

PETROL OFİSİ A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 MARCH 2009

(Translated into English from
the Original Turkish Report)

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PETROL OFİSİ A.Ş.**CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2009**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

		Current Period	Prior Period
	Notes	March 31, 2009	December 31, 2008
			(restated)
ASSETS			
Current Assets		3.825.797.176	3.382.641.971
Cash and Cash Equivalents	6	1.969.798.899	1.535.732.285
Financial Instruments	7	135.908.052	104.937.763
Trade Receivables	10	821.475.087	824.837.441
<i>Other Trade Receivables</i>	10	<i>818.624.810</i>	<i>822.043.263</i>
<i>Due from Related Parties</i>	37	<i>2.850.277</i>	<i>2.794.178</i>
Other Receivables	11	37.080.355	60.119.021
Inventories	13	749.999.177	779.647.973
Other Current Assets	26	111.535.607	77.367.488
Long Term Assets		3.663.126.424	3.552.446.928
Trade Receivables	10	11.198.771	6.464.094
Other Receivables	11	994.529	906.808
Financial Assets	7	135.892	135.892
Tangible Fixed Assets	18	1.281.485.780	1.218.531.916
Intangible Fixed Assets	19	40.892.787	8.658.935
Goodwill	20	2.230.454.638	2.230.454.638
Deferred Tax Assets	35	1.067.330	744.904
Other Long Term Assets	26	96.896.697	86.549.741
TOTAL ASSETS		7.488.923.600	6.935.088.899

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

PETROL OFİSİ A.Ş.**CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2009**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

		Current Period	Prior Period
	Note	March 31, 2009	December 31, 2008
	s		(restated)
LIABILITIES			
Short Term Liabilities		3.003.324.521	2.289.102.864
Financial Borrowings	8	213.803.097	130.391.967
Other Financial Liabilities	9	4.308.915	18.844.919
Trade Payables	10	2.263.998.291	1.696.574.277
<i>Other Trade Payables</i>	10	<i>2.262.977.021</i>	<i>1.694.539.381</i>
<i>Due to Related Parties</i>	37	<i>1.021.270</i>	<i>2.034.896</i>
Other Payables	11	391.531.474	377.375.900
Current Tax Liability	35	850.750	759.625
Provisions	22	37.051.630	28.396.553
Other Short Term Liabilities	26	91.780.364	36.759.623
Long Term Liabilities		1.762.923.560	1.892.553.891
Financial Borrowings	8	921.209.557	853.112.442
Trade Payables	10	776.941.916	966.823.460
Other Payables	11	717.157	804.620
Provisions	22	2.164.415	2.008.360
Provisions for Employment Benefits	24	10.038.821	10.125.903
Deferred Tax Liabilities	35	51.838.338	59.664.698
Other Long Term Liabilities	26	13.356	14.408
SHAREHOLDERS' EQUITY		2.722.675.519	2.753.432.144
Parent Company Shareholders' Equity		2.715.032.809	2.747.035.667
Paid-in Capital	27	550.000.000	550.000.000
Inflation Adjustment of Capital	27	874.738.210	874.738.210
Additional Paid in Capital	27	247.461.598	247.461.598
Share Issue Premium		1.831.496	1.831.496
Currency Translation Reserve		360.875	164.996
Restricted Reserves Assorted from Profit	27	227.256.811	227.256.811
Retained Earnings	27	845.582.556	744.675.753
Net Profit for the Period		(32.198.737)	100.906.803
Minority Interest		7.642.710	6.396.477
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7.488.923.600	6.935.088.899

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

PETROL OFİSİ A.Ş.**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTH
INTERIM PERIOD ENDED MARCH 31, 2009**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

		Current Period	Prior Period
	Notes	January 1- March 31, 2009	January 1- March 31, 2008
CONTINUED OPERATIONS			
Sales Revenue (net)	28	2.920.362.689	3.393.350.554
Cost of Sales (-)	28	(2.653.975.358)	(3.181.182.776)
GROSS PROFIT / LOSS		266.387.331	212.167.778
Marketing, Sales and Distribution Expenses (-)	29	(73.844.504)	(77.372.752)
General Administration Expenses (-)	29	(21.982.202)	(19.613.218)
Other Operating Income	31	6.286.903	10.909.579
Other Operating Expenses (-)	31	(25.560.772)	(9.412.656)
OPERATING PROFIT / LOSS		151.286.756	116.678.731
Finance Income	32	259.358.197	106.095.016
Finance Expense (-)	33	(448.896.342)	(272.771.148)
PROFIT BEFORE TAXATION FROM CONTINUED OPERATIONS		(38.251.389)	(49.997.401)
Tax Income/Expenses From Continued Operations	35	7.298.035	9.165.418
- Current Tax Income/Expense		(850.750)	(570.106)
- Deferred Tax Income/Expense		8.148.785	9.735.524
PROFIT/LOSS FROM CONTINUED OPERATIONS		(30.953.354)	(40.831.983)
PROFIT/LOSS FOR THE PERIOD		(30.953.354)	(40.831.983)
Other comprehensive income			
Currency Translation Reserve		195.879	(83.190)
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period, net of tax		195.879	(83.190)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(30.757.475)	(40.915.173)
Distribution of Profit/Loss for the Period			
Minority Interest	27	1.245.383	205.640
Parent Company Share		(32.198.737)	(41.037.623)
Distribution of Total Comprehensive Income for the Period			
Minority Interest	27	1.245.383	205.640
Parent Company Share		(32.002.858)	(41.120.813)
Earnings Per Share	36	(0,059)	(0,075)

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

PETROL OFİSİ A.Ş.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED MARCH 31, 2009**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

	Capital	Inflation adjustment of Capital	Additional Paid-in Capital	Share Issue Premium	Restricted Reserves Assorted from Profit	Currency Translation Reserve	Retained Earnings	Period Profit / Loss	Parent Company Shareholders' Equity	Minority Interest	Total Shareholders' Equity
January 1, 2008	492.000.000	874.738.210	247.461.598	1.831.496	208.523.681	(36.497)	510.700.671	310.708.212	2.645.927.371	4.602.888	2.650.530.259
Transfers from retained earnings	-	-	-	-	-	-	310.708.212	(310.708.212)	-	-	-
Total comprehensive income for the period	-	-	-	-	-	(83.190)	-	(41.037.623)	(41.120.813)	205.640	(40.915.173)
March 31, 2008	492.000.000	874.738.210	247.461.598	1.831.496	208.523.681	(119.687)	821.408.883	(41.037.623)	2.604.806.558	4.808.528	2.609.615.086
January 1, 2009 (reported)	550.000.000	874.738.210	247.461.598	1.831.496	227.256.811	164.996	744.675.753	105.466.655	2.751.595.519	6.396.477	2.757.991.996
IFRIC 13 correction effect (Note 2.6)								(4.559.852)	(4.559.852)		(4.559.852)
January 1, 2009 (restated)	550.000.000	874.738.210	247.461.598	1.831.496	227.256.811	164.996	744.675.753	100.906.803	2.747.035.667	6.396.477	2.753.432.144
Transfers from retained earnings							100.906.803	(100.906.803)			
Minority's share in capital increase										850	850
Total comprehensive income for the period						195.879		(32.198.737)	(32.002.858)	1.245.383	(30.757.475)
March 31, 2009	550.000.000	874.738.210	247.461.598	1.831.496	227.256.811	360.875	845.582.556	(32.198.737)	2.715.032.809	7.642.710	2.722.675.519

