEMENTS OF INCOME FOR THE TWELVE MONTH PERIODS ENDED 31 DECEMBER 2009 AND 2008

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

	Notes	(AUDITED) 1 January 2009 - 31 December 2009	(AUDITED) 1 January 2008 - 31 December 2008
CONTINUING OPERATIONS			
Sales Income (net)	28	428,768,437	633,913,846
Cost of Sales	28	(370,369,617)	(550,592,018)
Gross Operating Profit / (loss)		**58,398,820**	**83,321,828**
GROSS PROFIT / (LOSS)		**58,398,820**	**83,321,828**
Marketing, Sales and Distrubution Expenses (-)	29, 30	(29,760,391)	(33,758,313)
General Administrative Expenses (-)	29, 30	(23,215,163)	(21,480,839)
Research and Development Expenses	29, 30	(1,182,030)	(1,133,585)
Other Operating Income	31	4,402,707	6,551,876
Other Operating Expenses (-)	31	(11,150,350)	(3,518,367)
OPERATING PROFIT / (LOSS)		**(2,506,407)**	**29,982,600**
Financial Income	32	28,928,460	36,344,444
Financial Expenses (-)	33	(29,712,722)	(45,014,390)
INCOME /(LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES		**(3,290,669)**	**21,312,654**
Taxes on (income)/loss		**(1,998,393)**	**(3,307,924)**
- Taxes on Income / (Loss) for the Period	35	(3,774,096)	(3,251,755)
- Defferred Tax Income / (Loss)	35	1,775,703	(56,169)
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS		**(5,289,062)**	**18,004,730**
NET INCOME / (LOSS) FOR THE PERIOD		**(5,289,062)**	**18,004,730**
Other Comprehensive Income		**-**	**-**
TOTAL COMPREHENSIVE INCOME AFTER TAX		**(5,289,062)**	**18,004,730**
Earnings Per Share	**36**	**(0.005)**	**0.016**
Diluted Earnings per Share		**-**	**-**
Earnings per Share from Operations		**(0.005)**	**0.016**
Diluted Earnings per Share from Operations		**-**	**-**

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

Financial Statements

Türk Prysmian Kablo ve Sistemleri A.Ş.

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

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

	Notes		(AUDITED) 1 January 2009 - 31 December 2009		(AUDITED) 1 January 2008 - 31 December 2008
A. CASH FLOW FROM OPERATING ACTIVITIES			**8,894,011**		**20,020,219**
Net Profit Before Taxation (+)		**(3,290,669)**		**21,312,654**	
Adjustments:					
Depreciation (+)	18, 19	6,810,163		7,229,015	
Employment Termination Benefit	24	893,425		1,347,596	
Interest Income (-)	32	(1,138,846)		(273,017)	
Interest Expense (+)	33	84,048		5,349,306	
Gains on Sales of Long-Term Financial Assets	7	-		(3.936.185)	
Gains on Sales of Property, Plant and Equipment	31	102,367		-	
Change in the Provision for Doubtful Receivables	10	1,182,848		2,926,605	
Change in the Deferred Financial Income	10	(986,038)		307,000	
Change in the Deferred Financial Expense	10	262,484		170,182	
Change in Asset and Liabilities:					
Change in Trade Receivables	10, 37	27,446,040		(26,155,985)	
Change in Other Receivables	11	(942,850)		(1,844,380)	
Change in Inventories	13	20,071,070		720,662	
Change in Other Current Assets	26	7,423,045		4,338,476	
Change in Other Long Term Receivables	26	546,775		118,746	
Change in Trade Payables	10, 37	(38,063,070)		22,964,255	
Change in Short Term Provisions	22	1,379,932		(6,762,610)	
Change in Other Short Term Liabilities	26, 22	(5,302,304)		357,340	
Change in Liabilities for Long Term Financial Leasing	26, 22	(906,665)		951,709	
Taxes Paid	35	(5,285,171)		(8,302,325)	
Employment Termination Benefits Paid	24	(1,392,573)		(798,825)	
Net Cash Generated from the Operating Activities		**8,894,011**		**20,020,219**	
B. CASH FLOW FROM INVESTMENT ACTIVITIES			**(2,677,964)**		**(502,422)**
Fixed Asset Additions (-)	18	(3,277,371)		(7,391,183)	
Proceeds from Sale of Property, Plant and Equipment (+)	18	599,407		32,225	
Proceeds from the Sale of Financial Investments (+)	7	-		6,856,536	
Net Cash Used in Investment Activities		**(2,677,964)**		**(502,422)**	
C. CASH FLOW FROM FINANCIAL ACTIVITIES			**(2,362,354)**		**(12,932,739)**
Interest Paid (-)	33	(84,048)		(5,349,306)	
Interest Received (+)	32	1,138,846		273,017	
Dividends Paid (-)	27	(3,417,152)		(7,856,450)	
Net Cash Used in Investment Activities		**(2,362,354)**		**(12,932,739)**	
Net Increase in Cash and Cash Equivalents		**3,853,693**	**3,853,693**	**6,585,058**	**6,585,058**
Cash and Cash Equivalents at the Beginning of Period	**6**		**22,165,909**		**15,580,851**
Cash and Cash Equivalents at the End of Period	**6**		**26,019,602**		**22,165,909**

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

Financial Statements

Türk Prysmian Kablo ve Sistemleri A.Ş.

STATEMENTS OF SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2009 AND 31 DECEMBER 2008

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

								Restricted Reserves		Retained Earnings / (Loss)			
	Notes	Share Capital	Inflation Adjustment to Share Capital	Company's Own Shares	Share Premium	Revaluation Fund	Foreign Currency Translation Differences	Legal Reserves	Other Reserves and Retained Earnings	Statutory Reserves	Inflation Adjustment of Equity Items	Net Income/ (Loss) for the Period	**Total**
1 January 2008		**39,312,000**	**8,462,823**	**-**	**-**	**-**	**-**	**454,448**	**26,453**	**110,745**	**64,458,829**	**17,083,505**	**129,908,803**
Dividends Paid	27	-	-	-	-	-	-	-	-	-	-	(7,862,400)	**(7,862,400)**
Transfers	27	-	-	-	-	-	-	1,135,783	-	8,085,322	-	(9,221,105)	**-**
Net Income for the Period	27	-	-	-	-	-	-	-	-	-	-	18,004,730	**18,004,730**
31 December 2008		**39,312,000**	**8,462,823**	**-**	**-**	**-**	**-**	**1,590,231**	**26,453**	**8,196,067**	**64,458,829**	**18,004,730**	**140,051,133**
1 January 2009		**39,312,000**	**8,462,823**	**-**	**-**	**-**	**-**	**1,590,231**	**26,453**	**8,196,067**	**64,458,829**	**18,004,730**	**140,051,133**
Dividends Paid	27	-	-	-	-	-	-	-	-	-	-	(3,418,852)	**(3,418,852)**
Transfer	27	-	-	-	-	-	-	1,087,266	2,952,139	10,546,473	-	(14,585,878)	**-**
Capital Increase	27	72,921,652	(8,462,823)	-	-	-	-	-	-	-	(64,458,829)	-	**-**
Net Income / (loss) for the Period	27	-	-	-	-	-	-	-	-	-	-	(5,289,062)	**(5,289,062)**
31 December 2009		**112,233,652**	**-**	**-**	**-**	**-**	**-**	**2,677,497**	**2,978,592**	**18,742,540**	**-**	**(5,289,062)**	**131,343,219**

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

Notes

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

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

NOTE 1 - ORGANISATION AND PRINCIPAL ACTIVITIES

The primary operations of Türk Prysmian Kablo ve Sistemleri A.Ş. ("the Company"), established and operating in Turkey are the production, import, export and trading of cables, conductors, machinery, apparatus, their spare parts and accessories. The Company was established in 1964. The main shareholder of the Company is Prysmian Cable Holding B.V. (83.75%).

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

The address of the registered office is Ömerbey Mah. Bursa Asfaltı Cad. No:51 16941 Mudanya, Bursa. The average number of employees of the Company as of the period is stated as follows:

31 December 2009

Personnel Type	Union	Union Name	None-Union
Blue Collar	290	Birleşik Metal İş Sendikası	-
White Collar	-	-	79
TOTAL	**290**		**79**

31 December 2008

Personnel Type	Union	Union Name	None-Union
Blue Collar	319	Birleşik Metal İş Sendikası	1
White Collar	-	-	83
TOTAL	**319**		**84**

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation:

CMB regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25, "The Accounting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

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

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these financial statements, the financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB, in accordance with the CMB Financial Reporting Standards which are based on IAS/IFRS. The financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB, with the announcement dated 14 April 2008, including the compulsory disclosures.

2.2 Changes in Accounting Policies:

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

Notes

2.3 Changes in accounting estimates and errors:

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

2.4 Summary of significant accounting policies:

2.4.1 Revenue recognition:

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

2.4.2 Inventories:

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

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

2.4.3 Tangible Assets:

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

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

Lands are not depreciated due to its infinite economic life.

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

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

2.4.4 Intangible assets:

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

2.4.5 Impairment of assets:

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

In case that increase in the recoverable amount of the asset is related with a situation that has occurred in the period subsequent to the period in which the impairment of an asset is booked, impairment amount can be reversed. Reversal amount cannot be greater than the impairment amount that has been booked before.

Notes

2.4.6 Trade Receivables:

Trade receivables that are originated by the Company by providing goods or services directly to a debtor are carried at amortized cost using the effective yield method. Short-term trade receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

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

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

2.4.7 Financial liabilities:

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

2.4.8 Financial instruments:

a) Financial instruments and financial risk management

Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. Material trade receivable balances comprise of receivables from dealers and intercompanies. The Company has established an effective control system, which is monitored by the management. Guarantees taken from dealers is another tool used in credit risk management (Note 10).

Liquidity risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate, committed funding lines from high quality lenders (Note 10).

The Company does not have any bank loans, bonds issued and financial leasing liabilities. Explanations related with the liquidity risk arising from trade payables and other payables are presented in Note 10.

Interest-rate risk

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

Foreign currency risk

The Company is exposed to foreign exchange risk through the impact of rate changes in the translation of foreign currency denominated liabilities to local currency (Note 38). These risks are monitored and limited by the analysis of the foreign currency position.

b) Fair value of the financial instruments

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

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

Monetary asset

Balances denominated in foreign currencies are translated at year-end bid rates declared by Central Bank of Turkey. Financial assets including cash and amounts due from banks are translated at bid rates declared by the Central Bank of Turkey. The carrying value of trade receivables are also translated at year-end bid rates and their fair values are considered to approximate with the related allowance of doubtful accounts.

Monetary liabilities

The fair values of short-term bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Trade payables and borrowings are translated at period-end ask rates declared by the Central Bank of Turkey. Long-term borrowings which are denominated in foreign currencies are translated at period-end rates and their fair values are considered to approximate their respective carrying values.

Notes

2.4.9 Business Combinations:

None (2008: None).

2.4.10 Foreign currency transactions:

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

2.4.11 Earnings per share:

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

2.4.12 Subsequent events:

There are no subsequent events resulting in an adjustment to financial statements.

2.4.13 Provisions, contingent assets and liabilities:

Provisions are recognized when the Company has a present legal or constructive obligation or a result of past events, it is probable that on outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Warranty expenses are recorded as a result of repair and maintenance expenses based on statistical information for possible future warranty services (Note 22).

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 41).

2.4.14 Leasing

None (2008: None).

2.4.15 Related parties:

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

2.4.16 Segment reporting:

None (2008: None).

2.4.17 Construction type contracts:

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

2.4.18 Discontinued operations:

None (2008: None).

2.4.19 Government grants and incentives:

Government grants, including non-monetary grants at fair value, are not recognized until there is reasonable assurance that the entity will comply with the conditions attached to them and that the grants will be received. Even if the state incentives are obtained either by offsetting an obligation or in cash, they are recognized in the same method in financial statements.

2.4.20 Investment property:

None (2008: None).

Notes

2.4.21 Taxes on income:

Corporation tax is payable at a rate of 20% for the year 2009 (2008: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances. No further tax is payable unless the profit is distributed.

2.4.22 Deferred income taxes:

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

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

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

2.4.23 Employment termination benefits:

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

2.4.24 Cash and cash equivalents:

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

2.4.25 Capital and Dividends:

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

2.4.26 Financial assets:

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

2.4.27 Statement of cash flow:

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

2.5 Significant accounting estimates and assumptions:

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

NOTE 3 - BUSINESS COMBINATIONS

There are no business combinations as of the balance sheet dates. (2008: None).

NOTE 4 - BUSINESS PARTNERSHIP

There are no business partnerships as of the balance sheet dates. (2008: None).

NOTE 5 - SEGMENT REPORTING

The Company operates in one business (cable production and sale) and one geographical segment. Therefore, segment recognized is not required (2008: None).

