

**Destek Finans Faktoring
Hizmetleri AŞ and Its Subsidiary**

Consolidated Financial Statements
As at and for the year ended 31 December 2010
With Independent Auditor's Report Thereon

Akis Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi

11 February 2011

*This report includes 1 pages of independent
auditors' report and 26 pages of consolidated
financial statements together with explanatory notes.*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Destek Finans Faktoring Hizmetleri AŞ
İstanbul

We have audited the accompanying consolidated balance sheet of Destek Finans Faktoring Hizmetleri AŞ ("the Company") and its subsidiary (together "the Group") as at 31 December 2010 and the related consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accompanying consolidated financial statements of the Group as at 31 December 2009 were audited by other auditors whose report thereon dated 14 April 2010 expressed an unqualified opinion on those consolidated statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Destek Finans Faktoring Hizmetleri AŞ and its subsidiary as at 31 December 2010, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

İstanbul,
11 February 2011

**DESTEK FİNANS FAKTORİNG HİZMETLERİ AŞ
AND ITS SUBSIDIARY**

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2010

(Amounts expressed in thousands of US Dollars)

ASSETS	Notes	2010	2009
CURRENT ASSETS			
Cash and cash equivalents	4	688	599
Factoring receivables (net)	5	153,664	109,636
Other receivables and other current assets	7	3,352	2,119
Total current assets		157,704	112,354
NON-CURRENT ASSETS			
Available for sale investments	8	9	9
Property and equipment (net)	9	1,814	2,039
Intangible assets (net)	10	622	250
Assets held for sale investments and assets related to discontinued operations	11	360	278
Total non-current assets		2,805	2,576
TOTAL ASSETS		160,509	114,930

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

**DESTEK FİNANS FAKTORİNG HİZMETLERİ AŞ
AND ITS SUBSIDIARY**

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER 2010

(Amounts expressed in thousands of US Dollars)

LIABILITIES AND EQUITY	Notes	2010	2009
CURRENT LIABILITIES			
Borrowings	12	98,984	64,319
Other payables and unearned income	13	5,405	3,319
Current tax liabilities (net)	14	576	654
Deferred tax liability	14	153	65
Total current liabilities		105,118	68,357
NON-CURRENT LIABILITIES			
Provision for employment termination benefits	15	59	50
Total non-current liabilities		59	50
STOCKHOLDERS' EQUITY			
Share capital	16	4,118	4,118
Legal reserves		1,557	1,557
Retained earnings		54,704	44,195
Cumulative translation adjustment		(5,093)	(3,394)
Equity attributable to equity holders of the parent		55,286	46,476
Minority interest		46	47
Total equity		55,332	46,523
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		160,509	114,930

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

**DESTEK FİNANS FAKTORİNG HİZMETLERİ AŞ
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CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in thousands of US Dollars)

	Notes	2010	2009
OPERATING INCOME			
Factoring interest income and other operational income		21,952	19,097
Commissions income		512	420
GROSS PROFIT		22,464	19,517
General administrative expenses (-)	17	(3,175)	(2,363)
Finance expenses (-) (net)	18	(6,942)	(3,789)
Other operating expenses (-) (net)	19	433	160
PROFIT BEFORE TAXATION		12,780	13,525
Taxation	14	(2,281)	(2,793)
NET PROFIT FOR THE YEAR		10,499	10,732
NET PROFIT ATTRIBUTABLE TO:			
Minority interest		(10)	(8)
Equity holders of the parent		10,509	10,740
		10,499	10,732

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

**DESTEK FİNANS FAKTORİNG HİZMETLERİ AŞ
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CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in thousands of US Dollars)

	Share Capital	Legal Reserves	Retained Earnings	Cumulative Translation Adjustment	Minority Interest	Total
Balances as at1 January 2009	4,118	1,557	33,455	(4,121)	39	35,048
Translation difference	--	--	--	727	--	727
Total income and expense for the year recognized directly in equity	--	--	--	727	--	727
Net profit for the year	--	--	10,740	--	(8)	10,732
Change in minority	--	--	--	--	16	16
Balances as at 31 December 2009	4,118	1,557	44,195	(3,394)	47	46,523
Translation difference	--	--	--	(1,699)	--	(1,699)
Total income and expense for the year recognized directly in equity	--	--	--	(1,699)	--	(1,699)
Net profit for the year	--	--	10,509	--	(10)	10,499
Change in minority	--	--	--	--	9	9
Balances as at 31 December 2010	4,118	1,557	54,704	(5,093)	46	55,332