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

PETROL OFİSİ A.Ş.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2009**

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

	Notes	January 1- March 31, 2009	January 1- March 31, 2008
Cash flows from operating activities			
Income before taxation		(38.251.389)	(49.997.401)
Adjustments to reconcile net income to net cash from operating activities:			
Amortization and depreciation	18,19	33.527.102	29.413.425
Increase in retirement pay provision	24	848.202	698.256
Interest (income)/expense – net	32,33	36.175.232	35.675.458
Loss on sale of fixed assets	31	(365.053)	306.432
Doubtful receivable provision – net	10	14.462.892	442.500
Deferred finance (income)/ expense – net	32,33	94.669	603.236
Change in fair value of derivative instruments	7	31.808.684	(3.103.754)
Provision for litigation and other provision		9.360.524	100.000
Accrued foreign exchange loss/(gain) on letter of credits and bank loans		65.235.948	78.900.972
Net cash before changes in operating assets and liabilities		152.896.811	93.039.124
(Increase)/ decrease in trade receivables		(15.929.884)	(98.702.971)
(Increase)/ decrease in other receivables	11	22.950.945	23.928.799
(Increase)/ decrease in inventories	13	29.648.796	26.191.953
(Increase)/ decrease in other current assets		(34.168.119)	(27.303.169)
(Increase)/ decrease in other long-term assets	26	(10.346.956)	2.098.826
Increase/ (decrease) in trade payables		373.865.401	158.055.584
(Decrease)/increase in other payables	11	14.068.111	(76.964.155)
Increase/ (decrease) in other short term liabilities		54.471.349	43.248.707
(Decrease)/increase in other long term borrowings	26	(1.050)	1.474.404
Retirement pay provision paid	24	(935.284)	(420.338)
Taxes and dues paid		(759.625)	(34.103.406)
Net cash provided by operating activities		585.760.495	110.543.358
Investing activities			
Purchase of tangible fixed assets and intangible assets	18, 19	(131.192.109)	(48.335.429)
Proceeds from sale of fixed assets		3.152.582	2.410.215
Net cash used in investing activities		(128.039.527)	(45.925.214)
Financing activities			
Repayment of borrowing		(19.701.466)	(130.937.721)
Proceeds from borrowing		148.304.207	477.368.167
Letter of credits paid in trade payables		(12.854.550)	(118.549.479)
Letter of credits received in trade payables		-	361.047
Finance lease payments		(3.715.124)	(3.621.254)
Interest (paid) / received – net		(59.705.177)	(56.050.308)
Minority's share in capital increase of subsidiaries		850	-
Change in deposits for derivative transactions (net)	7,9	(77.314.977)	(1.566.944)
Net cash (used in) / provided by financing activities		(24.986.237)	167.003.508
Currency translation differences		(114.360)	(83.190)
Net increase / (decrease) in cash and cash equivalents		432.620.371	231.538.462
Cash and cash equivalents at the beginning of the period		1.534.943.725	403.666.263
Cash and cash equivalents at the end of the period	6	1.967.564.096	635.204.725

Letters of credits that bear interest are classified under financing activities and letters of credits which do not bear interest are classified under trade payables. In 2008 the Company does not have any additions to property, plant and equipment which were financed by new finance leases (2008: TL 4.701.329) .

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

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE COMPANY

Petrol Ofisi A.Ş. (the “Company”) and its subsidiaries will be referred to as the “Group” for consolidated financial statements. The Company is engaged primarily in the supply and marketing of fuel from domestic and foreign markets, the organization of distribution and storing, the additional sales of refinery subsidiary products, the production of all types of grease and lubricants and their by-products, blending, the establishment of blending and production facilities, whole and retail sales, import and export. The activities of the Company’s subsidiaries are explained in detail below. The Group has 3.279 dealer stations (Petrol Ofisi: 2.979, Kipet: 86 Erk: 214), 1 lubricant blending plant, 10 fuel and 2 LPG terminal, and 35 aviation supply units. As of March 31, 2009, the number of personnel is 1.124 (December 31, 2008: 1.168).

The Company is registered in Turkey and the address of the registered office is as follows:

Eski Büyükdere Caddesi No: 37, 34398 Maslak, İstanbul

The shares of the Company are quoted to İstanbul Stock Exchange Market (ISE) since 1991.

The main shareholders of the Company are Doğan Şirketler Grubu Holding A.Ş. (“Doğan Holding”) and OMV Aktiengesellschaft (“OMV”). The shareholders’ detail as of the balance sheet dates is provided in Note 27.

Consolidated financial statements are authorized for issue by Board of Directors on February 24, 2009. General Assembly and related legal authorities have authority to amend statutory financial statements and these consolidated financial statements.

The subsidiaries (the “Subsidiaries”) of the Company and their nature of businesses are as follows:

Kıbrıs Türk Petrolleri Ltd. (“KIPET”) was established in 1974 in the Turkish Republic of Northern Cyprus and its primary operation is fuel distribution.

PO Petrofinance N.V. (“Petrofinance”) was founded in the Netherlands in 2002 in order to generate funds, borrow money and grant loans.

Erk Petrol Yatırımları A.Ş. (“ERK”), which was established in 2003 is engaged in the supply of fuel, petroleum products, LPG and similar products from domestic and foreign markets and their marketing, the organization of distribution and storing, the additional sales of refinery by-products, the production of all types of grease and lubricants and their by-products, blending, establishing blending and production facilities, whole-sales and retail sales, import and export.

PO Oil Financing Ltd. (“PO Oil Financing”), was founded in the Cayman Islands in 2004 in order to generate funds in international markets.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 1 – ORGANIZATION AND OPERATIONS OF THE COMPANY (cont’d)

Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. (“PO Alternatif Yakıtlar”), was established in Turkey in January 2005 for the purpose of operating in natural gas market, improving natural gas usage, exporting and importing of natural gas, liquidified natural gas and similar products, selling and distributing, organizing distribution, storing and modulation activities domestically and abroad.

Petrol Ofisi Gaz İletim A.Ş. (“PO Gaz İletim”), was established in Turkey in January 2005 for the purpose of functioning in natural gas market, supporting natural gas usage, transmission, filling and delivery in natural gas sector, preparing projects of transportation vehicles and plants, constructing them, operating them, making agreements with the companies active in natural gas sector in Turkey and carrying natural gas, storing and organizing activities for modulation domestically and abroad.

Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş. (“Akdeniz Rafinerisi”), was established in June 2007 for building a petroleum refinery in Ceyhan.

PO Georgia LLC (“PO Georgia”) was established in May 2007 in Georgia to provide services in aviation, to establish a fuel retail network and to provide support services in relation to fuel distribution activities.

Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi (“PO Arama Üretim”) has been established to perform exploration, production, development, transportation, marketing, sales activities and offshore and onshore operations of all kinds related but not limited to subsoil industrial raw materials including hydrocarbons, oil, associated and/or non-associated natural gas, carbon dioxide and coal bed in accordance with Petroleum Market Law numbered 6326 and the related legislation.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 2– BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of the presentation

The Company and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation. Subsidiaries operating in foreign countries maintain their books of account in the currencies of those countries and prepare their statutory financial statements in accordance with the legislation effective in those countries.

Capital Market Board (CMB) Decree No XI-29 “Capital Markets Financial Reporting Standards” provides principals and standards regarding the preparation and presentation of financial statements. This Decree became effective for periods beginning after 1 January 2008 and with its issuance Decree No XI-25 “Capital Markets Accounting Standards” was annulled. Based on this Decree, the companies are required to prepare their financial statements based on International Financial Reporting Standards (“IFRS”) as accepted by the European Union. However during the period in which the differences between the standards accepted by European Union and the standards issued by International Accounting Standards Board (“IASB”) are announced by Turkish Accounting Standards Board (“TASB”), IAS/ IFRS will be applied. In this scope, Turkish Accounting/ Financial Reporting Standards issued by TASB which do not contradict to the standards accepted will be adopted.

The accompanying consolidated financial statements have been prepared in accordance with IFRS and comply with CMB’s decree announced on 14 April 2008 regarding the format of the financial statements and footnotes since at the date of the issuance of these financial statements the differences of IAS/ IFRS accepted by the European Union are not declared by the TASB. The accompanying financial statements also comply with the disclosure format of “Nature And Level Of Risks Derived From Financial Instruments” as announced by CMB in the Weekly Bulletin dated 05.012009-09.01.2009 and numbered 2009/2

Presentation in Turkish Lira

Effective 1 January 2005, New Turkish Lira was defined as the new currency unit of Republic of Turkey, by omitting last six digits of Turkish Lira. Effective 1 January 2009, Council of Ministers legislated for the removal of “New” from the definition of the currency unit. Consequently, the functional and reporting currency, the financial statements as of March 2009 and the comparative figures are presented in TL, with 1 TRY = 1 TL ratio.

2.2 Preparation of Financial Statements in Hyperinflationary Periods

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

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

2.3 Consolidation

(i) *Subsidiaries*

Subsidiaries are companies in which the Company has power to control directly. Control power means that the benefits flow to the Company and that the Company has direct or indirect power to affect the financial and operating policies of the related companies. Subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases. Subsidiaries and proportion of ownership interest as of March 31, 2009 and December 31, 2008 are shown below:

Name	Proportion (%)	
	March 31, 2009	December 31, 2008
KIPET	52,00	52,00
Petrofinance	100,00	100,00
ERK	99,96	99,96
PO Oil Financing	100,00	100,00
PO Alternatif Yakıtlar	99,89	99,89
PO Gaz İletim	99,75	99,75
Akdeniz Rafinerisi	99,99	99,99
PO Georgia	100,00	100,00
PO Arama Üretim	99,96	-

(ii) *Eliminations*

All the intercompany transactions, balances between the Company and its Subsidiaries and all unrealized gains are eliminated in the consolidated financial statements. Unrealized losses from intercompany transactions, in the case of no evidence for decrease in value, have been eliminated by the method which is used for elimination of unrealized gains.

(iii) *Translation of foreign subsidiary financial statements*

The foreign subsidiaries maintain their books of accounts in accordance with the laws and regulations in force in the countries, in which they are registered and necessary adjustments and reclassifications made for the fair presentation in accordance with IFRS. The assets and liabilities of foreign subsidiaries are translated into Turkish Lira using the relevant foreign exchange rates prevailing at the balance sheet date. The incomes and expenses of the foreign subsidiaries are translated into Turkish Lira using average exchange rates for the period. Exchange differences arising from using period-end and average exchange rates are included in currency translation reserve under equity.

2.4 Comparative Information and Restatement of Prior Period Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classification of the financial statements is changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

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

2.5 Offsetting

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

2.6 Adoption of new and revised standards

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

IAS 1, “Presentation of financial statements” (Amendment)

The revised standard will prohibit the presentation of items of income and expenses (that is, ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. The revised standard gives preparers of financial statements the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income, or in two separate statements (a separate income statement followed by a statement of comprehensive income). Therefore, the Company elected to present the items of income and expenses and components of other comprehensive income in one statement format. The financial statements and notes are prepared in accordance with the revisions to the standard.

IFRS 8, “Operating segments”

IFRS 8 “Operating Segments” replaces IAS 14 “Segment Reporting”. This standard requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. This has not resulted in an increase in the number of reportable segments presented.

IFRIC 13, “Customer Loyalty Programs”

In accordance with IFRIC 13, an entity shall account for award credits as a separately identifiable component of the sales transactions in which they are granted (the ‘initial sale’). The fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the award credits and the other components of the sale.

In 2008, the Group has introduced the customer loyalty program, PO PO Card. Until 31 December 2008, the Group accounted for the obligation by providing for the estimated future costs of supplying the awards. Effective 1 January 2008, award credits are accounted for as a separately identifiable component of the sales transactions in which they are granted (the ‘initial sale’). The fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the award credits and the other components of the sale.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

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

2.6 Adoption of new and revised standards (cont’d)

First time application of IFRIC 13 is a change in accounting policy of the Group and this change has been applied retrospectively in accordance with IAS 8. The restatement of prior period financial statements are as follows:

	Reported	IFRIC 13	Restated
	31 December	Restatement	31 December
	2008	Effect	2008
Provisions	30.419.414	(2.022.861)	28.396.553
Other Short Term Liabilities	29.036.948	7.722.675	36.759.623
Deferred Tax Liabilities	60.804.660	(1.139.962)	59.664.698
SHAREHOLDERS’ EQUITY	2.757.991.996	(4.559.852)	2.753.432.144
Parent Company Shareholders’ Equity	2.751.595.519	(4.559.852)	2.747.035.667
Net Profit for the Period	105.466.655	(4.559.852)	100.906.803
	1 January –	UFRYK 13	1 January –
	31 December	Düzeltilme	31 December
	2008	Etkisi	2008
CONTINUED OPERATIONS			
Sales Revenue (net)	17.202.167.375	(5.699.814)	17.196.467.561
Deferred Tax Income/Expense	(9.861.499)	1.139.962	(8.721.537)
PROFIT/LOSS FROM CONTINUED OPERATIONS	107.262.339	(4.559.852)	102.702.487
			0
PROFIT/LOSS FOR THE PERIOD	107.262.339	(4.559.852)	102.702.487
Distribution of Profit/Loss for the Period			
Minority Interest	1.795.684	-	1.795.684
Parent Company Share	105.466.655	(4.559.852)	100.906.803
Earnings per share	0,192		0,183

Since the customer loyalty programme started on April 2008 no restatement has been made in the consolidated statement of income for the three month period ended March 31, 2008.