Notes

NOTE 6 - CASH AND CASH EQUIVALENTS

	31 December 2009	31 December 2008
Cash - TL	1,394	1,321
Cash - Foreign Currency	6,824	6,356
Bank - Demand Deposit	109,826	53,085
Bank - TL - Time Deposit	17,418,131	2,653,185
Bank - Export Foreign Currency	-	153,421
Bank - Foreign Currency	291,629	51,422
Bank - USD - Time Deposit	4,356,143	9,361,353
Bank - EURO - Time Deposit	2,705,949	7,730,195
Cheques Received	1,129,706	2,155,571
TOTAL	**26,019,602**	**22,165,909**

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

	31 December 2009		31 December 2008	
	Maturity	Interest rate (%)	Maturity	Interest Rate (%)
TL Time Deposits	O/N	9	O/N	16
TL Time Deposits	O/N	8.5	O/N	15.25
TL Time Deposits	O/N	7.5	-	-
TL Time Deposits	19 Days	10.75	-	-
TL Time Deposits	17 Days	10.75	-	-
Time Deposits USD	O/N	1.5	O/N	2.75
Time Deposits USD	O/N	1	5 Days	3.50
Time Deposits EURO	O/N	1	O/N	4

NOTE 7 - FINANCIAL INVESTMENTS

The Company does not have any financial investments as of 31 December 2009 (2008: As it is approved on the Extraordinary General Meeting of Shareholders on 5 December 2008 that, 3.81% shares of Entek Eletktirk Üretimi A.Ş. whose nominal value amounts to TL3,768,000 is sold and transferred to Aygaz A.Ş. at a price of TL6,856,536. Sales price has been received in cash and TL3,936,185 profit has been recognised as a result of the sale).

NOTE 8 - FINANCIAL LIABILITIES

The Company does not have any bank loans as of 31 December 2009 (2008: None).

NOTE 9 - OTHER FINANCIAL LIABILITIES

None (2008: None).

NOTE 10 - TRADE RECEIVABLES AND PAYABLES

a) Short-term trade receivables:

	31 December 2009	31 December 2008
Trade Receivables	66,328,842	93,974,165
Trade Receivables (Foreign Related Parties) (Note 37)	3,615,084	6,591,807
Notes Receivables	32,748,767	30,755,610
Doubtful Receivables	14,459,511	13,276,663
Provision for Doubtful Receivables	(14,459,511)	(13,276,663)
Unearned Financial Income	(371,216)	(1,357,255)
TOTAL	**102,321,477**	**129,964,327**

Notes

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

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

	2009	2008
1 January	**13,276,663**	**10,350,058**
Additions and collections	1,230,353	71,668
Changes due to the foreign exchange rate differences	(47,505)	2,854,937
31 December	**14,459,511**	**13,276,663**

Aging analysis of notes receivables:

	31 December 2009	31 December 2008
0-30 Days Maturity	14,928,609	18,446,731
31-60 Days Maturity	11,197,942	9,161,693
61-90 Days Maturity	4,906,485	2,458,629
91 Days and Over	1,715,731	688,557
TOTAL	**32,748,767**	**30,755,610**

Guarantees received regarding trade receivables:

The Company minimizes all risks regarding trade receivables by effective controls and by guarantees received. A trade relationship is formed between the Company and its customer after guarantees are obtained from the customers. All guarantee terms are kept under control both before order date and shipment date. As of 31 December 2009 the Company has TL23,704,005 (31 December 2008: TL32,599,701) of guarantees for its trade receivables. All of the mentioned guarantees have been obtained from third parties, there are no guarantees obtained from intercompanies.

Aging analysis of trade receivables:

As of 31 December 2009, maturities of trade receivables, for which no bad debt provision has been accounted, are as follows;

	31 December 2009	31 December 2008
Overdue receivables (*)	2,784,148	7,684,777
0-30 Days Maturity	41,083,397	39,193,259
31-60 Days Maturity	24,219,913	34,309,245
61-90 Days Maturity	1,386,534	4,647,368
91-120 Days Maturity	469,934	-
121 Days and Over	-	14,731,323
TOTAL	**69,943,926**	**100,565,972**

(*) Overdue days	**31 December 2009**	**31 December 2008**
0-1 Month	2,742,702	6,516,989
1-3 Month	18,581	979,235
3 Months and Over	22,865	188,553
TOTAL	**2,784,148**	**7,684,777**

b) Short-Term Trade Payables:

	31 December 2009	31 December 2008
Trade Payables	73,491,145	112,133,965
Trade Payables (Foreign Related Parties) (Note 37)	4,571,484	5,744,155
Deferred Financial Expenses	(29,249)	(291,733)
TOTAL	**78,033,380**	**117,586,387**

Notes

Non-derivative financial liabilities as of 31 December 2009						
Expected terms	**Net book value**	**Expected total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Trade Payables	78,033,380	78,062,629	61,493,135	16,569,494	-	-
Other Payables	3,209,271	3,209,271	2,300,580	10,159	878,968	19,564

Non-derivative financial liabilities as of 31 December 2008						
Expected terms	**Net book value**	**Expected total cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 years**
Trade Payables	117,586,387	117,878,120	81,420,904	36,457,216	-	-
Other Payables	10,626,837	10,626,837	8,554,456	1,944,788	127,256	337

	Receivables				
31 December 2009	**Trade Receivables**		**Other Receivables**		**Bank Deposits**
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	
Maximum risk on receivables as of reporting date (A+B+C+D+E)	**3,615,084**	**98,706,393**	**-**	**4,290,464**	**24,881,678**
- Guaranteed portion of the maximum risk	-	-	-	-	-
A. Net book value of the assets that are not due or provision (impairment) has not been accounted for	3,438,867	96,098,462	-	4,290,464	24,881,678
B. Value of the financial assets that circumstances have been renegotiated, otherwise will be overdue or impaired	-	-	-	-	-
C. Book value of the overdue assets that provision (impairment) has not been accounted for	176,217	2,607,931	-	-	-
- Guaranteed portion	-	1,050,794	-	-	-
D. Net book value of the assets that impaired (provision has been accounted for)	**-**	**-**	**-**	**-**	**-**
- Overdue (gross book value)	-	14,459,511	-	-	-
- Impairment (-)	-	(14,459,511)	-	-	-
- Guaranteed portion of the net book value	-	-	-	-	-
- Not due (gross book value)	-	-	-	-	-
- Impairment (-)	-	-	-	-	-
- Guaranteed portion of the net book value	-	-	-	-	-
E. Off balance sheet items that pose credit risk	-	-	-	-	-

Notes

	Receivables				
31 December 2008	**Trade Receivables**		**Other Receivables**		**Bank Deposits**
	Related Parties	**Other Parties**	**Related Parties**	**Other Parties**	
Maximum risk on receivables as of reporting date (A+B+C+D+E)	**6,591,807**	**123,372,520**	**-**	**3,347,614**	**20,002,662**
Guaranteed portion of the maximum risk	-	-	-	-	-
A. Net book value of the assets that are not due or provision (impairment) has not been accounted for	4,882,018	117,397,532	-	3,347,614	20,002,662
B. Value of the financial assets that circumstances have been renegotiated, otherwise will be overdue or impaired	-	-	-	-	-
C. Book value of the overdue assets that provision (impairment) has not been accounted for	1,709,789	5,974,988	-	-	-
- Guaranteed portion	-	2,228,375	-	-	-
D. Net book value of the assets that impaired (provision has been accounted for)	**-**	**-**	**-**	**-**	**-**
Overdue (gross book value)	-	13,276,663	-	-	-
Impairment (-)	-	(13,276,663)	-	-	-
Guaranteed portion of the net book value	-	-	-	-	-
Not due (gross book value)	-	-	-	-	-
Impairment (-)	-	-	-	-	-
Guaranteed portion of the net book value	-	-	-	-	-
E. Off balance sheet items that pose credit risk	-	-	-	-	-

NOTE 11 - OTHER RECEIVABLES AND PAYABLES

a) Other Receivables:

	31 December 2009	**31 December 2008**
VAT Receivable from Direct Export Sales	1,229	533,608
VAT Receivable from Export Sales	2,778,216	1,954,581
Receivables from Employees	198,501	175,635
Other Doubtful Receivables	32,695	32,695
Provisions for Other Doubtful Receivables	(32,695)	(32,695)
Deposits and Warranties Given	57,167	28,674
Other Miscellaneous Receivables	1,255,351	655,116
TOTAL	**4,290,464**	**3,347,614**

b) Other Payables:

	31 December 2009	**31 December 2008**
Due to Shareholders	10,832	9,132
Order Advances Received	3,198,439	10,617,705
TOTAL	**3,209,271**	**10,626,837**

Notes

NOTE 12 - RECEIVABLES AND PAYABLES FROM FINANCE ACTIVITIES

None (2008: None).

NOTE 13 - INVENTORIES

	31 December 2009	31 December 2008
Raw materials and supplies	9,557,974	16,021,986
Semi-finished goods	14,483,162	22,732,432
Finished goods	21,856,559	26,483,815
Trade goods	446,660	1,597,593
Other inventories	49,982	135,927
Provision for diminution in value of inventories	(1,959,396)	(2,465,742)
TOTAL	**44,434,941**	**64,506,011**

As of 1 January - 31 December 2009, TL320,932,770 (1 January-31 December 2008: TL484,659,202) of cost of goods sold is related with raw material usage (Note: 28).

Movement for the provision of obsolete inventory:	**2009**	**2008**
1 January	**2,465,742**	**963,981**
Additions and deductions during the period	(506,346)	1,501,761
31 December	**1,959,396**	**2,465,742**

NOTE 14 - BIOLOGICAL ASSETS

None (2008: None).

NOTE 15 - ASSETS RELATED TO CONSTRUCTION CONTRACTS

The Company applies percentage of completion method for construction type contracts for revenue and cost recognition. There are 2 contracts that the Company has signed in this respect in 2009 (2008: 3 contracts), these contracts are as follows:

a) 380 kV DAVUTPAŞA GIS TM - YENİBOSNA GIS TM Underground XLPE Power Cable Project: The Company signed related contract at the end of 2009. Construction and installation has not started related with the project as of 31 December 2009 accordingly there is no detained progress payments and advances received related with the project as of 31 December 2009.

b) TEİAŞ Yarımca - 1 TM / TÜPRAŞ 154 kV Cable Telecommunication Project: The Company recognized revenues and incurred costs related with the project in 2009 according to the completion percentage of the project.

Total amount of revenues recognized and costs incurred in 2009 related with the construction contracts are as follows:

	31 December 2009	31 December 2008
Additions to sales revenue	5,151,691	32,303,326
Additions to cost of sales	3,621,405	25,489,491
Net income /(loss) on financial statements	**1,530,286**	**6,813,835**

There are no advances received related with these projects as of 31 December 2009.

NOTE 16 - INVESTMENTS VALUED AT EQUITY METHOD

None (2008: None).

NOTE 17 - INVESTMENT PROPERTIES

None (2008: None).

Notes

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

2009	**31 December 2008**	**Additions**	**Disposals**	**31 December 2009**
Cost				
Land	3,780,040	-	(615,680)	3,164,360
Buildings	44,113,319	265,568	(1,908)	44,376,979
Machinery and equipment	206,424,460	2,577,578	(15,301,169)	193,700,869
Motor vehicles, furniture and fixtures	23,070,338	434,225	(1,428,090)	22,076,473
Special costs	77,543	-	-	77,543
Total	**277,465,700**	**3,277,371**	**(17,346,847)**	**263,396,224**
Accumulated Depreciation				
Buildings	(21,781,328)	(769,264)	316	(22,550,276)
Machinery and equipment	(178,190,240)	(5,416,003)	15,314,899	(168,291,344)
Motor vehicles, furniture and fixtures	(21,032,381)	(582,639)	1,329,858	(20,285,162)
Special costs	(77,515)	-	-	(77,515)
Total	**(221,081,464)**	**(6,767,906)**	**16,645,073**	**(211,204,297)**
Net Book Value	**56,384,236**	**(3,490,535)**	**(701,774)**	**52,191,927**

As of 31 December 2009, the Company has TL6,767,906 depreciation expense for tangible assets and TL42,257 amortization expense for intangible assets amounting to total TL6,810,163. This amount is allocated to cost of goods and operating expenses as TL6,219,825 and TL590,338, respectively.

2008	**31 December 2007**	**Additions**	**Disposals**	**31 December 2008**
Cost				
Land	3,780,040	-	-	3,780,040
Buildings	43,615,327	497,992	-	44,113,319
Machinery and equipment	208,274,706	6,349,499	(8,199,745)	206,424,460
Motor vehicles, furniture and fixtures	22,799,294	478,214	(207,170)	23,070,338
Special costs	77,543	-	-	77,543
Total	**278,546,910**	**7,325,705**	**(8,406,915)**	**277,465,700**
Accumulated Depreciation				
Buildings	(21,019,800)	(761,528)	-	(21,781,328)
Machinery and equipment	(180,534,877)	(5,855,108)	8,199,745	(178,190,240)
Motor vehicles, furniture and fixtures	(20,625,654)	(581,672)	174,945	(21,032,381)
Special costs	(77,515)	-	-	(77,515)
Total	**(222,257,846)**	**(7,198,308)**	**8,374,690**	**(221,081,464)**
Net Book Value	**56,289,064**	**127,397**	**(32,225)**	**56,384,236**

As of 31 December 2008, the Company has TL7,198,308 depreciation expense for tangible assets and TL30,707 amortization expense for intangible assets amounting to total TL7,229,015. TL6,457,739 of this amount is allocated to cost of goods sold and TL771,276 of the depreciation expense is allocated to operating expenses.