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

**DESTEK FİNANS FAKTORİNG HİZMETLERİ AŞ
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010
(Amounts expressed in thousands of US Dollars)

	Notes	2010	2009
OPERATING ACTIVITIES			
Net income for the year		10,499	10,140
Depreciation for property and equipment	9	346	256
Amortization for intangible assets	10	161	100
Change in retirement pay provision	15	17	10
Cumulative translation adjustment		(1,107)	559
Allowance for doubtful receivables	5	615	1,122
Factoring receivables	5	(44,139)	(62,399)
Due from related parties	6	(1,720)	3,066
Other receivables and current assets	7	(1,232)	461
Other payables and unearned income	13	1,863	601
Due to related parties	6	839	270
Accrued taxation	14	1,689	3,385
Corporate tax paid	14	(1,977)	(2,406)
Retirement benefits paid	15	(1)	(18)
Net cash used in operating activities		(34,147)	(44,853)
INVESTING ACTIVITIES			
Purchases of property and equipment	9	(185)	(151)
Purchases of intangible assets	10	(536)	(273)
Effect of exchange difference on property and equipment and intangible assets		(71)	4
Available for sale assets and assets related to discontinued operations		--	(278)
Net cash used in investing activities		(792)	(698)
FINANCING ACTIVITIES			
Change in borrowings	12	35,020	41,140
Change in minority interest		9	16
Net cash provided from financing activities		35,029	41,156
Net (decrease)/increase in cash and cash equivalents		89	(4,395)
Cash and cash equivalents at the beginning of the year	4	599	4,994
Cash and cash equivalents at the end of the year	4	688	599

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

**DESTEK FİNANS FAKTORİNG HİZMETLERİ AŞ
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2010

(Amounts expressed in thousands of US Dollars)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Destek Finans Faktoring Hizmetleri AŞ (“the Company”) was incorporated in İstanbul on 18 July 1996, to provide factoring services to industrial and commercial firms. The Company is registered in Turkey.

The Company is engaged in recourse type of factoring transactions in which the Company does not assume the risk for the insolvency of the debtors. Accordingly, the Company may claim the repayment of the debts purchased from the customers in the event of debtors default.

Destek Vadeli İşlemler Aracılık AŞ has acquired the “Brokerage License for the Purchase and Sale of Derivative Instruments” from the Capital Markets Board in April 2008. On 12 September 2008 the firm’s membership to the “Turkish Derivatives Exchange” was accepted and the firm initiated its activity on 17 September 2008. Subsequently; on 20 November 2008 the Company merged with Destek Finansal Kiralama AŞ. Following the merger, the Company no longer has the authorization for financial leasing. The Company has acquired Portfolio Management licence from the Capital Markets Board on 2 September 2010. The Company’s legal name has changed to Destek Menkul Değerler AŞ (“Destek Menkul”) and this change was issued in the Trade Registry Gazette on 17 June 2010.

Destek Menkul Değerler AŞ is the subsidiary of the Company and its financial statements is consolidated in the accompanying financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a. Statement of Compliance

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

b. Basis of Presentation of Financial Statements

The Company maintains its books of account and prepares its statutory financial statements in accordance with Turkish commercial practice and tax regulations. Such financial statements are prepared in Turkish Lira, the currency of the country the Company is incorporated in and in which it operates. The accompanying consolidated financial statements are based on these statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with accounting principles generally accepted in the United States of America.

c. Consolidation

Destek Menkul is 98.24% owned subsidiary of the Company, and is included in the consolidated financial statements. All significant transactions and balances between parent and subsidiary company are eliminated upon consolidation.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS *(continued)*

d. Principles of translation of financial statements into US Dollar

Remeasurement of local currency denominated financial statements into US Dollar has been performed in accordance with the provisions of Statement of Financial Accounting Standards (“SFAS”) No 52 “Foreign Currency Translation”, as they relate to hyperinflationary economies. The objective of this remeasurement process is to produce the same results that would have been reported if the accounting records had been kept in US Dollar.