IAS 23, “(Amendment) Borrowing Costs”

To the extent that the borrowing costs relate to the acquisition, construction or production of a qualifying asset, The revised standard requires that they should be capitalized as part of the cost of that asset. The amendment eliminates the option to recognize all borrowing costs immediately as expense. The Group has adopted the accounting policy that borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. There are no capitalized borrowing costs in 2008.

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

2.6 Adoption of new and revised standards (cont’d)

There are not any significant changes in assets and liabilities of the Group except for the effects mentioned above. The comparative figures of 2008 are restated accordingly.

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

- IFRS 1 (Amendment), “First-time Adoption of International Financial Reporting Standards”
- IFRS 2 (Amendment), “Share-based Payment”
- IFRS 7 (Amendment), “Financial Instruments: Disclosures”
- IAS 32 (Amendment), “Financial Instruments: Presentation”
- IAS 39 (Amendment), “Financial Instruments: Recognition and Measurement”
- IFRIC 15, “Agreements for construction of real estates”
- IFRIC 16, “Hedges of a net investment in a foreign operation”

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

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

• IFRIC 17, “Distributions of non-cash assets to owners”	Effective for annual periods beginning on or after 1 July 2009
• IFRIC 18, “Transfers of Assets from Customers”	Effective for annual periods beginning on or after 1 July 2009
• IFRS 3, “Business Combinations” • IAS 27, “Consolidated and Separate Financial Statements” IAS 28, “Investments in Associates” • IAS 31 “Interests in Joint Ventures” Comprehensive Revision on Applying the Acquisition Method	Effective for annual periods beginning on or after 1 July 2009
• IAS 39, “Financial Instruments: Recognition and Measurement” Amendments for Eligible Hedged Items	Effective for annual periods beginning on or after 1 July 2009

IFRS 3, “Business Combinations”

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement.

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

2.6 Adoption of new and revised standards (cont’d)

IFRIC 17, “Distributions of non-cash assets to owners”

IFRIC 17 applies to all reciprocal non-cash distributions of assets by an entity to its owners, including the distributions that give owners a choice of receiving either non-cash assets or a cash alternative. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Group.

IFRIC 18 “Transfers of Assets From Customers”

The Interpretation clarifies the accounting for cash received from a customer that must be used only to acquire or construct the item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services. The adoption of the Interpretation in future periods will have no material impact on the financial statements of the Group.

IAS 39, “Financial Instruments: Recognition and Measurement” Amendments relating to hedging items

The amendment clarifies that inflation may only be hedged if changes in inflation are a contractually specified portion of cash flows of a recognised financial instrument.

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

2.7 Summary of Significant Accounting Policies

2.7.1 Revenue

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

Revenue from sale of goods is recognized when all the following conditions are satisfied:

- The Group transfers the significant risks and rewards of ownership of the goods to the buyer,
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow to the entity,
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Dividend revenue from investments is recognized when the shareholders’ rights to receive payment has been established.

Service income and other revenues are recognized on accrual basis at the fair value of the amount obtained or to be obtained based on the assumptions that delivery is realized, the income can be reliably determined and the inflow of the economic benefits related with the transaction to the Group is probable.

2.7.2 Inventories

Inventories are valued at the lower of cost or net realizable value. Cost elements included in inventories comprise all costs of materials purchased, labor and an appropriate amount for factory overheads. The cost of inventories is determined on a weighted average basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.3 Tangible Fixed Assets

Tangible fixed assets that are acquired before January 1, 2005 are carried at their restated cost as of December 31, 2004; and tangible fixed assets that are acquired after January 1, 2005 are carried at their cost after deducting accumulated depreciation and impairment.

Tangible fixed assets are depreciated principally on a straight-line basis. Land is not depreciated as it is deemed to have an indefinite life. The depreciation periods for tangible fixed assets, which approximate the useful lives of such assets, are as follows:

Buildings and land improvements	2-50 year
Machinery and equipment	2-20 year
Motor vehicles	4-5 year
Furniture and fixtures	2-50 year
Leasehold improvements	3-39 year
Other tangible assets	2-25 year

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Other tangible assets mainly consist of tanks, stations and station equipments.

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

2.7.4 Financial Leasing Transactions

Leases of tangible fixed assets where the Group has all the risks and rewards of ownership substantially are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Lease payments are treated as comprising capital and interest elements.

The capital element is treated as a reduction to the capitalized obligation under the lease. The interest element is charged to the statement of income. The tangible fixed assets acquired under finance leases are depreciated over the useful life of the asset.

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.5 Intangible assets

(i) *Goodwill and amortization*

Goodwill represents the difference between the purchased assets’ purchase cost and the fair value of the underlying net assets. Goodwill that is acquired before 31 March 2004 is capitalized and amortized using the straight-line method over the estimated useful life of 20 years until December 31, 2004. Due to the change in the accounting policies beginning from January 1, 2005, amortization for goodwill has been ceased. The net book value of goodwill is reviewed annually for impairment and if there are indications of impairment, an impairment charge should be recognized in the consolidated statements of income if recoverable amount is less than carrying amount.

For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

(ii) *Other intangible assets*

Other intangible assets that are acquired before January 1, 2005 are carried at their restated cost as of December 31, 2004; and intangible assets that are acquired after January 1, 2005 are carried at their cost after deducting accumulated depreciation and impairment.

Intangible assets other than goodwill comprise information systems, privileged rights and software. They are amortized on a straight-line basis over their estimated useful lives for the period of 5-20 years from the date of acquisition.

2.7.6 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the 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). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recorded in the income statement in the period in which they are incurred. There are no capitalized borrowing costs in 2008 and 2007.

2.7.8 Financial instruments

(i) Financial assets

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

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

Effective interest method

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

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

Financial assets at FVTPL

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

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(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.8 Financial instruments (cont’d)

(i) Financial assets (cont’d)

Held-to-maturity investments

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

Available-for-sale financial assets

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

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortized cost using the effective interest method less any impairment.