Notes

NOTE 19 - INTANGIBLE ASSETS

2009	31 December 2008	Additions	Disposals	31 December 2009
Cost	969,373	-	-	969,373
Accumulated amortization	(853,028)	(42,257)	-	(895,285)
Net Book Value	**116,345**	**(42,257)**	**-**	**74,088**

2008	31 December 2007	Additions	Disposals	31 December 2008
Cost	903,895	65,478	-	969,373
Accumulated amortization	(822,321)	(30,707)	-	(853,028)
Net Book Value	**81,574**	**34,771**	**-**	**116,345**

NOTE 20 - GOODWILL

None (2008: None).

NOTE 21 - GOVERNMENT GRANTS

a) Research and development tax incentive:

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

In order for an expense to be considered as a subject to R&D tax exemption, it has to be an expense realized in the structure of the enterprise for the exclusive use of new technology and information research. In other words, the expense has to be made within the scope of an R&D activity. An R&D exemption is not calculated over payments from the depreciation amounts calculated for the economical assets subject to depreciation, and expenses not directly linked with R&D activities. There is tax allowance amounting to TL172,290 (2008: TL489,325) subject to research and development expenses as of 31 December 2009.

b) Research and development TÜBİTAK support:

The Company makes periodical applications to Turkish Scientific and Technical Research Association (TÜBİTAK) for the R&D project named as "CABLES MAKING LIFE EASIER" in order to obtain R&D grant in the scope of Communiqué related to Research and Development Grants, No 98/10 dated 4 November 1998 of the Monetary and Credit Coordination Board, obtained based on the authority granted by Article 4 of decision related to State Aids for Exports, no 94/6401 dated 27 December 1994, of the Council of Ministers. As of 31 December 2009, TÜBİTAK support related with the expenditures are as in the following table. Evaluation of 2009 research and development expenditures is still in progress of TÜBİTAK and there is no grant accounted for in the financial statements as a result of such expenditures as of 31 December 2009.

	31 December 2009	31 December 2008
2007 related grants	26,887	85,812
2008 related grants	85,303	-
TOTAL	**112,190**	**85,812**

NOTE 22 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

a) Short Term Provisions:

	31 December 2009	31 December 2008
Expense accruals related with construction type contracts	208,097	2,650,079
Provision for service and goods that invoices are not received	7,622,878	3,743,339
Expense accruals of order commissions	796,397	1,694,314
Expense accruals for warranty costs	848,510	81,969
Expense accruals of foreign service contracts	550,524	121,103
Expense accruals of forward contracts	296,503	652,173
TOTAL	**10,322,909**	**8,942,977**

Notes

b) Long Term Provisions:

	31 December 2009	31 December 2008
Provisions for court cases	2,590,599	2,965,079
Provisions for Warranty Expenses	538,841	637,505
Provision for Disabled Workers	-	433,521
TOTAL	**3,129,440**	**4,036,105**

NOTE 23 - COMMITMENTS

	31 December 2009	31 December 2008
Bank Guarantee Letters Given	77,425,701	69,976,384
TOTAL	**77,425,701**	**69,976,384**

Guarantee letters given sum up to total of TL77,425,701. Bank guarantee letters given include performance letters that were given the customs, authorities of different competitive biddings and customs due to sale contracts. The Company does not have any export commitments as of 31 December 2009 (2008: None).

All the guarantee letters given are related with the third parties, there are no guarantee letters obtained from related parties.

NOTE 24 - PERSONNEL BENEFITS

	31 December 2009	31 December 2008
Provision for employment termination benefits	5,792,637	6,291,785
Accruals related with personnel bonuses	1,591,960	960,261
Accruals related with personnel vacations	290,624	325,742
TOTAL	**7,675,221**	**7,577,788**

Employment Termination Benefits:

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

The amount payable consists of one month's salary limited to a maximum of TL2,365.16 for each year of service as of 31 December 2009 (31 December 2008: TL2,173.19). The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The following actuarial assumptions were used in the calculation of the total liability:

	31 December 2009	31 December 2008
Discount rate (%)	5.92	6.26
Turnover rate to estimate the probability of retirement (%)	97.39	97.19

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the ceiling for employee termination benefits is calculated twice a year, provision for employee termination benefits is calculated by using amounts applied at 1 January 2010 which is TL2,427.04 (1 January 2009: TL2,260.05). Movements of the provision for employment termination benefits during the period are as follows:

	2009	2008
1 January	**6,291,785**	**5,743,014**
Paid during the year	(1,392,573)	(798,825)
Increase / decrease during the year	893,425	1,347,596
31 December	**5,792,637**	**6,291,785**

Notes

NOTE 25 - RETIREMENT PLANS

The Company does not have any retirement plans, except the employment termination benefits as disclosed in Note 24 (2008: None).

NOTE 26 - OTHER ASSETS AND LIABILITIES

a) Other Current Assets:

	31 December 2009	31 December 2008
Prepaid Taxes	1,960,662	3,317,008
Taxes, Dues and Other Receivables	13,036	2,737,336
Order Advances Given Related with Inventories	2,394,656	6,032,873
Job Advances	3,008,174	644,300
Prepaid Expenses	189,388	225,251
Personnel Advances	1,368	-
Other Current Assets	777	922
TOTAL	**7,568,061**	**12,957,690**

b) Other Non-Current Assets:

	31 December 2009	31 December 2008
Advances Given for Purchase of Fixed Assets	417,337	918,261
Prepaid Expenses	56,274	102,125
TOTAL	**473,611**	**1,020,386**

c) Other Liabilities:

	31 December 2009	31 December 2008
Taxes, Dues and Other Payables (*)	1,456,041	-
Payables to the Personnel	387,980	498,869
Other Miscellaneous Payables	740,289	527,102
Other Liabilities	-	37,958
TOTAL	**2,584,310**	**1,063,929**

NOTE 27 - SHAREHOLDERS' EQUITY

a) Paid-in Capital:

Shareholders who hold 5% or more of the shares of the Company as of 31 December 2009 and 31 December 2008 are as follows;

31 December 2009

Description	Percentage (%)	Amount (TL)
Prysmian (Dutch) Holdings B.V.	83.75	93,995,684
Other	16.25	18,237,968
TOTAL	**100.00**	**112,233,652**

At 30 April 2009, Board of Directors agreed to increase of share capital over the TL80,000,000 capital ceiling, all financed from retained earnings, from TL39,312,000 to TL112,233,652. Issued shares have TL72,921,652 nominal value and were registered to Capital Market Board at 2 July 2009 with 68/529 number. Capital increase was registered to Bursa Trade Register Office at 9 July 2009 and distribution of bonus shares to existing shareholders started at 15 July 2009 related with regulations of Capital Market Board by Central Register Office.

Notes

31 December 2008

Description	Percentage (%)	Amount (TL)
Prysmian (Dutch) Holdings B.V.	83.75	32,922,392
Other	16.25	6,389,608
	100.00	**39,312,000**
Inflation Adjustment Differences		8,462,823
TOTAL		**47,774,823**

Adjustment to share capital represents the restatement effect of cash contributions to share capital as of 31 December 2004 purchasing power. There are 1,122,336,520 (31 December 2008: 393,120,000) shares with nominal value of TL0.10 each (2008: TL0.10).

b) Restricted 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 share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

In accordance with Capital Market Board Financial Reporting Standards, above-mentioned amounts should be classified under "Restricted Reserves". "Restricted Reserves" amount to TL5,656,089 as of 31 December 2008 (31 December 2008: TL1,616,684).

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

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

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

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

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

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

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

In accordance with the decision of Capital Markets Board on 27 January 2010 number 02/51, there is not any minimum profit distribution obligation for companies related with 2009 (2008: 20%). If a Company decides to distribute dividend, that can realize distribution in cash or as bonus shares through the addition of dividend to equity upon the decision of the Company's general assembly. It has been further enabled that if initial dividend amount is less than the 5% of the existing paid /issued capital, Company can decide to retain this amount if the following situation does not exist; "a Company is obligated to distribute the initial dividend amount in cash if a capital increase without performing a dividend distribution in the previous period is existing".

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

None of the Company shareholders have preferential or privileged voting right; all of the votes have equal value. Because there is no beneficial share class in the capital of the Company, there exists no privilege related to the participation in the Company's profit.

Notes

According to the aforementioned principles above and in line with Communiqué No: 29 shareholders' equity accounts of the Company as of 31 December 2009 and 31 December 2008 are as follows;

	31 December 2009	31 December 2008
Paid-in Capital	**112,233,652**	**39,312,000**
Paid-in Capital Inflation Adjustment Differences	**-**	**8,462,823**
Retained Earnings	**18,742,540**	**72,654,896**
Shareholders' Equity Restatement Differences (*)	-	64,458,829
Extraordinary Reserves	18,742,540	8,196,067
Restricted Reserves	**5,656,089**	**1,616,684**
Legal Reserves	2,661,634	1,574,368
Legal Reserves Inflation Adjustment Differences	15,863	15,863
Investment and Property Sales Gains to be Transferred to the Share Capital (**)	2,978,592	26,453
Net Income/Loss for the Period	**(5,289,062)**	**18,004,730**
TOTAL SHAREHOLDERS' EQUITY	**131,343,219**	**140,051,133**

(*) The Company has offset "the Previous Year Losses" against other equity accounts in its inflation adjusted financial statements in accordance with the decision taken in the General Assembly on 25 October 2004. After the offset of the historic values of the other equity accounts, remaining inflation adjustment balances amounting to TL64,458,829 have been represented as shareholders' equity restatement differences. Such amount has been added to share capital in 2009.

(**) In accordance with the new Corporate Tax Law no 5520, exemptions on gain from sales of estates were rearranged and the obligation of the addition of those exemptions to the capital was abolished, which is different than the old Corporate Tax Law no 5422. Accordingly, 75% of the gain from the sales should be followed in a special fund account for 5 years from the beginning of the year in which the sales was realized. While during this period or at the end of it, the addition of this fund to capital is possible, the amount hold in the fund can also be used freely at the end of the fifth year.

NOTE 28 - SALES AND COST OF SALES

	1 January - 31 December 2009	1 January - 31 December 2008
Domestic Sales	334,456,730	488,402,397
Export Sales	174,690,128	239,724,315
Other Sales	9,042,975	13,939,058
Other Operating Income	495,028	1,049,046
Sales Discounts	(89,916,424)	(109,200,971)
Cost of Sales	(370,369,617)	(550,592,017)
TOTAL	**58,398,820**	**83,321,828**

Cost of sales as of 31 December 2009 and 31 December 2008 are as follows;

	1 January - 31 December 2009	1 January - 31 December 2008
Direct Material Costs	320,932,770	484,659,202
General Production Costs	18,646,125	15,741,745
Cost of Trade Goods Sold	4,647,338	18,978,209
Cost of Other Sales	8,811,417	13,460,806
Direct Labor Costs	11,112,142	11,294,316
Depreciation	6,219,825	6,457,739
TOTAL	**370,369,617**	**550,592,017**

Notes

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

	1 January - 31 December 2009	1 January - 31 December 2008
Selling and marketing expenses	29,760,391	33,758,313
General administrative expenses	23,215,163	21,480,839
Research and development expenses	1,182,030	1,133,585
TOTAL	**54,157,584**	**56,372,737**

NOTE 30 - EXPENSES BY TYPE

a) Selling and Marketing Expenses:

	1 January - 31 December 2009	1 January - 31 December 2008
Logistics Expenses	18,372,139	22,731,132
Sales and Guarantee Letters Commissions	5,448,634	6,185,974
Personnel Expenses	2,868,343	2,708,229
Other Sales and Distribution Expenses	2,990,801	2,098,511
Depreciation Expenses	80,474	34,467
TOTAL	**29,760,391**	**33,758,313**

b) General and Administrative Expenses:

	1 January - 31 December 2009	1 January - 31 December 2008
License Expenses	13,657,213	13,909,374
Personnel Expenses	5,632,399	3,992,307
Other Administrative Expenses	2,908,438	2,423,415
Depreciation Expenses	459,241	684,053
Outsourced Service Expenses	557,872	471,690
TOTAL	**23,215,163**	**21,480,839**

c) Research and Development Expenses:

	1 January - 31 December 2009	1 January - 31 December 2008
Personnel Expenses	637,227	712,445
Project Costs	63,807	109,396
Depreciation Expenses	50,623	52,756
Other Expenses	430,373	258,988
TOTAL	**1,182,030**	**1,133,585**

Notes

NOTE 31 - OTHER INCOME/EXPENSES

	1 January - 31 December 2009	1 January - 31 December 2008
Income from sales of financial investments	-	3,936,185
Expense distribution	1,127,947	-
Closed provisions	955,709	389,532
Rediscount income	723,554	825,824
Purchase premium gains	580,756	882,129
Prior period income	807,658	163,688
Research and development incentive income	112,190	85,812
Other income	94,893	268,706
Other Operating Income and Profits	**4,402,707**	**6,551,876**
Rediscount expense	-	(1,303,006)
Provision expenses	(45,703)	(1,703,125)
Tax penalty and tax penalty related other advisory costs	(11,064,673)	-
Other expense (*)	(39,974)	(512,236)
Other Operating Expense and Losses	**(11,150,350)**	**(3,518,367)**

(*) All of the contributions and aids amounting to TL31,796 given to different associations, foundations, corporations and enterprises in the current period has been included in the Other Expenses (31 December 2008: TL54,131).