SFAS 52 defines a hyperinflationary economy as one that has cumulative inflation of approximately 100% or more over a three-year period. On 22 November 2005, American Institute of Certified Public Accountants (AICPA) International Practices Task Force in its highlights memorandum declared that Turkey will come off its highly inflationary status as of the first period beginning after 15 December 2005. Based on these considerations SFAS 52 has not been applied to the accompanying financial statements as at 31 December 2006 and further.

As at the balance sheet date, the year end rate used for presentation purposes for balance sheet items is 1 US Dollar=1.5460 TL (31 December 2009: 1 US Dollar=1.5057 TL). For income statement, the average rate used for 2010 is 1 US Dollar=1.4986 TL (31 December 2009: 1 US Dollar=1.5457 TL).

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of the accompanying financial statements are as follows:

a. Business Combinations

The Company’s subsidiary merged with Destek Finansal Kiralama AŞ, whose 99.87% shares belonged to Destek Finans Faktoring Hizmetleri AŞ, on November 2008. The merger was realized in accordance with Turkish Trade Act’s 451st and other decrees together with Corporate Tax Laws 18th, 19th and 20th decrees by means of dissolution without liquidation to the Company. This operation between businesses under common control is accounted for under the parent’s financial statements through the method of mergers.

b. Related Parties

For the purpose of the accompanying consolidated financial statements, shareholders of the Group, the other companies owned by them, their directors and key management personnel and other companies in the group to which they are known to be related, are considered and referred to as related parties.

c. Income and Expense Recognition

Interest and other income and expenses are recognized on an accrual basis, except for fees and commissions for factoring services rendered which are recognized as income when received. Income and expenses are recognized at fair value or amortized cost basis. For the purposes of convenience, certain income and expenses are recognized on a straight-line basis where that does not materially differ from fair value or the amortized cost method.

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3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d. Financial Instruments

The term financial instruments include both financial assets and financial liabilities. Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instruments. Financial instruments are fundamental to the Group's business and constitute the core element of its operations. The risks associated with financial instruments are significant component of the risks faced by the Group. Financial instruments create, modify or reduce the liquidity, credit and market risks of the Group's balance sheet.

Cash and Cash Equivalents

Cash and all highly liquid investments with a maturity of three months or less at the date of purchase, including cash on hand, demand deposits and short-term time deposits are classified in cash and cash equivalents.

Receivables

Receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows at initial recognition.

Financial Liabilities and Equity

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

Funds Borrowed

Bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Off Balance Sheet Commitments and Contingencies

The Group deals with off-balance sheet risks in the normal course of business such as letters of guarantee. The Group's exposure to credit losses arising from these instruments is represented by the contractual amount of those instruments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of US Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d. Financial Instruments *(continued)*

Fair Value Considerations

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value is best evidenced by a market price, being the amount obtainable from the sale or payable on the acquisition, of a financial instrument in an active market, if one exists.

Various financial instruments are accounted at amortized cost but disclosure is required of fair value for comparison purposes, wherever practicable.

For the financial assets and liabilities carried at amortized cost, the fair values are assumed not to differ significantly from cost as the profit shares applicable to those receivables are in line with the market rates due to the short-term nature of the items involved.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Balances with banks: the carrying amount is a reasonable estimate of fair value.

Factoring, leasing receivables and advances to the customers: The major portion of the due from financial activities is short-term and has pre-determined interest rates that are not subject to fluctuation at short notice in accordance with the prevailing interest rates in the market. Therefore, the management believes that the fair values of due from financing activities do not materially differ from their respective book values.

Funds borrowed: Borrowings are initially recognized at cost. After initial recognition, all liabilities are subsequently measured at amortized cost.

e. Factoring Receivables and Payables

Factoring receivables are recognized at original factored receivable amount, which represents the fair value of consideration given, and subsequently remeasured at amortized cost less reserve for factoring receivable losses. Factoring payables are recognized at original factored amount less advances extended against factoring receivables, interest and factoring commissions charged, and then carried at amortized cost.

The allowance for doubtful receivables is based on management's evaluation of the receivables, including such factors as the volume type of receivable outstanding, collateral obtained, past experience and economic conditions. Bad debt is written off during the year in which they are identified.