Impairment of financial assets

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

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(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.8 Financial instruments (cont'd)

(i) Financial assets (cont'd)

Impairment of financial assets (cont'd)

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

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

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

Cash and cash equivalents

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

(ii) Financial liabilities

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

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

Financial liabilities at FVTPL

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

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(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont'd)

2.7.8 Financial instruments (cont'd)

(ii) Financial liabilities (cont'd)

Other financial liabilities

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

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

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

(iii) Derivative financial instruments

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The Group uses various hedging instruments to preserve the value of its petroleum inventories and cargo imports, to ensure a constant flow of income, and to minimize adverse price movements.

2.7.9 Foreign currency transactions

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Company and its Turkish subsidiaries, transactions in currencies other than TL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on settlement and translation of foreign currency items are included in the statements of income.

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(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.9 Foreign currency transactions (cont’d)

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings,
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks,
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in TL using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group’s translation reserve. Such exchange differences are recognized in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7.10 Earnings per share

Earnings per share disclosed in the accompanying consolidated statement of income is determined by dividing net income by the weighted average number of shares in existence during the year concerned.

In Turkey, companies can raise their share capital by distributing “bonus shares” to shareholders from retained earnings. In computing earnings per share, such “bonus share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

2.7.11 Subsequent events

An explanation for any event between the balance sheet date and the publication date of the balance sheet, which has positive or negative effects on the Group (should any evidence come about events that were prior to the balance sheet date or should new events come about) will be explained in the relevant note.

The Group; restates its financial statements if such subsequent events arise.

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.12 Provisions, contingent liabilities, contingent assets

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine probability of outflow of economically beneficial assets. For contingent liabilities, when an outflow of resources embodying economic benefits are probable, provision is recognized for this contingent liability in the period when the probability has changed, except for cases where a reliable estimate cannot be made.

When the outflow of economic benefits from the Group is probable but the amount cannot be measured reliably, the Group discloses this fact in the notes.

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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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.

2.7.13 Change in accounting policies, accounting estimates and errors

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

2.7.14 Related parties

In consolidated financial statements, Doğan Holding and OMV groups, important personnel in management and board of directors, their family and controlled or dependent companies, participations and subsidiaries are all accepted and denoted as related parties (“Related Parties”).

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.15 Segmental information

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and if its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has chosen business segments as the Group’s primary segment reporting format based on the risks and returns on products produced and services rendered reflecting the primary source of the enterprise’s risks and returns. Geographical segments have not been disclosed in these consolidated financial statements as the secondary segment reporting format on the grounds of materiality as the operations of the Group in geographical areas other than Turkey are not reportable geographical segments individually when compared with the overall consolidated financial statements (Note 5).

2.7.16 Taxation and deferred tax

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

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

Current tax

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

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.16 Taxation and deferred tax (cont’d)

Deferred tax

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

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

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

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 Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

2.7 Summary of Significant Accounting Policies (cont’d)

2.7.17 Employment Benefits / Retirement pay provision

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) “Employee Benefits” (“IAS 19”).

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.

2.7.18 Statement of cash flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities.

Cash flows from operating activities reflect cash flows generated from petroleum products sales of the Group.

Cash flows from investment activities express cash used in investment activities (direct investments and financial investments) and cash flows generated from investment activities of the Group.

Cash flows relating to finance activities express sources of financial activities and payment schedules of the Group.

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

2.7.19 Share capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

2.8 Critical accounting judgments and key sources of estimation uncertainty

Critical judgments in applying the entity’s accounting policies and key sources of estimation uncertainty

In the process of applying the entity’s accounting policies as outlined in Note 2.7, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

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

2.8 Critical accounting judgments and key sources of estimation uncertainty

Net realizable value of inventories

As described at Note 2.7.2 above, inventories are stated at the lower of cost and net realizable value. Management has determined that the cost of the inventories is higher than their realizable value as of 31 December 2008. The impairment calculation requires management to estimate the future cash flows expected to arise from the sale of inventories and the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Based on the estimate made by the management the cost of inventories was reduced by TL 68.776.629 and the expense was recorded to cost of sales. As of 31 March 2009, based on the estimate made by the management the cost of inventories was reduced by TL 1.355.581 and the expense was recorded to cost of sales (Note 13).

Deferred taxes

Deferred tax assets and liabilities are recorded using substantially enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities. In the subsidiaries of the Group, there are deferred tax assets resulting from tax loss carry-forwards and deductible temporary differences, all of which could reduce taxable income in the future. Based on available evidence, both positive and negative, it is determined whether it is probable that all or a portion of the deferred tax assets will be realized. The main factors which are considered include future earnings potential; cumulative losses in recent years; history of loss carry-forwards and other tax assets expiring; the carry-forward period associated with the deferred tax assets; future reversals of existing taxable temporary differences; tax-planning strategies that would, if necessary, be implemented, and the nature of the income that can be used to realize the deferred tax asset. As a result of the assessment made, the Group has recognized deferred tax assets in certain entities because it is probable that taxable profit will be available sufficient to recognize deferred tax assets in those entities.

Impairment of Goodwill, Tangible and Intangible Fixes Assets

As described in Note 2.7.6 the Group tests goodwill annual for impairment. In the current period, the Group tested tangible and intangible assets for impairment together with the goodwill.

The recoverable amount is determined by value in use calculations. Principal estimates such as discount rate, growth rate, sale prices and direct costs during the period are taken into account in assessing the value in use. As explained in Note 20, for value in use calculation, goodwill is not allocated to each cash-generating unit and the whole Petrol Ofisi A.Ş was taken into consideration. Discount rate reflects the effective market valuations concerning time value of money and risks specific to the asset. The Group is using weighted average cost of capital as the discount rate. Growth rate is determined in respect of the related sector growth estimates. Changes in sales prices and direct costs are based on past experience and future expectations.

As a result of assessment, the recoverable amount of goodwill, tangible and intangible assets exceeded their carrying amount and there is no impairment as of December 31, 2008.

NOTE 3 – BUSINESS COMBINATIONS

None.

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(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 4 – PARTNERSHIPS

None.

NOTE 5 – SEGMENTAL INFORMATION

The Group has provided the financial reporting of segmental information with respect to different customer groups composed of diverse risk and benefits.