NOTE 32 - FINANCIAL INCOME

	1 January - 31 December 2009	1 January - 31 December 2008
Foreign exchange difference income	26,971,966	34,983,130
Financial income from forward contracts	817,648	1,088,297
Interest income	1,138,846	273,017
TOTAL	**28,928,460**	**36,344,444**

NOTE 33 - FINANCIAL EXPENSE

	1 January - 31 December 2009	1 January - 31 December 2008
Foreign exchange difference expense	(27,183,157)	(35,504,768)
Financial expense from forward contracts	(1,367,773)	(3,277,774)
Bank transaction commissions and other financial expense	(537,869)	(814,103)
Interest expense	(84,048)	(5,349,306)
Guarantee letter expenses	(539,875)	(68,439)
TOTAL	**(29,712,722)**	**(45,014,390)**

NOTE 34 - ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (2008: None).

Notes

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

a) Current period tax charge:

Corporate tax law was changed with the law no 5520 dated 13 June 2006. Many of the provisions of the law no 5520 came into effect effective from 1 January 2006. Accordingly corporate tax is payable at a rate of 20% in 2009 (2008: %20). After adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19.8% on the investment incentive allowance utilized within the scope of the Income Tax Law Temporary Article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution.

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

In accordance with Tax Law No: 5024 "Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law" that was published on the Official Gazette on 30 December 2003 effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira In accordance with the law in question, cumulative inflation rate for the last 36 months, and inflation rate for the last 12 months must exceed (TURKSTAT PPI-Producer Price Index increase rate) 100% and 10% respectively. Since these conditions in question were not fulfilled in 2009 and 2008, no inflation adjustment was performed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 15th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

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

Exemption for dividend income

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

Investment Allowance Exception

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

	1 January - 31 December 2009	1 January - 31 December 2008
- Current period corporate tax	(3,774,096)	(3,251,755)
- Deferred tax income/expense	1,775,703	(56,169)
Total tax expense	**(1,998,393)**	**(3,307,924)**

	1 January - 31 December 2009	1 January - 31 December 2008
Income before tax	**(3,290,669)**	**21,312,654**
Corporate tax provision calculated with 20% tax rate (31 December 2008: 20%)	(658,134)	4,262,531
Non-deductible expenses	4,515,217	1,587,407
Non-taxable income	(1,873,634)	(2,959,410)
Non-deductible expenses base for deferred tax	14,944	417,396
Total tax provision	**1,998,393**	**3,307,924**

Notes

b) Deferred tax assets and liabilities:

The Company calculates deferred tax assets and liabilities based on temporary differences between the financials prepared in accordance with the CMB Communiqué No: XI-29 and financial statements prepared according to the Turkish tax legislation. Deferred income taxes are calculated using a principal tax rate of 20% (2008: 20%) on temporary differences that are expected to be realized or settled in the following periods.

Details of the cumulative temporary differences and deferred tax assets and liabilities calculated by the current tax rate as of 31 December 2009 are as follows;

	Cumulative Temporary Differences		Deferred Tax Assets /(Liabilities)	
	31 December 2009	**31 December 2008**	**31 December 2009**	**31 December 2008**
Deferred Tax Assets				
Net difference between the tax base and carrying value of inventories	3,528,009	4,410,573	705,602	882,115
Provision for doubtful receivables	606,085	773,066	121,217	154,613
Deferred credit finance expense	341,967	1,065,521	68,393	213,104
Expense accruals	19,054,662	18,198,983	3,810,932	3,639,796
	23,530,723	**24,448,143**	**4,706,144**	**4,889,628**
Deferred Tax Liabilities				
Net difference between the tax base and the carrying value of property, plant and equipment	11,165,786	14,023,093	2,233,157	2,804,619
Construction type contracts income accruals	217,800	6,524,238	43,560	1,304,848
Other income accruals	16,527	648,709	3,305	129,742
	11,400,113	**21,196,040**	**2,280,022**	**4,239,209**
Net Deferred Tax Assets	**12,130,610**	**3,252,103**	**2,426,122**	**650,419**

	1 January 2009	**Charged to income statement**	**31 December 2009**
Deferred Tax Assets	**4,889,628**	**(183,484)**	**4,706,144**
Net difference between the tax base and carrying value of inventories	882,115	(176,513)	705,602
Provision for doubtful receivables	154,613	(33,396)	121,217
Deferred credit finance expense	213,104	(144,711)	68,393
Expense accruals	3,639,796	171,136	3,810,932
Deferred Tax Liabilities	**4,239,209**	**(1,959,187)**	**2,280,022**
Net difference between the tax base and the carrying value of property, plant and equipment	2,804,619	(571,462)	2,233,157
Construction type contracts income accruals	1,304,848	(1,261,288)	43,560
Other income accruals	129,742	(126,437)	3,305
Net Deferred Tax Assets	**650,419**	**1,775,703**	**2,426,122**

NOTE 36 - EARNINGS PER SHARE

	1 January - 31 December 2009	**1 January - 31 December 2008**
Net profit for the period (TL)	(5,289,062)	18,004,730
Number of shares with a nominal value TL0.10 each	1,122,336,520	1,122,336,520
Earnings per share (TL)	**(0.005)**	**0.016**

Notes

NOTE 37 - RELATED PARTY DISCLOSURES

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

	31 December 2009	31 December 2008
Due from group companies	3,615,084	6,591,807
Due from personnel	198,501	175,635
Due from related parties	**3,813,585**	**6,767,442**
Due to group companies	4,571,484	5,744,155
Due to shareholders	10,832	9,132
Due to related parties	**4,582,316**	**5,753,287**

a) Due from group companies:

	31 December 2009	31 December 2008
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	1,868,293	5,117,896
Prysmian Kabel und Systeme GmbH	1,035,069	979,279
Prysmian Telecom Cables & Systems UK Ltd.	453,619	245,426
Due from Other Group Companies	258,103	249,206
TOTAL	**3,615,084**	**6,591,807**

b) Due to group companies:

	31 December 2009	31 December 2008
Prysmian Cavi e Sistemi Energia S.r.l.	3,268,593	3,252,727
Prysmian Cavi e Sistemi Telecom S.r.l.	546,896	620,110
Prysmian Cavi e Sistemi Energia Italia S.r.l.	317,697	537,614
Prysmian Metals Ltd.	251,443	-
Fibre Ottiche Sud - F.O.S. S.r.l.	-	752,851
Due to Other Group Companies	186,855	580,853
TOTAL	**4,571,484**	**5,744,155**

c) Due to shareholders:

	31 December 2009	31 December 2008
Dividends payable for 2008	2,057	-
Dividends from previous years	8,775	9,132
TOTAL	**10,832**	**9,132**

d) Sales to Group Companies:

Name	1 January - 31 December 2009	1 January - 31 December 2008
Prysmian Cavi e Sistemi Telecom Italia S.r.l.	30,232,056	52,419,231
Prysmian Kabel und Systeme GmbH	7,191,357	4,752,932
Prysmian Telecom Cables & Systems UK Ltd.	3,838,248	5,100,868
Sales to Other Group Companies	3,276,794	6,816,279
TOTAL	**44,538,455**	**69,089,310**

Notes

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

Foreign Purchases: (1 January - 31 December 2009)

Name	Raw Materials and Trade Goods	Service	Fixed Assets	TOTAL
Prysmian Metals Ltd.	36,006,998	-	-	36,006,998
Prysmian Cavi e Sistemi Energia S.r.l.	-	11,212,633	-	11,212,633
Fibre Ottiche Sud - F.O.S. S.r.l.	2,388,681	-	-	2,388,681
Prysmian Cavi e Sistemi Energia Italia S.r.l	3,265,089	-	-	3,265,089
Purchases from Other Group Companies	1,810,569	3,136,701	-	4,947,270
TOTAL	**43,471,337**	**14,349,334**	**-**	**57,820,671**

Foreign Purchases: (1 January - 31 December 2008)

Name	Raw Materials and Trade Goods	Service	Fixed Assets	TOTAL
Prysmian Metals Ltd.	50,785,481	-	-	50,785,481
Prysmian Cavi e Sistemi Energia S.r.l.	192,981	11,249,406	-	11,442,387
Prysmian Kabel und System GmbH	11,094,304	-	-	11,094,304
Eurelectric S.A.	4,210,679	-	-	4,210,679
Fibre Ottiche Sud - F.O.S. S.r.l.	3,939,261	-	-	3,939,261
Purchases from Other Group Companies	6,679,242	237,928	37,827	6,954,997
TOTAL	**76,901,948**	**11,487,334**	**37,827**	**88,427,109**

f) License expense paid to group companies:

	1 January - 31 December 2009	1 January - 31 December 2008
Prysmian Cavi e Sistemi Telecom S.r.l.	11,212,633	11,249,406
Prysmian Cavi e Sistemi Energia S.r.l.	2,444,580	2,659,968
TOTAL	**13,657,213**	**13,909,374**

g) Dividend income:

None (2008: None).

h) Remunerations to key management personnel:

	1 January - 31 December 2009	1 January - 31 December 2008
Short-term Benefits (Salaries, bonus payments, public housing, car, social security, health insurance, permit etc.)	1,621,048	2,197,057
Benefits After Severance (Prescribed payments will be made to key personnel after retirement etc.)	-	-
Other long-term Benefits (Provision for employment termination benefits, long term parts of the allowance provisions, long term bonus plans etc.)	64,333	131,019
Benefits Extended due to Employment Terminations (Severance, termination benefits and other legal amounts paid to redundant managers)	118,727	-
Share Based Payments	-	-
TOTAL	**1,804,108**	**2,328,076**

Notes

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

The table below summarizes the foreign currency position risk of the Company as at 31 December 2009 and 31 December 2008. Carrying values of foreign currency assets and liabilities of the Company are as follows:

FOREIGN EXCHANGE POSITION TABLE

	31 December 2009					31 December 2008				
	TL equivalent	**USD**	**EURO**	**GBP**	**CHF**	**TL equivalent**	**USD**	**EURO**	**GBP**	**CHF**
1. Trade receivables	57,975,316	20,390,635	12,615,377	8,428	-	70,790,983	25,507,053	15,043,095	5,660	-
2a. Monetary Financial Assets (including Cash, Banks accounts)	7,590,617	2,894,922	1,495,964	-	-	17,312,852	6,323,979	3,616,870	2,783	-
2b. Nonmonetary Financial Assets	-	-	-	-	-	-	-	-	-	-
3. Other	4,836,665	285,786	1,995,167	26,822	22,161	6,546,242	496,619	2,684,953	-	33,048
4. Current Assets (1+2+3)	**70,402,598**	**23,571,343**	**16,106,508**	**35,250**	**22,161**	**94,650,077**	**32,327,651**	**21,344,918**	**8,443**	**33,048**
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-
8. Fixed Assets (5+6+7)	-	-	-	-	-	-	-	-	-	-
9. TOTAL Assets (4+8)	**70,402,598**	**23,571,343**	**16,106,508**	**35,250**	**22,161**	**94,650,077**	**32,327,651**	**21,344,918**	**8,443**	**33,048**
10. Trade payables	68,882,420	41,503,185	2,781,369	21,062	-	102,854,203	61,702,520	4,203,782	334	33,048
11. Financial liabilities	-	-	-	-	-	-	-	-	-	-
12a. Other Monetary Liabilities	-	-	-	-	-	-	-	-	-	-
12b. Other Non-monetary Liabilities	-	-	-	-	-	-	-	-	-	-
13. Short-term Liabilities (10+11+12)	**68,882,420**	**41,503,185**	**2,781,369**	**21,062**	**-**	**102,854,203**	**61,702,520**	**4,203,782**	**334**	**33,048**
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-	-	-	-	-
16 a. Other Monetary Liabilities	12,820,739	3,562,415	3,408,340	-	22,161	13,145,614	4,493,017	2,937,113	-	-
16 b. Other Non-monetary Liabilities	-	-	-	-	-	-	-	-	-	-
17. Long-term Liabilities (14+15+16)	**12,820,739**	**3,562,415**	**3,408,340**	**-**	**22,161**	**13,145,614**	**4,493,017**	**2,937,113**	**-**	**-**
18. TOTAL Liabilities (13+17)	**81,703,159**	**45,065,600**	**6,189,709**	**21,062**	**22,161**	**115,999,817**	**66,195,537**	**7,140,895**	**334**	**33,048**
19. Net Asset / (Liability) Position of the Off-Balance-Sheet Foreign Exchange Based Derivatives (19a-19b)	**16,185,909**	**21,841,851**	**(7,694,000)**	**-**	**-**	**25,219,706**	**34,565,006**	**(12,576,334)**	**-**	**-**
19a. The Amount of the Asset Type Off-Balance-Sheet Foreign Exchange Based Derivatives (Note 39)	32,887,275	21,841,851	-	-	-	52,272,658	34,565,006	-	-	-
19b. The Amount of the Liability Type Off-Balance-Sheet Foreign Exchange Based Derivatives (Note 39)	16,701,366	-	7,694,000	-	-	27,052,953	-	12,576,334	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**4,885,348**	**347,594**	**2,222,799**	**14,188**	**-**	**3,869,966**	**697,120**	**1,627,689**	**8,109**	**-**
21. Net Foreign Exchange Asset / (Liability) Position of the Monetary Items (IFRS 7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(16,137,226)**	**(21,780,043)**	**7,921,632**	**(12,634)**	**(22,161)**	**(27,895,982)**	**(34,364,505)**	**11,519,070**	**8,109**	**(33,048)**
22. Total Fair Value of the Financial Instruments Used for the Foreign Exchange Hedge	**16,185,909**	**21,841,851**	**(7,694,000)**	**-**	**-**	**25,219,706**	**34,565,006**	**(12,576,334)**	**-**	**-**

	31 December 2009	**31 December 2008**
23. Total Exports (TL)	174,483,026	238,258,558
24. Total Imports (TL)	144,692,352	242,528,787
25. Hedging ratio of foreign currency position (%)	40%	45%

Notes

The Company is mainly exposed to currency risk arising from EURO, USD, GBP and CHF in the current period.