The factoring receivables of the Group are of a "with recourse" nature on which the Group does not assume the risk for the insolvency of the debtors. Accordingly, the Group may claim the repayment of the debts purchased from the customers in the event that the debtors default.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of US Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

f. Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under constructions, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes is estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

g. Intangible Assets

Intangible assets are amortized on a straight-line basis over estimated useful lives.

h. Valuation of Long-Lived Assets

Assets that have an indefinite useful life are tested annually for impairment in accordance with SFAS No. 144 (Accounting for the Impairment or Disposal of Long-Lived Assets). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

i. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of return on the remaining balance of the liability. Finance charges are directly charged to profit or loss, unless they are directly attributable to qualifying assets.

j. Borrowing Costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

k. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of obligation.

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(Amounts expressed in thousands of US Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

k. Provisions *(continued)*

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

l. Taxation and deferred income taxes

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

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

Current Tax

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

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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(Amounts expressed in thousands of US Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l. Taxation and deferred income taxes *(continued)*

Deferred Tax (continued)

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

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

m. Employment Termination Benefits

Under Turkish Law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. The total provision represents the vested benefit obligation as at the balance sheet date.

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

n. Offsetting

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

o. Use of Estimates

The consolidated financial statements of the Group are prepared in conformity with accounting principles generally accepted in the United States, which require the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Management believes that the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in making estimates actual results could differ from the original estimates, requiring adjustments to these balances in future periods.

p. Dividends

Dividends receivable are recognized as income in the period when they are declared and dividends payable are recognized as an appropriation of profit in the period in which they are declared.

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(Amounts expressed in thousands of US Dollars)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31 December 2010 and 31 December 2009 is as follows:

	2010	2009
Cash	1	1
Demand deposits	681	598
Time deposits	6	--
Cash and cash equivalents	688	599

Currency distribution of time deposits as at 31 December 2010 is as follows:

Currency	Interest Rate (%)	2010 FC Amount	2010 USD
TL	6.75%	10	6
Total			6

5. FACTORING RECEIVABLES (NET)

Factoring receivables (net) as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
Factoring receivables	153,080	108,941
Doubtful receivables	6,032	5,948
Allowance for doubtful receivables	(5,448)	(5,253)
Total	153,664	109,636

The allowance for doubtful receivables is based on management's evaluation of the receivables, including such factors as the volume type of receivable outstanding, collateral obtained, past experience and economic conditions. Bad debt is written off during the year in which they are identified.

The collaterals received in relation to factoring receivables are as follows:

	2010	2009
Cheques	38,082	29,507
Mortgages	6,565	8,239
Pledges of assets	676	232
Other	226	738
Total	45,549	38,716

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5. FACTORING RECEIVABLES (NET) (continued)

In evaluating the collectability of factoring receivables, the Group considers any possible changes in the credit quality of factoring receivables from the initial date until the balance sheet date. There is no credit risk consideration as the Group has a diversified customer portfolio. The Group believes that there is no additional doubtful receivable provision required for factoring receivables other than those already included in the accompanying consolidated financial statements. All collaterals presented by nominal values.

Movement in the allowance for doubtful receivables:

	2010	2009
Provisions at the beginning of year	5,253	4,493
Translation gain/loss	(147)	48
Charge for the year	615	1,122
Collection	(273)	(410)
Provision at the end of the year	5,448	5,253

The aging of doubtful receivables as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
Up to 90 days	--	--
90-180 days	238	--
180-360 days	21	816
Over 360 days	5,773	5,132
Total	6,032	5,948

6. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions and balances as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
<u>Due from related parties</u>		
Altunç Kumova	1,720	--
<u>Due to related parties</u>		
Altunç Kumova	2,691	1,852
<u>Interest income from related parties</u>		
Altunç Kumova	--	59
<u>Other expenses</u>		
Short term benefits for top management	248	78

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7. OTHER RECEIVABLES AND OTHER CURRENT ASSETS

Other receivables and other current assets as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
Receivables from Derivative Exchange Market	1,155	1,891
Prepaid expenses	165	33
Advances given	56	91
Other receivables	1,976	104
Total	3,352	2,119