January 1 – March 31, 2009			
	Retail	Industrial and commercial	Total
Sales revenue (net)	1.707.729.092	1.212.633.597	2.920.362.689
Cost of sales (-)	(1.542.378.208)	(1.111.597.150)	(2.653.975.358)
Gross profit/loss	165.350.884	101.036.447	266.387.331
Operating expense(-)	(62.053.850)	(33.772.855)	(95.826.706)
Unallocated operating income			6.286.903
Unallocated operating expenses (-)			(25.560.772)
Operating profit	103.297.035	67.263.592	151.286.756
Finance income			259.358.197
Finance expenses (-)			(448.896.342)
Profit/loss before taxation			(38.251.389)
Current tax income/expense			(850.750)
Deferred tax income/expense			8.148.785
Profit /loss for the period			(30.953.354)
Distribution of profit/loss for the period			
Minority Interest			1.245.383
Parent Company Share			(32.198.737)
January 1 – March 31, 2008			
	Retail	Industrial and commercial	Total
Sales revenue (net)	1.989.246.478	1.404.104.076	3.393.350.554
Cost of sales (-)	(1.850.302.894)	(1.330.879.882)	(3.181.182.776)
Gross profit/loss	138.943.584	73.224.194	212.167.778
Operating expense(-)	(64.110.247)	(32.875.723)	(96.985.970)
Unallocated operating income			10.909.579
Unallocated operating expenses (-)			(9.412.656)
Operating profit	74.833.337	40.348.471	116.678.731
Finance income			106.095.016
Finance expenses (-)			(272.771.148)
Profit/loss before taxation			(49.997.401)
Current tax income/expense			(570.106)
Deferred tax income/expense			9.735.524
Profit / loss for the period			(40.831.983)
Distribution of profit/loss for the period			
Minority Interest			205.640
Parent Company Share			(41.037.623)

PETROL OFİSİ A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 – SEGMENTAL INFORMATION (cont’d)**Segment assets and liabilities:**

	March 31, 2009	December 31, 2008
Total Assets		
Retail	1.648.563.465	1.741.327.394
Industrial and Commercial	896.449.038	748.854.959
Unallocated	4.943.911.097	4.444.906.546
Total	7.488.923.600	6.935.088.899

	March 31, 2009	December 31, 2008
Total Liabilities		
Retail	1.775.846.956	1.628.500.818
Industrial and Commercial	1.275.911.843	1.078.866.549
Unallocated	1.714.489.282	1.474.289.388
Total	4.766.248.081	4.181.656.755

Capital expenditures, depreciation and amortization:

Capital Expenditures	2009	2008
Retail	31.939.681	48.032.956
Industrial and Commercial	99.230.070	1.040.214
Unallocated	22.358	3.963.587
Total	131.192.109	53.036.758

Depreciation and amortization	2009	2008
Retail	20.856.786	16.388.099
Industrial and Commercial	3.918.181	4.166.375
Unallocated	8.752.135	8.858.951
Total	33.527.102	29.413.425

NOTE 6 – CASH AND CASH EQUIVALENTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

As of March 31, 2009 and December 31, 2008, cash and cash equivalents are summarized as follows:

	March 31, 2009	December 31, 2008
Cash	22.049	18.973
Banks	1.969.776.850	1.535.713.312
- Demand Deposit	12.656.218	11.266.460
- Time Deposit	1.957.120.632	1.524.446.852
	1.969.798.899	1.535.732.285

As of March 31, 2009, the interest rates of Turkish Lira, time deposits vary between 10,00% and 13,25% (December 31, 2008: %11,28 - %18,25). Interest rates of foreign currency time deposits vary between 0,15 % and 5,00% (December 31, 2008: 0,25% - 7,50%). Such time deposits include TL 45.108.870 (December 31, 2008: TL 38.041.287) and USD time deposits of TL 1.912.011.762 (December 31, 2008: TL 1.486.405.565).

As of March 31, 2009 and December 31, 2008 cash and cash equivalents in consolidated statement of cash flows are summarized below:

	March 31, 2009	December 31, 2008
Cash and cash equivalents	1.969.798.899	1.535.732.285
Less: interest accruals	(2.234.803)	(788.560)
	1.967.564.096	1.534.943.725

NOTE 7 – FINANCIAL ASSETS

Short-term financial assets of the Group are as follows

	March 31, 2009	December 31, 2008
Valuation of swap transactions (*)	77.437.994	42.369.299
Fair value of inventory future contracts (**)	-	62.568.464
Guarantee deposits for derivative transactions	58.470.057	-
Total	135.908.051	104.937.763

(*) The Group has entered into swap contracts for USD 165.000.000 borrowing to hedge exchange rate (TL/USD) fluctuations and for USD 165.000.000 and Euro 1.750.000 borrowings to hedge interest rate changes.

NOTE 7 – FINANCIAL ASSETS (cont'd)

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

(**) The Group has used derivative instruments for the purpose of regular gross profit margin and avoiding loss in value inventories. Financial instruments whose maturities are 1 or 2 months are used for the import cargos, for oil inventories contracts with longer maturities are used. The maturities of all contracts are less than 1 year. Any gains or losses arising from these transactions, are included in cost of goods sold.

	March 31, 2009		December 31, 2008	
	Nominal Value	Change in Fair Value	Nominal Value	Change in Fair Value
Inventory	190.277.268	(4.308.915)	258.147.228	62.568.464
	190.277.268	(4.308.915)	258.147.228	62.568.464

Available for sale financial assets of the Group are as follows:

	March 31, 2009		December 31, 2008	
	TL	%	TL	%
Çankaya Bel-Pet Limited Şirketi	135.020	49,0	135.020	49,0
İstanbul Gübre Sanayi A.Ş.	872	0,1	872	0,1
	135.892		135.892	

Nature and level of risks derived from financial instruments are disclosed in Note 38.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – FINANCIAL BORROWINGS

	March 31, 2009	December 31, 2008
Short term bank loans	21.128.957	19.432.173
Short term finance lease payables	7.700.522	7.288.814
Short term portions of long term borrowings and interests	184.973.618	103.670.980
Total short term financial borrowings	213.803.097	130.391.967
Long term bank loans	897.914.535	829.700.301
Long term finance lease payables	23.295.022	23.412.141
Total long term financial borrowings	921.209.557	853.112.442
Total financial borrowings	1.135.012.654	983.504.409

PETROL OFİSİ A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – FINANCIAL BORROWINGS (cont’d)

As of March 31, 2009 and December 31, 2008, details of the Group’s financial borrowings are as follows:

	Weighted Average Interest Rate		Original Currency		TL	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
Short-term borrowings:						
Bank borrowings in TL	8,76%	%10,07	21.128.957	19.432.173	21.128.957	19.432.173
					21.128.957	19.432.173
Short term portions of long term borrowings:						
Short term portion of long-term bank borrowings in TL	17,89%	%18,59	107.964.948	34.022.877	107.964.948	34.022.877
Short term portion of long-term bank borrowings in USD	4,48%	%5,26	44.508.174	44.837.707	75.129.798	67.808.065
Short term portion of long-term bank borrowings in EURO	7,27%	%7,17	844.133	859.510	1.878.872	1.840.038
					184.973.618	103.670.980
Long-term borrowings:						
Bank Borrowings in TL	18,72%	%18,69	410.000.000	501.000.000	410.000.000	501.000.000
Bank borrowings in USD	6,97%	%7,16	288.000.000	216.000.000	486.144.000	326.656.800
Bank borrowings in EURO	7,53%	%7,53	795.460	954.550	1.770.535	2.043.501
					897.914.535	829.700.301

Repayment schedule of financial borrowings are as follows:

	March 31, 2009	December 31, 2008
0-1 year	206.102.575	123.103.153
1-2 years	612.708.205	371.456.660
2-3 years	247.716.205	284.877.960
3-4 years	22.298.125	159.754.981
4-5 years	15.192.000	9.073.800
5+ years	-	4.536.900
	1.104.017.110	952.803.454

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NOTE 8 – FINANCIAL BORROWINGS (cont'd)

As at the balance sheet date, Group's finance lease payables are as follows:

Short-term finance lease payables

	March 31, 2009	December 31, 2008
Short term finance lease payables	10.675.212	10.275.934
Deferred finance cost of lease payables (-)	(2.974.690)	(2.987.120)
Total	7.700.522	7.288.814

Long-term finance lease payables

	March 31, 2009	December 31, 2008
Long term finance lease payables	27.699.975	28.232.431
Deferred finance cost of lease payables (-)	(4.404.953)	(4.820.290)
Total	23.295.022	23.412.141

Repayment schedule of finance lease payables as of March 31, 2009 is as follows:

	Finance lease payables	Deferred finance cost of lease payables	Total liability
0-1 year	10.675.212	(2.974.690)	7.700.522
1-2 years	9.761.600	(2.281.153)	7.480.447
2-3 years	8.285.674	(1.329.861)	6.955.813
3-4 years	5.645.741	(578.508)	5.067.233
4-5 years	2.825.779	(183.194)	2.642.585
5 + years	1.181.181	(32.237)	1.148.944
	38.375.187	(7.379.643)	30.995.544

PETROL OFİSİ A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 – FINANCIAL BORROWINGS (cont’d)

Repayment schedule of finance lease payables as of December 31, 2008 is as follows:

	Finance lease payables	Deferred finance cost of lease payables	Total liability
0-1 year	10.275.934	(2.987.120)	7.288.814
1-2 years	9.261.090	(2.346.517)	6.914.573
2-3 years	8.320.282	(1.496.910)	6.823.372
3-4 years	5.988.504	(692.414)	5.296.090
4-5 years	3.095.305	(233.680)	2.861.625
5+ years	1.567.250	(50.769)	1.516.481
	38.508.365	(7.807.410)	30.700.955

The fair value of the Group’s lease obligations approximates their carrying amount.

Nature and level of risks derived from financial liabilities are disclosed in Note 38.

NOTE 9 – OTHER FINANCIAL LIABILITIES

	March 31, 2009	December 31, 2008
Fair value of inventory future contracts (Note 7)	4.308.915	-
Guarantee deposit payables for derivative transactions	-	18.844.919
Total	4.308.915	18.844.919

Nature and level of risks derived from financial liabilities are disclosed in Note 38.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

NOTE 10 – TRADE RECEIVABLES AND PAYABLES

As at the balance sheet date, trade receivables of the Group are summarized below:

	March 31, 2009	December 31, 2008
Trade receivables	605.155.020	536.523.506
Cheques and notes receivables	261.242.845	319.660.260
Credit card receivables	60.291.746	61.257.047
Loans given to dealers	1.177.205	1.733.565
Due from related parties (Note 37)	2.850.277	2.794.178
	930.717.093	921.968.556
Less: Provisions for doubtful receivables	(109.242.006)	(97.131.115)
Short term trade receivables	821.475.087	824.837.441
Loans given to dealers	7.795.726	6.238.627
Cheques and notes receivable	3.403.045	225.467
Long term trade receivables	11.198.771	6.464.094

Provisions for doubtful receivables movement for the period ended March 31, 2009 and 2008 are as follows:

	2009	2008
January 1	97.131.115	85.912.647
Collections	(2.352.001)	(4.392.390)
Charge for the period	14.462.892	442.500
March 31	109.242.006	81.962.757

The Group has disclosed the credit risk and related information in Credit Risk section of Note 38 to the financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

NOTE 10 – TRADE RECEIVABLES AND PAYABLES (cont'd)

As of balance sheet date, the details of the Group's trade payables are as follows:

	March 31, 2009	December 31, 2008
Suppliers	2.260.839.284	1.693.335.409
Due to related parties (Note 37)	1.021.270	2.034.896
Notes payables	1.439.972	1.203.972
Other Payables	697.765	-
Short term trade payables	2.263.998.291	1.696.574.277
Suppliers	776.941.916	966.823.460
Long term trade payables	776.941.916	966.823.460

Non-interest bearing letters of credit in short-term trade payables amount to TL 1.846.462.314 (USD 1.093.875.778) (December 31, 2008: TL 1.251.257.269 (USD 827.386.940)). Interest-bearing letters of credit amount to TL 179.875.384 (USD 106.561.247) and weighted average interest rate is 6,29% (December 31, 2008: TL 171.946.111 (USD 113.698.414) and weighted average interest rates is 6,31%).

Non-interest bearing letters of credit in long-term trade payables amount to TL 776.941.916 (USD 460.273.647) (December 31, 2008: TL 966.823.460 (USD 639.306.659)). There is no long term interest bearing letters of credit as of March 31, 2009 (December 31, 2008:None).

Non-interest bearing letter of credits are recognized at fair value at initial recognition. In subsequent periods these letter of credits are measured at amortized cost, using the effective interest rate method. Effective interest rates used for long-term and short-term non-interest bearing letters of credit are 4,21% and 4,35% respectively (December 31, 2008: %4,02 and %4,70).

As of March 31, 2009, long term letter of credits amounting to TL 776.941.916 have maturities within the second year (December 31, 2008: TL 924.757.011 within the second year and TL 42.066.449 within the third year).

Nature and level of risks derived from financial liabilities are disclosed in Note 38.

PETROL OFİSİ A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 – OTHER RECEIVABLES AND PAYABLES

OTHER RECEIVABLES	March 31, 2009	December 31, 2008
Receivables from personnel	321.961	481.998
Special consumption tax exemption(*)	28.578.921	56.002.308
Deposits and guarantees given	599.507	579.411
Other	7.579.966	3.055.304
Total other short term receivables	37.080.355	60.119.021
Other	594.261	535.785
Deposits and guarantees given	400.268	371.023
Total other long term receivables	994.529	906.808

(*) On deliveries made to certain military institutions, embassies and petroleum searching companies, the Group obtains Special Consumption Tax exemption to be used through the purchases from Tüpraş. The amount reflected in the consolidated financial statements corresponds to the exemption certificates sent to Tüpraş but not used as of the date of the consolidated financial statements.

OTHER PAYABLES	March 31, 2009	December 31, 2008
Taxes, dues and other payables	359.066.198	342.228.869
Fuel purchase certificates(*)	5.446.675	6.758.320
Other payables under guarantees	9.705.095	9.705.095
Deposits and guarantees received	826.808	833.745
Other	16.486.698	17.849.871
Total other short term payables	391.531.474	377.375.900
Deposits and guarantees received	633.192	637.965
Advances received	83.965	166.655
Total other long term payables	717.157	804.620

(*) Fuel purchase certificates are issued and given to certain customers for future consumption. As at March 31, 2009 and December 31, 2008, the certificates shown in current liabilities are the certificates issued but not used by the customers.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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NOTE 12 – RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR OPERATIONS

None.