Sensitivity Analysis Table of Foreign Exchange Rate				
31 December 2009	**Profit/Loss**		**Shareholders' Equity**	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case that USD rate changes by 10%:				
1- USD net asset/liability	(3,269,288)	3,269,288	-	-
2- Portion protected from the USD foreign exchange risk (-)	3,288,728	(3,288,728)	-	-
3- USD Net Effect (1+2)	**19,439**	**(19,439)**	**-**	**-**
In case that EURO rate changes by 10%:				
4- EURO net asset/liability	2,135,889	(2,135,889)	-	-
5- Portion protected from the EURO foreign exchange risk (-)	(1,670,137)	1,670,137	-	-
6- Net EURO Effect (4+5)	**465,752**	**(465,752)**	**-**	**-**
In case that other foreign exchange rates change by 10%:				
7- Other net foreign exchange asset/liability	3,343	(3,343)	-	-
8- The part protected from the other foreign exchange rate risk (-)	-	-	-	-
9- Other Foreign Exchange Assets Net Effect (7+8)	**3,343**	**(3,343)**	**-**	**-**
TOTAL (3+6+9)	**488,535**	**(488,535)**	**-**	**-**

Sensitivity Analysis Table of Foreign Exchange Rate				
31 December 2008	**Profit/Loss**		**Shareholders' Equity**	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency	Appreciation of Foreign Currency	Depreciation of Foreign Currency
In case that USD rate changes by 10%:				
1- USD net asset/liability	(5,170,163)	5,170,163	-	-
2- Portion protected from the USD foreign exchange risk (-)	5,227,266	(5,227,266)	-	-
3- USD Net Effect (1+2)	**57,103**	**(57,103)**	**-**	**-**
In case that EURO rate changes by 10%:				
4- EURO net asset/liability	3,033,442	(3,033,442)	-	-
5- Portion protected from the EURO foreign exchange risk (-)	(2,705,295)	2,705,295	-	-
6- Net EURO Effect (4+5)	**328,147**	**(328,147)**	**-**	**-**
In case that other foreign exchange rates change by 10%:				
7- Other net foreign exchange asset/liability	1,747	(1,747)	-	-
8- The part protected from the other foreign exchange rate risk (-)	-	-	-	-
9- Other Foreign Exchange Assets Net Effect (7+8)	**1,747**	**(1,747)**	**-**	**-**
TOTAL (3+6+9)	**386,996**	**(386,996)**	**-**	**-**

Notes

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

The Fair Value of Financial Instruments

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

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, interpreting the fair values of financial instruments by evaluating the market information requires judgment. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company can realize in a current market exchange.

Foreign currency purchase agreement:

As of 31 December 2009, the Company has ongoing forward sale contracts amounting to EURO7,694,000 and ongoing forward purchase contracts amounting to USD21,841,851 and the related income amounting to TL503,272 is classified under *"Financial expense"*.

As of 31 December 2008, the Company has ongoing forward sale contracts amounting to EURO12,576,334 and ongoing forward purchase contracts amounting to USD34,565,006 and the related expense amounting to TL1,175,576 is classified under *"Financial expense"*.

NOTE 40 - SUBSEQUENT EVENTS

None (2008: None).

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

a) Tax Penalty Declarations related to 2002:

The Company received "Tax investigation report" and "Tax penalty declarations" from Mudanya tax administration at the date of 31 December 2007. In the mentioned tax investigation report, it was stated that there was irregularity related with purchasing from Ünipek Elektronik Mamulleri İmalat Sanayi ve Tic. Ltd. in 2002. Also it was concluded that Unipek Elektrolikit Bakır İm. Sanayi Tic. Ltd. Şti., a former supplier of the Company, did not pay the VAT on the invoices issued to the Company for the year ended 31 December 2002 and consequently the Company is joint liable to pay the VAT. Mudanya Tax Administration claims a VAT loss amounting to TL4,499,620 due to these invoices and a penalty amounting to TL4,499,620. The Company has total exposure amounting to TL9,025,240 in aggregate. The Company has filed a lawsuit for the cancellation of 'Tax penalty declarations' as of 29 January 2008.

Based on the above mentioned "Tax investigation report", a further "Tax penalty declaration" of TL1,157,864 has been presented to the Company as of 30 January 2008. The Company has filed a lawsuit for the cancellation of this "Tax penalty declaration" as of 31 January 2008.

Also, related with the tax penalties amounting to TL10,183,104 in the "Tax penalty declarations", Mudanya Tax Administration has levied and execution on the land registered address as Ömerbey Mahallesi section 32-34 Block 20 Mudanya on which the Company's facilities are located.

Lawsuit completed in favour of the Company and Tax Court decided to cancellation of tax loss and penalty amounting to TL10,183,104. However, Bursa Tax Administration requested for the appeal of the case to the upper court.

b) Tax Penalty Declarations related to 2003:

The Company received "Tax investigation report" from Bursa Tax Administration on 27 October 2008. In the mentioned tax investigation report, it was claimed that there were irregularities related with the purchases from Ünipek Elektronik Mamulleri İmalat Sanayi ve Tic. Ltd. Şti. performed in 2003. Although the Company had no wrong intention by the usage of the documents which cause the irregularities, Tax Administration claims a VAT loss amounting to TL3,295,493 in accordance with Article 30/4-6 of the Law on Tax Procedures numbered 213. Additionally, Tax Administration claims a tax loss for the correction of VAT amounting to TL4,976,933 in accordance with Articles 116-126 of the same law and it also claims a tax fine as one time of the VAT correction in accordance with Articles 341 and 344/1 of the Law on Tax Procedures. A specific irregularity fine amounting TL40,000 is also stated in the report. At 17 November 2008, Company received the mentioned tax fine declaration. According to the tax fine, in summary, the Company has total exposure amounting TL20,721,064 in aggregate which is as follows: Tax loss for the correction of VAT amounting to TL8,272,426, tax loss fine amounting to TL12,408,638 and TL40,000 as specific irregularity fine.

Notes

In respect to the mentioned tax investigation report, the Company demanded reconciliation before payment notification arrival and it was agreed to hold the reconciliation meeting on 13 November, Thursday by the Tax Administration. However, The Company cancelled the reconciliation request before payment notification with a written form to Revenues Administration Presidency Bursa Tax Administration Tax Audit Department on 11 November 2008 according to the following regulation: *"Before the agreed meeting date, the tax payer demanding reconciliation before assessment might inform in written form the parties preparing the report or the unit providing secretarial services to the commission that it has relinquished its demand. In such a case, operations are carried out as if the tax payer did not ask for reconciliation before assessment."* The result of the evaluations made after, decision of request for settlement has been taken and on 25 November 2008, required written application has been made to Ministry of Finance in Ankara.

Reconciliation meeting held on 13 May 2009 with Finance Revenue Administration Reconciliation Office, parties reached an agreement and reconciliation statement signed. According to the accrual documents declared to the Company by Mudanya Tax Office at 1 June 2009, Company obligated to pay total TL10,065,000 (TL3,067,250 tax, TL125,000 tax loss, and TL6,832,750 overdue interest and TL40,000 irregularity fine) related with the year 2003 as result of reconciliation meeting. The entire amount paid by the Company at 12 June 2009.

c) Tax Penalty Declarations related to 2004:

The Company received "Tax investigation report" from Bursa Tax Administration on 24 November 2009. In the mentioned tax investigation report, it was claimed that there were irregularities related with the purchases from Ünipek Elektronik Mamulleri İmalat Sanayi ve Tic. Ltd. Şti. performed in 2004. Although the Company had no wrong intention by the usage of the documents which cause the irregularities, Tax Administration claims a VAT loss amounting to TL6,919,166 in accordance with Article 30/4-6 of the Law on Tax Procedures numbered 213. Additionally, Tax Administration claims a tax loss for the correction of VAT amounting to TL4,313,900 in accordance with Articles 116-126 of the same law and it also claims a tax fine as one time of the VAT correction in accordance with Articles 341 and 344/1 of the Law on Tax Procedures. A specific irregularity fine amounting TL50,000 is also stated in the report. At 10 December 2009, Company received the mentioned tax fine declaration. According to the tax fine, in summary, the Company has total exposure amounting TL28,132,664 in aggregate which is as follows: Tax loss for the correction of VAT amounting to TL16,849,598, tax loss fine amounting to TL11,233,066 and TL50,000 as specific irregularity fine.

In respect to the mentioned tax investigation report, the Company demanded reconciliation before payment notification arrival and it was agreed to hold the reconciliation meeting on 8 December 2009, Thursday by the Tax Administration. However, The Company cancelled the reconciliation request before payment notification with a written form to Revenues Administration Presidency Bursa Tax Administration Tax Audit Department on 7 December 2009 according to the following regulation: *"Before the agreed meeting date, the tax payer demanding reconciliation before assessment might inform in written form the parties preparing the report or the unit providing secretarial services to the commission that it has relinquished its demand. In such a case, operations are carried out as if the tax payer did not ask for reconciliation before assessment."* The result of the evaluations made after, decision of request for settlement has been taken on 8 January 2010, and required written application has been made to Ministry of Finance in Ankara. The Company is waiting for the determination of the settlement date.

NOTE 42 - CONVENIENCE TRANSLATION INTO ENGLISH

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

Compliance Report

Türk Prysmian Kablo ve Sistemleri A.Ş.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

1. Observance Declaration Regarding Corporate Governance Principles

With its 45 years of experience in Turkey, Türk Prysmian Kablo ve Sistemleri A.Ş. is one of the prominent and most experienced companies in its sector. As from its establishment, together with its Board of Directors and Executive Management, it has adopted the corporate structure and governance principles in its relations with the Company's shareholders, and different stakeholders.

Activities are being performed to reshape the company's organization structure and the mode of management in accordance with the general rules specified in the Corporate Governance Principles of the Capital Market Board (CMB) issued in the resolution of the Capital Market Board dated July 4, 2003 and numbered 35 / 835.

Moreover, since Türk Prysmian Kablo ve Sistemleri A.Ş. is within the Prysmian Cables and Systems Group which has a world - wide network system and company activities, Türk Prysmian is subject to the corporate governance principles of the Prysmian Cables and Systems Group (PC&S).

The Company, at all times, carries out business in consciousness of its social responsibilities as regards to relations with the public, customers and suppliers and by adhering to ethical values of the business world, aims to enhance its studies and activities in this respect.

Turk Prysmian Cables and Systems, the leading company of the cable sector, which has been making contributions to the Turkish economy, has been the **23rd company** to be included in the prestigious **Corporate Governance Index of IMKB** which reflects the company's corporate value.

Derived from the research that was executed by SAHA Corporate Governance and Credit Rating Services Inc. (www.saharating.com) under the Corporate Governance Principles of Capital Markets Board (CMB), the company received the high grade requested for entering in such qualified companies' group **7,76 out of 10 (77.58%)**.

	Corporate Governance Rating of IMKB	
MAIN SECTIONS	**(Out of 10)**	**(%)**
Shareholders:	8.67	86.74%
Public Disclosue & Transparency:	7.87	78.67%
Stakeholders:	8.71	87.12%
Board of Directors:	6.12	61.19%
AVERAGE	**7.76**	**77.58**%

Turk Prysmian Cable, based on the Board Ruling number 4/100, related to **"Shareholders, Informing the Public and Transparency, Beneficiaries and Board Committee"** dated 07.02.2005, has been evaluated able to completely fit the requirements and, due to this positive recognition it had been listed as one of the 23 companies.

It is possible to see the whole Corporate Governence Report in our website **(www.prysmian.com.tr)** under the category of Investor Relations and the title Corparate Governance.

During the activity period ending as of 31 December 2009, the Company complied with the Corporate Governance Principles published by the Capital Market Board and conducted its activities by adopting these principles with the exception of the following;

- Representation of Minority shares in the Board of Directors

- Management of Cumulative Voting Rights

- Shareholders Relations Department

- Corporate Governance Committee

- Minimum Number of Independent Members in the Board

The particulars and grounds of non - compliance with the afore listed are clarified in the relevant sections of the report.

Governance Structure: Based on the main parts of the Corporate Governance Principles set out by the CMB, the works carried out by the company during the relevant period, along with other efforts and practices, are detailed herein below;

PART I - SHAREHOLDERS

2. Unit for the Relations with the Shareholders

To facilitate the follow-up of shareholder rights, the company operates a *"General Accounting & Investor Relations Service"* at its *"Administration & Control Department"*.

Inquiries in oral or written form addressed to this department, are replied as soon as possible, within the context of public information.