8. AVAILABLE FOR SALE INVESTMENTS

The Group's shares in available for sale investments as at 31 December 2010 and 31 December 2009 are as follows:

Company	Share %	2010	Share %	2009
İstanbul Altın Rafinerisi	1<	9	1<	9
Emlak Bankası AŞ			1<	9
Impairment				(9)
Total		9		9

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9. PROPERTY AND EQUIPMENT (Net)

	Buildings	Vehicles	Furniture and fixtures	Leasehold Improvements	Other fixed assets	Total
<u>Tangible asset values</u>						
Balances as at 1 January 2009	2,440	422	363	82	274	3,581
Translation difference	11	--	2	1	1	15
Purchases	--	82	29	--	40	151
Disposals	--	(48)	(6)	--	--	(54)
Balances as at 31 December 2009	2,451	456	388	83	315	3,693
Translation difference	(64)	41	(11)	1	39	6
Purchases	--	115	56	--	14	185
Disposals	--	(172)	--	--	--	(172)
Balances as at 31 December 2010	2,387	440	433	84	368	3,712
<u>Accumulated depreciation</u>						
Balances as at 1 January 2009	679	314	182	82	178	1,435
Translation difference	6	1	8	1	1	17
Current depreciation	96	72	55	--	33	256
Disposals	--	(48)	(6)	--	--	(54)
Balances as at 31 December 2009	781	339	239	83	212	1,654
Translation difference	(29)	(12)	(7)	1	(6)	(53)
Current depreciation	243	75	11	--	17	346
Disposals	--	(49)	--	--	--	(49)
Balances as at 31 December 2010	995	353	243	84	223	1,898
Net book value as at 31 December 2009	1,670	117	149	--	103	2,039
Net book value as at 31 December 2010	1,392	87	190	--	145	1,814

The Group has given, the office in the Yapı Kredi Plaza, as a pledge amounting to USD 3,500,000.

The depreciation rates for property and equipment, which approximate the economic useful lives of such assets, are as follows:

	Useful lives
Buildings	25
Vehicles	5
Furniture and fixtures	5
Leasehold improvements	5

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10. INTANGIBLE ASSETS (Net)

	Rights	Other intangible assets	Total
<u>Intangible asset values</u>			
Balances as at 1 January 2009	95	64	159
Translation difference	--	1	1
Purchases	46	226	272
Balances as at 31 December 2009	141	291	432
Translation difference	(4)	(9)	(13)
Purchases	438	98	536
Balances as at 31 December 2010	575	380	955
<u>Accumulated depreciation</u>			
Balances as at 1 January 2009	31	49	80
Translation difference	--	2	2
Current depreciation	23	77	100
Balances as at 31 December 2009	54	128	182
Translation difference	(3)	(7)	(10)
Current depreciation	43	118	161
Balances as at 31 December 2010	94	239	333
Net book value as at 31 December 2009	87	163	250
Net book value as at 31 December 2010	481	141	622

11. ASSETS HELD FOR SALE

The Group owns buildings amounting to 360 USD (31 December 2009: 278 USD) which are held for sale.

12. BORROWINGS

Borrowings as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
Borrowings	98,696	63,964
Interest accrual	288	355
Total	98,984	64,319

Analysis of loan repayments is as follows:

	2010	2009
Due in 1 year	98,984	64,319
Total	98,984	64,319

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12. BORROWINGS (continued)

Currency distribution of borrowings as at 31 December 2010 and 31 December 2009 are as follows:

Currency	Interest Rate (%)	2010 FC Amount	2010 USD
TL	3.50%-9.41%	127,050	82,180
USD	3.62%-4.27%	5,001	5,001
EUR	4.20%-4.89%	8,904	11,803
Total			98,984

Currency	Interest Rate (%)	2009 FC Amount	2009 USD
TL	7.75%-8.40%	82,162	54,567
USD	5.54%-8.25%	8,248	8,248
EUR	7.50%	1,048	1,504
Total			64,319

13. OTHER PAYABLES AND UNEARNED INCOME

Other payables and unearned income as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
Payables to shareholders	2,691	1,852
Derivative transactions payables	2,320	1,190
Taxes and dues payable	--	151
Other payables	394	126
Total	5,405	3,319

14. TAXATION ON INCOME

	2010	2009
<u>Current tax liability</u>		
Current corporate tax provision	2,553	2,833
Less: Prepaid taxes and funds	(1,977)	(2,179)
Total	576	654
<u>Income tax expense</u>		
Current corporate tax	2,689	2,833
Deferred tax (benefit) / charge	(408)	(40)
Total	2,281	2,793

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14. TAXATION ON INCOME *(continued)*

Corporate tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the years and periods. Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective rate of tax in 2009 is 20% (31 December 2009: 20%).