Compliance Report

3. Exercise of Rights By The Shareholders To Obtain Information

During the relevant period, we received requests from the shareholders as regards to information about conversion of share certificates, attendance in the General Assembly, distribution of dividends, transfer of shares, change of commercial title and payment terms of court cases. As such requests were generally made on the phone, statistically; it was not possible to quantify the requests and the responses given to such requests. In its relations with the shareholders and in general, with the finance community, the Company, being conscious of reciprocal roles, makes every endeavour at all times to establish active and transparent dialogue with its shareholders and corporate investors.

The investors can find information about our Company on the web site **www.prysmian.com.tr**; for further inquiries, they are directed to the following e-mail address, telephone and fax numbers:

E-mail: **tpks@prysmian.com**; Telephone No: (0224) 270 30 00; Fax No: (0224) 270 30 24

In the Company's Articles of Association, there is no reference permission given for appointment of an individual auditor; in fact, no demand was made during the activity period for appointment of a special auditor.

4. Information about the General Assembly

The General Assembly meets as an Ordinary and as an Extra-ordinary General Assembly. The Ordinary General Assembly may convene either in the Company's Head Office (Mudanya) or in İstanbul within a period of 3 months following the company's accounting period. These meetings can be observed by the stakeholders and press organs.

During the year 2009, the General Assemblies convened one time at the Company's Head Office, in the form of ordinary meeting (28 March 2009). The shareholders representing more than 83.75% of the shares attended to the said meetings.

The shareholders are invited to the General Assembly by indicating the place, the time and the agenda of the meeting, and also by advertisement. The invitation is effected at least 14 days before the meeting. The date of the invitation and the date of the meeting are not included in these 14 days. As a legal requirement, the invitation is made to the holders of registered shares by pre-paid registered mail. Moreover, the agenda of the meeting, copy of the proxy, and amended form of Company's Articles of Association (if any) are published in the Trade Registry Gazette, one of the newspapers with circulation all over Turkey and also, in a local newspaper.

No period is designated for registration in the shareholders' book by the holders of registered shares who will attend the General Assembly meeting. Within the frame of the preparations for the General Assembly, letters from Central Registry Agency (MKK), concerned bank and other intermediary organs showing blocking of share certificates, or certifying ownership status are requested 1 week before the date of the General Assembly meeting.

In the General Assembly meeting, the shareholders exercise the right to ask questions and to submit their recommendations. Such questions are answered by the company management, and the recommendations (if any) are taken into consideration as well.

As indicated in the Company's Articles of Association, the General Assembly is authorized to make the decisions indicated below:

- Acceptance of the Board of Directors' Report and the Auditor's Report,
- Review and approval of the Balance Sheet, Profit and Loss Account and the use of net profit and determination of profit share subject to distribution,
- Determination of number of Directors; and election, dismissal, removal re- election and remuneration of the same.
- Determination of number of auditors; and election and remuneration of the same.

Performance of the activities listed below requires prior or subsequent approval or acceptance of the General Assembly.

- Annual investment and finance plan prepared by the Board of Directors;
- Purchase and sale of real estate and mortgage of Company's real estate;
- Establishment of branches and partnerships (sub - branches), and acquisition or sale of participations;
- Starting to work in new production areas;
- Other businesses and transactions required in the Turkish Commercial Code.

The shareholders may have access to the minutes of the General Assembly meeting from the Company's Head Office, the Company's internet site **(www.prysmian.com.tr)** via the relevant links under the *"Investor Relations"* section and the internet site of KAP (Public Informing Project) System's web page **(www.kap.gov.tr)** as well as from the archives of Turkish Trade Registry Gazette retained at Bursa Trade Registry Office.

5. Voting and Minority Rights

None of the shareholders of Türk Prysmian Kablo ve Sistemleri A.Ş. has a preferential or privileged voting right; all the votes have the same weight. Minority rights are arranged according to the relevant provisions of the Turkish Commercial Code.

The shareholders may be represented in the General Assembly by other shareholders or by third parties. However, the regulations of the Capital Market Board as regards to voting by proxy are reserved.

The cumulative voting right in order to ensure representation of minorities in the Board of Directors is not included in the Company's Articles of Association. As a matter of fact, since there is not any general tendency about the use of cumulative voting rights in the practices of the companies, the risks or benefits of the said method could not be observed.

Compliance Report

6. Profit Distribution Policy and Profit Distribution Time

There is no privilege as regards to participation in the company's profit and **Profit Distribution Policy** as determined in the meeting of the Board of Directors dated 27 March 2007 is indicated below;

"The Board of Directors passes its resolutions relating to distribution of profit in the direction of Company's financial state, period profit and strategic targets. No real person is entitled to receive privileged share from the Company's distributable profit. Company's profit distribution policy aims distribution of 20% or higher portion of distributable profit as determined in the Ordinary General Assembly meeting. In case the periodical distributable profit remains less than 20% of the Company's paid-up capital, the Board may decide-in compliance with the applicable law- not to distribute any share from the profit.

It is aimed to pay the profit share in cash through the authorized banks and intermediary agencies within 60 days as of the Ordinary General Assembly meeting. Following this date, the Shareholders may apply to the Company's Head Office in order to collect their profit share. Company does not consider distribution of profit share in advance. Company aims to give donations to all kinds of social institutions, primarily to those located in the Company's territory, in such a manner not to exceed 1% of the profit base and in any case, to be subject to the approval of the General Assembly."

7. Transfer of Shares

There is no provision in the Company's Articles of Association restricting transfer of shares; provisions of Articles 416 - 418 of the Turkish Commercial Code are applied in case of any demand by a shareholder for transfer of whole or part of registered shares owned by him.

PART II - PUBLICITY AND TRANSPARENCY

8. Company's Disclosure Policy

Any and all kinds of communication with external sources regarding to Company's documents and information is performed - at all times in consultation with the CEO - by the Public Relations in respect of communications with the press, and by the Investor Relations Management as regards to corporate investors, competent authorities and shareholders.

The Company undertakes to ensure equal treatment for all categories of shareholders by avoiding any preferential treatment. With the exception of those considered as trade secrets, the Company responds all the questions pursuant to the equity and impartiality principles and ensures establishment of constant communication between the management and the shareholders in accordance with the existing legislation.

Disclosure policy is disclosed for the first time to public in the Company's activity report accompanied by Corporate Governance Report for the year 2004, as well as in the investor relations section of Internet site.

9. Declaration of Special Status

Number of Declarations Issued on Special Status during 2009: **38**

Number of Additional Declaration Requests made by the CMB and ISE: **None**

There is no sanction (written warning) applied by the Capital Market Board or İstanbul Stock Exchange Market's Board against failure to provide declaration on special status in time.

Since the company shares are not quoted abroad, no special status declaration has been made at a stock exchange, other than the İstanbul Stock Exchange.

10. Company's Internet Site and Its Content

The investors may have access to the relevant documents such as the Company's Annual Report and Ethical Code both in Turkish and in English on the web site **(www.prysmian.com.tr)**. Moreover, our Internet site under the following titles is presented to the attention of the investors.

- Trade registry information, latest status of partnership structure,
- Latest status of Board of Directors, Members of Auditors' Board and top level executives,
- Latest status of the Company's Articles of Association (AOA) and date / number of the Trade Registry Gazette where the amended form of the AOA is published,
- Annual Reports for the last seven years,
- Declaration of Special Status,
- Corporate Governance Observance Report,
- Attendance list, agenda and minutes of General Assembly meetings held during the last seven years,
- Proxy format, periodical financial tables and independent audit reports for the last seven years,
- Company Policies,
- Public offering explanations and circulars,
- News and frequently asked questions.

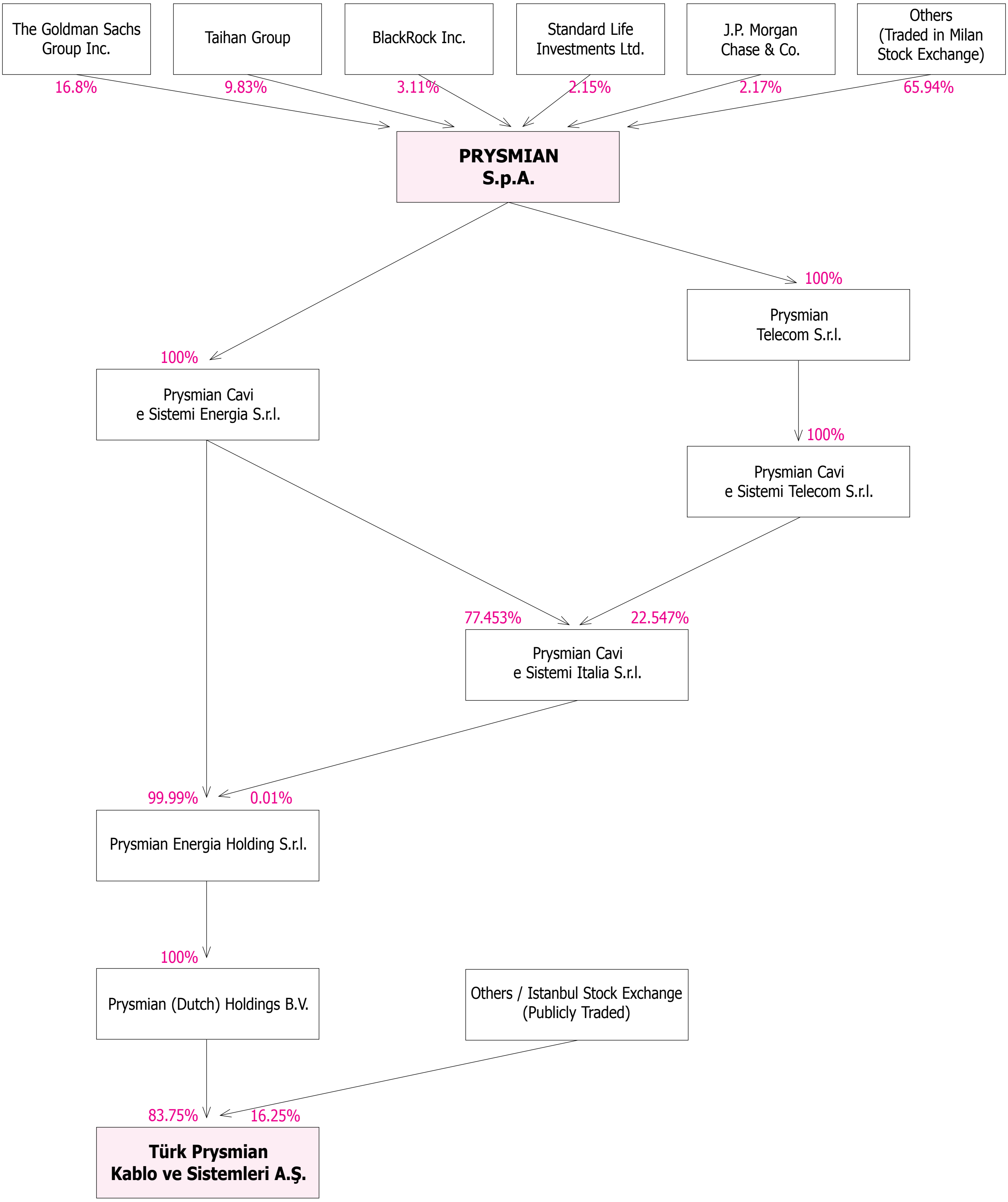
Due to inapplicability of the remaining provisions of clause 1.11.5 Section II of the Corporate Governance Principles of the Capital Market Board, they are not included in the Internet site.

Compliance Report

11. Disclosure of the Real Person Ultimate Dominant Shareholder(s)

There is no special status regarding the Company's real persons and owners which may affect the investors if disclosed to public. The real person ultimate dominant shareholder structure of our company is as follows:

THE STRUCTURE OF REAL PERSON ULTIMATE DOMINANT SHAREHOLDER(S) AS OF 31 DECEMBER 2009



Compliance Report

12. Disclosure of the Persons Having Potential for Insider Trading

None of the employees of Türk Prysmian Kablo ve Sistemleri A.Ş. is allowed to deal in purchase and sale of share certificates belonging to Türk Prysmian Kablo ve Sistemleri A.Ş. on the basis of the information obtained by virtue of office.

The names of the BOD Directors, Members of Auditors' Board and Top Level Executives are listed in the Company's Activity Report and Investor Relations Section of the Internet site.