In Turkey advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2010 is 20% (31 December 2009: 20%). Losses can be carried forward for offset against future taxable income for up to 5 years. However, losses cannot be carried back for offset against profits from previous periods.

Furthermore, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessment within five years.

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising from the differences between its financial statements as reported for US GAAP purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for US GAAP and tax purposes and are calculated over accounts like retirement pay provision and provision for doubtful receivables. Deferred taxation is calculated at a rate of 20 % (31 December 2009: 20%).

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14. TAXATION ON INCOME (continued)

Deferred tax (continued)

In Turkey, the companies cannot declare a consolidated tax return; therefore subsidiaries that have deferred tax assets position were not netted off against subsidiaries that have deferred tax liabilities position and disclosed separately.

	2010	2009
<u>Temporary differences subject to deferred tax:</u>		
Useful life differences on fixed assets	2,704	380
Retirement pay provision	(59)	(40)
Unused vacation provision	(16)	(10)
Carry forward tax loss	(217)	(206)
Revaluation fund under equity	615	--
Other	93	(7)
	3,120	117
Provision for deferred tax asset	217	206
Total	3,337	323

	2010	2009
<u>Components of deferred tax (assets)/liabilities</u>		
Useful life differences on fixed assets	117	76
Retirement pay provision	(12)	(8)
Unused vacation provision	(3)	(2)
Carry forward tax loss	(43)	(41)
Revaluation fund under equity	31	--
Other	20	(1)
	110	24
Provision for deferred tax asset	43	41
Total	153	65

Movement of deferred tax (assets)/ liabilities as at 31 December 2010 and 31 December 2009 are as follows:

	2010	2009
Opening balance as at 1 January	65	272
Taxation charge/(benefit) on deferred tax	(408)	(40)
Revaluation fund under equity	(92)	--
Translation gain	588	(167)
Closing balance as at 31 December	153	65

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15. PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

The provision has been calculated by estimating the present value of the future probable obligation of the Group and its subsidiaries registered in Turkey arising from the retirement of employees. US GAAP requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability.

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. Consequently, in the accompanying financial statements as at 31 December 2010, the provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees. The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5.1% and a discount rate of 10%, resulting a real discount rate of approximately 4.66% (The provisions at 31 December 2009 have been calculated assuming an annual inflation rate of 4.8% and a discount rate of 11%, resulting in a real discount rate of approximately 5.92%).

	2010	2009
Provision at 1 January	50	59
Translation gain/loss	(7)	(1)
Provision for the year	17	10
Retirement pay provision paid	(1)	(18)
Provision at 31 December	59	50

16. CAPITAL AND LEGAL RESERVES

As at 31 December 2010 and 31 December 2009 the share capital is held as follows:

Shareholders	%	2010	%	2009
Altunç Kumova	99.99	4,117	99.99	4,117
Other	0.01	1	0.01	1
Total	100	4,118	100	4,118

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

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17. GENERAL ADMINISTRATIVE EXPENSES

	2010	2009
Personnel expenses	(1,312)	(1,093)
Amortization and depreciation expenses	(507)	(356)
Travelling expenses	(236)	(162)
Consulting expenses	(216)	(241)
Office expenses	(206)	(130)
Transportation and communication expenses	(184)	(129)
Advertisement expenses	(129)	(5)
Rent expenses	(67)	(9)
Insurance expenses	(19)	(16)
Maintenance expenses	(16)	--
Other expenses	(283)	(222)
Total	(3,175)	(2,363)

18. FINANCE EXPENSES (NET)

	2010	2009
Borrowing costs (-)	(6,279)	(3,862)
Foreign exchange (loss)/gain (net)	(666)	54
Interest income	3	19
Total	(6,942)	(3,789)