The names of the persons having the potential for insider trading as of the date of the report are given herein below;

Mahmut Tayfun Anık	: Chairman of the Board of Directors & Member of Audit Committee
Valerio Battista	: Vice Chairman
Ennio Bernasconi	: Board Member
Pier Francesco Facchini	: Board Member & Member of Audit Committee
Francesco Fanciulli	: Board Member & CEO
Fabio Ignazio Romeo	: Board Member
Hikmet Türken	: The Board of Auditor
Raşit Yavuz	: The Board of Auditor
Hasan Özgür Demirdöven	: CFO
Halil İbrahim Kongur	: Factory Director
İbrahim Etem Bakaç	: Domestic and Export Sales Marketing Director
Faik Kürkçü	: Utilities and Contractors Sales Director
Erkan Aydoğdu	: Logistics Manager
Esat Baykal	: Quality Manager
İdris Çolakgil	: Information Technology Manager
Abdurrahman Güngör	: R&D and Quality Assurance Manager
Sabri Levent Özçengel	: Human Resources Manager
İlhan Öztürk	: Export Sales Manager
Law. Yiğit Türsoy	: Legal Affairs Manager
Okay Yıldız	: Technical Service Manager
Sevda Yücel	: Purchasing Manager
Anıl Kovalı	: Chief of General Accounting & Investor Relations Service
Haluk Erdem	: Tax Director / Partner (BDO - Denet Yönetim Danışmanlığı YMM A.Ş.)
Adem Kefelioğlu	: Tax Auditor (BDO - Denet Yönetim Danışmanlığı YMM A.Ş.)
Mustafa Aslan	: Tax Audit Assistant (BDO-Denet Yönetim Danışmanlığı YMM A.Ş.)
Harika Davutoğlu	: Tax Audit Assistant (BDO-Denet Yönetim Danışmanlığı YMM A.Ş.)
Zeynep Serin	: Tax Audit Assistant (BDO - Denet Yönetim Danışmanlığı YMM A.Ş.)
Coşkun Şen	: Partner (PwC - Başaran Nas Bağ. Den. & SMMM A.Ş.)
Cem Karakapıcı	: Senior Audit Manager (PwC - Başaran Nas Bağ. Den. & SMMM A.Ş.)
Hüseyin Gürsel	: Audit Assistant (PwC - Başaran Nas Bağ. Den. & SMMM A.Ş.)
Hazel Tiryaki	: Audit Assistant (PwC - Başaran Nas Bağ. Den. & SMMM A.Ş.)
Metin Zilan	: Audit Assistant (PwC - Başaran Nas Bağ. Den. & SMMM A.Ş.)
Mehmet Altındağ	: Consultant (Altındağ YMM Denetim ve Danışmanlık Ltd. Şti.)
Garip Ayaz	: Consultant (Altındağ YMM Denetim ve Danışmanlık Ltd. Şti.)
Numan Lokman Ketenci	: Partner (RSM - Kapital Karden Bağımsız Denetim ve Yeminli Müşavirlik A.Ş.)
Dr. Erdem Tüzgiray	: CPA - Expert (RSM - Kapital Karden Bağımsız Denetim ve Yeminli Müşavirlik A.Ş.)
Hafize Nazan Çekmeci	: Publisher (Net Ajans Reklam Tanıtım ve Yayıncılık Hizmetleri)
Süalp Çekmeci	: Designer (Net Ajans Reklam Tanıtım ve Yayıncılık Hizmetleri)
Law. Cüneyt Büyükyaka	: Lawyer (Büyükyaka Law Office)
Law. M. Ertürk Eras	: Lawyer
Law. Semih Erbay	: Lawyer
Law. Mehmet Küçük	: Lawyer (Küçük & Küçük Law Office)
Law. Mehmet Yaşar Nur	: Lawyer

Compliance Report

PART III - STAKEHOLDERS

13. Notification of Stakeholders Basic Management Principles

The basic management principles which regulate the relations between the Executive Management, shareholders, employees of the Company and third parties (customers, suppliers and any person or organization with which the company has relation) are indicated below.

Honesty: We make every endeavour to ensure strict adherence to the honesty principles in all our business activities and our relations with our clients, employees, shareholders and other companies, institutions and organizations.

Reliability: We furnish understandable, rational and correct information to our customers, shareholders and employees, and provide all the services as required by our undertakings.

Impartiality: We do not have sexual, religious, lingual, racial and ethnical prejudice against our customers, suppliers, employees and shareholders.

Observance: We respect all laws, legislations and standards.

Secrecy: Excluding the authorities designated by the law, we do not share with any person or organization the information relating to the transactions executed with respect of our Shareholders, customers, suppliers, employees and business partners.

Transparency: Excluding the information considered as trade secret and those not yet disclosed to public, we publicize all information whether of financial nature or not in the most accurate, complete, rational, interpretable and accessible manner according to the relevant legislation.

Social Responsibility: In our practices and investments, utmost attention is given to the particulars such as social benefits and improvement of our sector and conservation of reliability, as well as effective Company image and the activities are carried out in full respect to all the arrangements made protection of environment, consumer and public health. The stakeholders are notified through the Internet site and the İstanbul Stock Exchange by issuing special status declaration. Further to this announcement, the agenda of the General Assembly is informed to the attendants in the Trade Registry Gazzete and by registered mail; the decisions passed in the meeting are also published in the Trade Registry Gazzete in the most distinct and understandable manner. Moreover, information is given to the Capital Market Board (SPK) Ministry of Industry and Undersecreteriat of Treasury and application is made by the Company and the necessary permissions are obtained from the said authorities. The public announcements relating to the General Assembly meetings are made in one of the local and national newspapers. Additionally, the Company employees are notified through intranet system, general circulations by e-mail and annual presentation meetings.

Please see: Article 8 - Company's Disclosure Policy
Please see: PC&S Group Values and Ethical Code / Article 9 - Information

14. Participation of Stakeholders in the Management

Participation of stakeholders in the management is enabled in the General Assembly meetings according to the principles set out by the Capital Market Board for the shareholders; as to suppliers and customers, necessary arrangement is made in the meetings with the suppliers, customers and dealers, also paying visits to the same. With regards to employees, meetings are held at least two times a year to evaluate the Company's activities and to furnish information about the Company's targets and strategies and to receive feed back as well.

Moreover, by encouraging team work to develop work conduct procedures and processes undertaken by the Company's employees, special project groups are created.

15. Human Resources Policy

Human Resource policy is disclosed in the investor relations section of the Company's Internet site.

Please see: PC&S Group Values and Ethical Code / Article 6 - Human Resources

16. Information Regarding Relations with the Customers and Suppliers

Please see: PC&S Group Values and Ethical Code / Article 4 - Customers

17. Social Responsibility

Türk Prysmian Kablo ve Sistemleri A.Ş. is the holder of ISO 14001 Environment Management System certificate since 1997. The environmental affect of business activities, and the services purchased by our Company are determined within the frame of ISO 14001 Environment Management System and studies are carried out continuously for elimination or minimization of these affects. All of these studies are performed with the philosophy of continuous improvement and in full compliance with the Türk Prysmian Kablo ve Sistemleri A.Ş. Environment Policy defined by the top management.

The legal obligations relating to environment are followed and fulfilled at all times, without failure. Türk Prysmian Kablo ve Sistemleri A.Ş. holds all the legal permissions required in respect of environment. These permissions may be listed as Emission Permission, Opening License for the 1st Class Non - Sanitary Establishments and Provisional Storage Permission for hazardous refuses.

The activities carried out by Türk Prysmian Kablo ve Sistemleri A.Ş. are not within the scope of Environmental Affect Evaluation Regulations (EAER). There exists an official letter obtained from the Bursa Provincial Office / Environment and Forestry Directorate, in charge of environmental affairs, indicating that our Company is not subject to preliminary survey in respect of EAER.

No law suit has been filed against our Company for causing environmental pollution. Our company provides for the recycling (if applicable), or the disposal (if recycling is not applicable) of all of the wastes attributable to the Company in accordance with the related regulations within the scope of environmental legislation.

Compliance Report

Our Company performs its duties within the scope of social responsibilities by supporting social, cultural and various sporting activities in compliance with the principles set out by Prysmian Cables and Systems Group and also, by participating in and making contributions, both in cash and in rem, to the public institutions and organizations.

Please see: Article 13 - Notification of Stakeholders / Social responsibilities
Please see: PC&S Group Values and Ethical Code / Article 5 - Community - Article 7 - Environment

PART IV - BOARD OF DIRECTORS

18. Structure of the Board of Directors, its Formation, and Independent Members

In the Company's Articles of Association, it is expressly stated that the tasks and responsibilities of the Board of Directors are subject to the basic provisions defined pursuant to Turkish Commercial Code and the adaptations in the Company's Articles of Association. The formalities relating to appointment, re - election, qualification and replacement of the Board of Directors are performed according to the Company's Articles of Association and the provisions of Turkish Commercial Code.

Structure of the Board of Directors

POZITION	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT
Chairman	**Mahmut Tayfun Anık**		**X**	
Vice Chairman	**Valerio Battista**		**X**	
Board Member	**Ennio Bernasconi**		**X**	
Board Member	**Pier Francesco Facchini**		**X**	
Board Member	**Francesco Fanciulli**	**X**		
Board Member	**Fabio Ignazio Romeo**		**X**	

POZITION	MEMBERS	FIRST APPOINTMENT	LATEST APPOINTMENT
Chairman	**Mahmut Tayfun Anık**	27 July 2006	26 March 2009
Vice Chairman	**Valerio Battista**	28 March 2002	26 March 2009
Board Member	**Ennio Bernasconi**	27 July 2006	26 March 2009
Board Member	**Pier Francesco Facchini**	29 March 2007	26 March 2009
Board Member	**Francesco Fanciulli**	16 July 2009	16 July 2009
Board Member	**Fabio Ignazio Romeo**	22 August 2005	26 March 2009

As a result of the activities initiated for filling the vacancies in the Board of Directors upon the sudden resignation of the independent members on 26 July 2006; it was understood that the persuasion of independent members bearing the same qualifications to take office in the Board of Directors in the place of the members that resigned would not yield to any short - term healthy results; therefore, it was stipulated that the Board of Directors should continue to take office without independent members for a temporary period. Since the members are already registered in the cadre as the staff working in the Prysmian Group companies, they cannot work in another company as per the related Labour Law.

19. Characteristics of the Board Members

Age Profile of the Board Members;

AGE GROUP	18 - 30	31 - 40	41 - 50	51 - 60	61 - 65	66 - 70	71 & Over
Number of Persons	**-**	**1**	**3**	**2**	**-**	**-**	**-**

The Board of Directors is composed of members who have knowledge and ability to understand and analyze the financial tables, and legal know - how to conduct daily operations and the long term activities of the Company, which includes specialization in various fields in such a way to declare opinion relating to Company's management.

The Board Members are nominated among the persons with higher education and who have knowledge on the Company's field of activity and adequate experience gained through services in private sector.

The credentials required for the Board Members are not set out in the Company's Articles of Association.

20. Mission, Vision and Strategic Targets of the Company

Please see: PC&S Group Values and Ethical Code / Article 2 - Objectives and Values

Compliance Report

21. Risk Management and Internal Audit Mechanism

In order to ensure effective conduct of risk management, Risk Management Division has been put into operation as of 2002. This division developed processes for effective risk management applicable within the Company's body and Prysmian Cables and Systems Group and implemented projects in this context.

The internal audit system of the Company is organized in such a way to provide appropriate clarification on all the Company's activities and to ensure an adequate auditing system.

The responsibility regarding internal auditing system lies with the Board of Directors, and the Board of Directors, besides providing the major guidelines of the system, undertakes verification of sufficiency and effectiveness of the audit system.

The Audit Committee comprises of two Directors. Two Directors holding office in the Audit Committee are the persons who are not directly engaged in Company's activities and management. The Audit Committee meets regularly as indicated in the relevant communiqué of the Capital Market Board and the representative of the External Auditing Company may be invited to these meetings.

The aim of the Audit Committee is to provide assistance to the Board of Directors during fulfilment of long - term obligations as regards to accounting and finance reporting applications, policies and procedures, as well as evaluation of quality and risk management of Company's internal auditing systems.

The internal auditing and periodical audit activities ensure accomplishment of necessary controls to observe whether compliance with the procedures, policies and strategies is achieved or not. Apart from the audit functions of the Internal Audit Division, the Internal Audit Department of Prysmian Cables and Systems Group performs internal auditing of Türk Prysmian Kablo ve Sistemleri A.Ş., in addition to the auditing services rendered regularly by the External Audit Company.

Moreover, there is also a Planning and Control Division which presents detailed monthly reports to the Managing Director and Executive Management and provides useful and comprehensive information for the following specific activities.

Information regarding to relations with PWC, independent audit company: **http://www.pwc.com/tr**
and Information regarding to BDO, tax audit company: **http://www.denet.com.tr**

22. Authorities and Responsibilities of the Board Members and Executives

The Board of Directors performs the following tasks:

- Review and approval of strategic, corporate, industrial and financial plans,

- Delegation of necessary powers to the Managing Director, withdrawal of authorization, and determination of limits of authority as well as form and duration of authorization,

- Regular comparison of the results with the budgets, and by taking into account the information received from the Internal Audit Committee and Managing Director, and giving special attention to conflicts of interest, observation of general performance in this field,

- Passing of resolutions relating to immovable property, in kind,

- Issuance of share certificates and debentures,

- Establishment of partnerships in the newly incorporated or existing corporations and institutions,

- Review and approval of the transactions having economical and financial affect, or special influence on equity capital by showing due consideration to the transactions of the relevant parties,

- As organized by the Managing Director, verification of the organizational status and the adequacy of the administrative structure of the Company,

- Furnishing of information to the shareholders about the General Assembly meetings.

The powers and responsibilities of the Board of Directors are clearly defined in Article 10 of Articles of Association; as the powers and responsibilities conferred upon the Board of Directors may be subject to change at any time bound to dynamic structure of the Company and the business life, it is deemed necessary to detail the powers and responsibilities in the corporate signature circular.

23. Fundamentals Regarding To Activities of Board of Directors

The Board of Directors meets at least in quarterly periods. Unless otherwise is agreed, the Board Members are equipped with necessary documents and information within a reasonable time before the meeting in order to allow them to express their opinion about the issues subject to argument.

There is a Board Secretariat responsible for supply of information to the Board Members and establishment of communication with the directors. Although our Company has no reserve about inscription of the detailed and reasonable justification of negative vote and notification of company auditors and public opinion at times when different opinion is declared in the Board meeting and /or opposition is raised to the resolution passed by the Board; since such a situation was not encountered, no such application was effected.

Company pays careful attention to actual participation to Board Meetings on the matters specified in article 2.17.4 of section IV of the CMB corporate Governance Principles. Questions of the members raised during the meeting are reflected in the resolution. In order to ensure equal positioning among members, no member has been granted the right to veto or weighted vote.

Board of Directors has convened **20 times** during the year 2009.

Compliance Report

24. Restriction of Competition and Transactions With the Company

In the Ordinary General Assembly which takes place every year, the Board Members are liberated by our shareholders according to Articles 334 and 335 of the Turkish Commercial Code.

25. Ethical Code

A pyramid structure is adopted in our system in respect of applicable principles and procedures, and this system can be summarized as follows:

Ethical Code: These rules encompass the general principles - transparency, equity and loyalty - which form the business relations of the Company in every level. Our Company, with the belief that business ethics must be pursued alongside business success, carries out its internal and external transactions in accordance with the principles set out in this Code.

Internal Audit System: This system is a population of "instruments" with a view to reaching reasonably the targets regarding operational efficiency and effectiveness, reliability of financial and administrative information, observance to laws and legislation, and even protection of the Company's assets against possible fraud. The internal audit system which is based on common practices and defined within this frame, is applied to all corporate levels.

Lines of Conduct: The Lines of Conduct stipulate special rules concerning relations with the representatives of the Public Administration, and these rules classify good lines of conduct as "performable", and bad lines of conduct as "non-performable", and by this way, provide clear definition of major operational practices stipulated in the Ethical Principles.

Internal Executive Procedures and Policies of the Company: These items cover the main business areas as a natural extension of the internal audit system. Therefore, they determine the internal rules concerning the main activities of the Company.

Türk Prysmian determines organizational principles and intra-structure relating to employees and executives by adopting procedures and policies covering Personnel rights, Recruitments, Purchasing / Sales activities, Investments, Protection of Environment, Information Systems, Inventory, and Intellectual Property Rights.

All the procedures and policies are presented to the employees in the updated form on the intranet page of the Company.

Also, please see: PC&S Group Values and Ethical Code

26. Number and Structure of the Committees Formed Within Board of Directors and Liberty of Action

Title of the Committee	Number of Annual Meetings (Min.)	Number of Members	Number of Independent Members
Audit Committee	**4**	**2**	**-**

Members of Audit Committee: Mahmut Tayfun Anık, Pier Francesco Facchini.

The Corporate Governance Committee and other committees are not formed as of 31 December 2009. The company is carrying out its activities to form the corporate Governance Committee.

27. Financial Rights of the Board of Directors

The rights of the BOD Members are agreed upon in the General Assembly meeting; no award is considered in determination of financial rights of the BOD Members depending on their individual performance, or reflecting the performance of the Company.

There are no payments effected in favor of BOD Members and other executive bodies during the year 2009. During the period no debt has been granted to any members of the Board and Top Manager of the company, no credit has been utilized by them and none of them has used benefits through third persons as well as no guarantees in favor of them.

Chairman of the Board of Directors

Mahmut Tayfun ANIK

Prysmian Ethical Code

Türk Prysmian Kablo ve Sistemleri A.Ş.

ETHICAL CODE

Ethical business conduct is critical to our business and a shared responsibility of all members of the Prysmian Group. Each employee is responsible for protecting our most valuable asset - our reputation. This Code of Ethics (the "Code") applies to anyone conducting business on behalf of Prysmian or any of its subsidiaries, including but not limited to all managers, officers, employees, agents, representatives, lobbyists, interns, contractors, suppliers, and consultants ("Covered Parties"), and seeks to guide our legal and ethical responsibilities, to deter wrongdoing, and to promote:

• compliance with applicable laws, rules and regulations;

• honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

• the integrity of our financial information, which influences the decisions of management and our Board of Directors, as well as the ways in which the outside world perceives and evaluates us;

• full, fair, accurate, timely and understandable disclosure in reports and documents we file with or submit to government authorities and in other public communications; and

• accountability for adherence to this Code, including prompt internal reporting of any suspected violations.

To meet these objectives, this Code encourages Covered Parties to express any concerns they may have relating to corporate accountability. No discrimination or retaliation against any person who, in good faith, reports such concerns will be tolerated. Anyone who retaliates against an individual under such circumstances will be subject to disciplinary action, up to and including termination of employment.

All Covered Parties must read, understand, and adhere to this Code and all other applicable company policies. Violations of law, this Code or other Company policies or procedures can lead to disciplinary action, up to and including termination of employment and / or termination of business relations.

ARTICLE 1 - PREMISE

The Prysmian Group structures its own internal and external activities according to the principles set forth in this Code, with the conviction that ethics in the conduct of business activities must be pursued at the same time and with equal emphasis as the economic success of the business. The Prysmian Group is committed to conducting its business in accordance with the highest standards of ethical behaviour, complying with all applicable laws and regulations, avoiding even the appearance of unethical or illegal conduct.

ARTICLE 2 - OBJECTIVES AND VALUES

The primary objective of the Prysmian Group is to create value for the shareholders. Industrial and financial strategies and the resulting operative conduct, based on the efficient use of resources, are oriented to achieving this goal.

In pursuing this objective Prysmian Group Companies and all Covered Parties must unfailingly comply with the following principles:

• as active and responsible members of the communities in which we operate, we are committed to respecting all applicable laws wherever we do business, and to following all commonly accepted principles of business ethics, such as transparency, honesty and loyalty;

• we refuse to engage in any illegitimate, unfair, or in any way questionable behaviour (vis-à-vis the community, public authorities, customers, employees, investors and competitors) to achieve economic targets, which we pursue only through excellent performance, quality, competitive products and services, based on experience, customer care and innovation;

• we establish organizational controls designed to prevent Covered Parties from violating these requirements of lawfulness, transparency, honesty and loyalty, and supervise their observance and implementation;

• we impose consequences for any violations of these policies and principles;

• we maintain accurate books and records, and assure the investors and the community in general total transparency about our activities;

• we are committed to fair competition, which benefits us as well as all market operators, customers and stakeholders;

• we pursue excellence and competitiveness in the market place, offering quality services and products;

• we safeguard and enhance the value of all our employees;

• we respect the environment and use natural resources responsibly, with the goal of advancing sustainable development and protecting the rights of future generations.

Prysmian Ethical Code

ARTICLE 3 - SHAREHOLDERS

The Prysmian Group is committed to guaranteeing equal treatment to all classes of shareholders, and to avoiding preferential treatment of any class or company. We pursue the reciprocal benefits that derive from belonging to a group of companies while respecting all applicable laws and regulations and the independent interest of each Company as it seeks to create value.

ARTICLE 4 - CUSTOMERS

The excellence of the products and services offered by the Prysmian Group depends on customer care and the readiness to satisfy customer requirements. We therefore seek to assure an immediate, qualified and competent response to customer needs, through honesty, courtesy and cooperation.

ARTICLE 5 - COMMUNITIES

The Prysmian Group contributes to the economic welfare and growth of the communities in which it operates by delivering efficient and technologically advanced services. We are a citizen of each locality where we are established to do business, and like individual citizens, we have a responsibility to support the community. It is our goal to take part in projects to further the welfare of our local communities and thus be a good and contributing citizen.

Group Companies adhere to all applicable laws and regulations and maintain good relations with local, national and super-national Authorities, based on by full and active cooperation and on transparency. Consistent with these objectives and with the responsibilities they have assumed toward different stakeholders, Group Companies recognize research and innovation as priority conditions for growth and success.

Group Companies view favourably and, when necessary, support social, cultural and educational initiatives directed at enhancing the individual and improving his / her living conditions.

Group Companies do not disburse contributions, advantages or other conveniences or things of value to government officials (including employees of state-owned or controlled entities or enterprises), political parties or trade union organizations, nor to their representatives or candidates, except as permitted by applicable laws and by the provisions of this Code and other applicable Prysmian Group policies.

ARTICLE 6 - HUMAN RESOURCES

The Prysmian Group recognizes the central role of human resources; the professional contribution of employees, in a framework of mutual loyalty and trust, is the essential ingredient for success in every business concern.

Group Companies safeguard safety and health in working environments and consider the respect of worker rights fundamental to the carrying out of business activities. Employment contracts and Group policy guarantee equal opportunities and favor the professional growth of each individual.

ARTICLE 7 - ENVIRONMENT

The Prysmian Group believes in a global sustainable growth in the common interest of all stakeholders, present and future. Their investment and business choices are consequently fashioned to respect the environment and public health.

Without prejudice to compliance with specific enforce able regulations, Group Companies take environmental issues into consideration when defining their choices, also by adopting - if operationally and economically feasible eco-compatible production technologies and methods, with the objective of reducing the environmental impact of their activities.

ARTICLE 8 - ANTI-BRIBERY POLICY

Bribery of public officials is prohibited.

• No Covered Party may provide, either directly or indirectly, anything of value to any Public Official in order to obtain or retain business or to obtain an improper business advantage.

• The term "Public Official" is defined very broadly, and includes an employee of a government owned or controlled entity or a public international organization, any political party, any candidate for public office. Whenever dealing with entities or persons connected with a government entity, Prysmian employees shall comply with the principles set forth in this Code which govern our conducts and strictly adhere to the Prysmian policies and procedures.

Commercial bribery is prohibited.

• No Covered Party may provide, either directly or indirectly, anything of value to any person in order to obtain or retain business, confidential information, or an improper business advantage.

• No Covered Party may accept anything of value in exchange for awarding business, providing confidential information, or an improper business advantage.

Prysmian Ethical Code

The Anti-Bribery Policy requires adherence to other Group Policies and Procedures promulgated from time to time concerning.

• Offering, paying, or accepting gifts, courtesies, entertainment or travel expenses to, from, or on behalf of a Public Official or any supplier, customer, or competitor; and

• engaging consultants, agents, lobbyists, joint venture partners or other third parties.

ARTICLE 9 - INFORMATION - BOOKS AND RECORDS

The Prysmian Group are aware of the importance of correct information on their own activities for the investors and the community in general.

Consequently, to the extent compatible with the confidentiality requirements inherent in conducting a business, Group Companies strive for transparency in their relations with all stakeholders. In particular, Group Companies communicate with the investors according to principles of honesty, clarity and equal access to information.

Group Companies maintain books, records and accounts in reasonable detail to accurately and fairly reflect all of their transactions, and to retain relevant documentation in accordance with Group policies concerning record retention.

Group Companies and Covered Parties must never, under any circumstance, engage in inaccurate, false or misleading record keeping, even if one might reasonably believe the consequences of the inaccuracy would be harmless. This policy of full, fair, accurate and timely recording of information extends to time reports, expense reports and other personal Company records.

No false or artificial entries shall be made in the books and records of the Prysmian Group. No undisclosed or unrecorded funds may be established. "Off the books" payments are prohibited. No individual shall ever engage in any arrangement that results in a prohibited act.

ARTICLE 10 - EXPORT CONTROLS AND ECONOMIC SANCTIONS

It is the policy of the Prysmian Group to comply with all applicable export control laws. All Prysmian Group employees must comply with these laws. Under no circumstances are Prysmian Group employees permitted to make a transfer, export, re-export, sale, or disposal of any product, technical data or service contrary to applicable export control laws.

The Prysmian Group will comply with all applicable economic sanctions laws against certain entities and countries, including applicable economic sanctions imposed by the UN, the EU, the USA, and other jurisdictions in which the Prysmian Group conducts business.

ARTICLE 11 - OBSERVANCE OF CODE

All Group Companies, Corporate bodies, and Covered Parties must strictly adhere to this Code, to all applicable laws and regulations, and to all policies and procedures that the Group may promulgate from time to time to implement this Code.

The Prysmian Group is committed to implementing and enforcing specific procedures, regulations and instructions to ensure that all Group companies and Covered Parties adhere to the values and requirements set forth in this Code.

Violations of this Code, any of the implementing policies and procedures or other Group policies, or of any applicable law or regulation will be grounds for serious disciplinary action, including possible termination of employment and / or termination of business relations.

As part of its commitment to ethical and legal behaviour, the Prysmian Group requires Covered Parties to report any actual or apparent violations of law or this Code or ethical standards so that they can be investigated and dealt with appropriately. This obligation extends to any instance where one suspects, but is uncertain whether, a violation may be occurring.

Failure to comply with the duty to come forward is a violation of this Code and can result in serious disciplinary action, including possible termination of employment and / or termination of business relations. The Prysmian Group will investigate all reports made and will not tolerate any kind of retaliation for reports or complaints made in good faith.

All persons subject to this Code have a duty not only to report violations but also to cooperate fully in the investigation of any alleged violation. An employee may be subject to disciplinary action, which may include possible termination of employment, for failing to cooperate or deliberately providing false or misleading information during an investigation.

Türk Prysmian Kablo ve Sistemleri A.Ş.

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