19. OTHER OPERATING INCOME/EXPENSES (NET)

	2010	2009
Provision expenses	(616)	(1,122)
Other income/(expenses) (net)	1,049	1,282
Total	433	160

20. COMMITMENT AND CONTINGENCIES

	2010	2009
Mortgages	6,565	3,750
Pledges given	676	3,844
Total	7,241	7,594

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21. RISK MANAGEMENT

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

	2010	2009
<u>Financial assets</u>		
Cash and cash equivalents	688	599
Factoring receivables	153,664	109,636
<u>Financial liabilities</u>		
Borrowings	98,984	64,319

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the group's financial performance.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are supplemented by sensitivity analysis, and stress scenario analysis.

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

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is disclosed in Note 22.

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21. RISK MANAGEMENT *(continued)*

Foreign currency sensitivity

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the TL and Euro.

The Group's sensitivity to a 15% increase and decrease in the US Dollar against the relevant foreign currencies is 37,222 US Dollar. 15% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 15% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates a decrease in profit or loss and other equity where the US Dollar strengthens against the relevant currency.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The effect of a 100 basis increase in interest rates is 162 US Dollar increase in income statement.

Credit risk

The Group's credit risk is primarily attributable to its factoring receivables. Factoring receivables presented in the balance sheet are net-off allowances for doubtful receivables, estimated by the Group's management based on prior experience and the current environment.

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21. RISK MANAGEMENT (continued)

Credit risk (continued)

The concentration of the Group's domestic factoring and export factoring receivables to industry is as follows:

	31 December 2010 ('000) USD	31 December 2009 ('000) USD
Textile	20.86	18.04
Construction	11.52	9.02
Agricultural and forestry products & chemicals	6.99	2.48
Nutriment	6.46	8.32
Automotive	5.01	3.26
Wood products	4.17	23.67
Metal	3.09	4.34
Electrical equipment	1.89	3.36
Paper and paper products	1.31	1.39
Tourism	0.43	4.08
Transportation	0.12	9.52
Other	38.15	12.52
Total	100	100

22. FOREIGN CURRENCY POSITION

31 December 2010	TL	USD	EUR	Total
ASSETS				
Cash and cash equivalents	185	503	--	688
Factoring receivables	149,380	4,284	--	153,664
Available for sale investments	9	--	--	9
Property, plant and equipment (net)	1,814	--	--	1,814
Intangible assets (net)	622	--	--	622
Available for sale assets and assets related to discontinued operations	360	--	--	360
Other receivables and current assets	3,213	93	46	3,352
Total	155,583	4,880	46	160,509
LIABILITIES				
Borrowings	(82,181)	(5,000)	(11,803)	(98,984)
Current tax liabilities (net)	(576)	--	--	(576)
Deferred tax liability	(153)	--	--	(153)
Other payables and unearned income	(5,405)	--	--	(5,405)
Provision for employment termination benefits	(59)	--	--	(59)
Total equity	(55,332)	--	--	(55,332)
Total	(143,706)	(5,000)	(11,803)	(160,509)
Net foreign currency position	11,876	(120)	(11,756)	--

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22. FOREIGN CURRENCY POSITION (continued)

31 December 2009	TL	USD	EUR	Total
ASSETS				
Cash and cash equivalents	17	575	7	599
Factoring receivables	109,636	--	--	109,636
Available for sale investments	9	--	--	9
Property, plant and equipment (net)	2,039	--	--	2,039
Intangible assets (net)	250	--	--	250
Available for sale assets and assets related to discontinued operations	278	--	--	278
Other receivables and current assets	2,119	--	--	2,119
Total	114,348	575	7	114,930
LIABILITIES				
Borrowings	(54,569)	(8,247)	(1,503)	(64,319)
Current tax liabilities (net)	(654)	--	--	(654)
Deferred tax liability	(657)	--	--	(657)
Other payables and unearned income	(3,319)	--	--	(3,319)
Provision for employment termination benefits	(50)	--	--	(50)
Total equity	(45,931)	--	--	(45,931)
Total	(105,180)	(8,247)	(1,503)	(114,930)
Net foreign currency position	9,168	(7,672)	(1,496)	--

23. SUBSEQUENT EVENTS

None.