NOTE 13 – INVENTORIES

	March 31, 2009	December 31, 2008
Trade goods	643.572.762	688.102.865
Raw materials	39.110.765	44.295.415
Finished goods	14.856.329	21.054.190
Work in process	3.276.820	3.693.276
Other (*)	50.538.082	91.278.856
Impairment of inventories (-)	(1.355.581)	(68.776.629)
Total	749.999.177	779.647.973

(*) Other inventories consist of fuels and lubricants in transit.

Movement of impairment of inventories is as follows:

	2009	2008
January 1	(68.776.629)	-
Current year charge	67.421.048	-
March 31	(1.355.581)	-

NOTE 14 – BIOLOGICAL ASSETS

None.

NOTE 15 – RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None.

NOTE 16 – INVESTMENTS VALUED BY EQUITY METHOD

None.

NOTE 17 – INVESTMENT PROPERTY

None.

PETROL OFİSİ A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 18 – TANGIBLE FIXED ASSETS

Movements of tangible fixed assets during the period ended March 31, 2009 are as follows:

	January 1, 2009	Additions	Disposals	Transfer	Currency Translation Adjustment	March 31, 2009
Cost:						
Land and buildings	275.504.386	-	(2.927)	-	203.382	275.704.841
Land improvements	188.982.592	58.876.757	(1.368.648)	-	3.727	246.494.428
Machinery and equipment	622.088.585	2.078	(647.626)	22.356	61.825	621.527.218
Motor vehicles	15.450.196	55.852	(421.268)	-	36.554	15.121.334
Furniture and fixtures	27.969.766	5.381	(26.317)	-	8.922	27.957.752
Other tangibles	632.202.548	54.897	(348.233)	8.182.410	-	640.091.622
Leasehold improvements	480.319.134	289.540	(8.089)	21.946.984	1.776	502.549.345
Construction in progress	17.659.536	37.594.674	-	(30.151.750)	12.868	25.115.328
	2.260.176.743	96.879.179	(2.823.108)	-	329.054	2.354.561.868
Accumulated Depreciation:						
Buildings	24.912.527	1.387.776	(470)	-	-	26.299.833
Land improvements	69.197.969	3.132.849	(251.401)	-	-	72.079.417
Machinery and equipment	529.504.675	3.222.409	(138.999)	-	20.138	532.608.223
Motor vehicles	9.892.461	520.814	(403.127)	-	-	10.010.148
Furniture and fixtures	19.659.030	575.968	(19.615)	-	-	20.215.383
Other tangibles	277.921.278	11.710.309	(298.460)	-	-	289.333.127
Leasehold improvements	110.556.887	11.973.492	(422)	-	-	122.529.957
	1.041.644.827	32.523.617	(1.112.494)	-	20.138	1.073.076.088
Net book value:						
Land and buildings	250.591.859					249.405.008
Land improvements	119.784.623					174.415.011
Machinery and equipment	92.583.910					88.918.995
Motor vehicles	5.557.735					5.111.186
Furniture and fixtures	8.310.736					7.742.369
Other tangibles	354.281.270					350.758.495
Leasehold improvements	369.762.247					380.019.388
Construction in progress	17.659.536					25.115.328
Net book value	1.218.531.916					1.281.485.780

Other tangible assets mainly consist of tanks, stations and station equipments.

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NOTE 18 – TANGIBLE FIXED ASSETS (cont'd)

Movements of tangible fixed assets during the period ended March 31, 2008 are as follows:

	January 1, 2008	Reclassification s	Additions	Disposals	Transfer	March 31, 2008
Cost:						
Land and buildings	257.184.022	6.897.407	-	-	264.081.429	257.184.022
Land improvements	177.213.356	-	(490.863)	-	176.722.493	177.213.356
Machinery and equipment	610.014.486	20.030	(159.077)	-	609.875.439	610.014.486
Motor vehicles	15.056.719	84.757	-	-	15.141.476	15.056.719
Furniture and fixtures	25.208.893	3.052	(2.620)	-	25.209.325	25.208.893
Other tangibles	530.352.911	6.529.847	(2.233.530)	3.476.234	538.125.462	530.352.911
Leasehold improvements	335.741.359	1.405	(384.202)	32.929.948	368.288.510	335.741.359
Construction in progress	23.279.617	39.487.642	-	(36.406.182)	26.361.077	23.279.617
	1.974.051.363	53.024.140	(3.270.292)	-	2.023.805.211	1.974.051.363
Accumulated Depreciation:						
Buildings	19.571.151	1.321.025	-	-	20.892.176	19.571.151
Land improvements	61.872.376	2.373.563	(279.838)	-	63.966.101	61.872.376
Machinery and equipment	517.206.559	3.046.534	(67.058)	-	520.186.035	517.206.559
Motor vehicles	8.627.624	514.142	-	-	9.141.766	8.627.624
Furniture and fixtures	17.006.045	670.252	(608)	-	17.675.689	17.006.045
Other tangibles	233.168.839	10.947.332	(189.833)	-	243.926.338	233.168.839
Leasehold improvements	68.913.005	10.081.615	(55.835)	-	78.938.785	68.913.005
	926.365.599	28.954.463	(593.172)	-	954.726.890	926.365.599
Net book value:						
Land and buildings	237.612.871				243.189.253	237.612.871
Land improvements	115.340.980				112.756.392	115.340.980
Machinery and equipment	92.807.927				89.689.404	92.807.927
Motor vehicles	6.429.095				5.999.710	6.429.095
Furniture and fixtures	8.202.848				7.533.636	8.202.848
Other tangibles	297.184.072				294.199.124	297.184.072
Leasehold improvements	266.828.354				289.349.725	266.828.354
Construction in progress	23.279.617				26.361.077	23.279.617
Net book value	1.047.685.764				1.069.078.321	1.047.685.764

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 19 – INTANGIBLE ASSETS

Movements of intangible assets during the period ended as of March 31, 2009 are as follows:

	January 1, 2009	Additions	Disposals	Transfer	Currency Translation Adjustment	March 31, 2009
Cost:						
Other intangible assets	24.051.175	34.312.930	(1.245.551)	-	1.477	57.120.031
	24.051.175	34.312.930	(1.245.551)	-	1.477	57.120.031
Accumulated depreciation:						
Other intangible assets	15.392.240	1.003.485	(168.635)	-	154	16.227.244
	15.392.240	1.003.485	(168.635)	-	154	16.227.244
Net book value	8.658.935					40.892.787

Movements of intangible assets during the period ended as of March 31, 2008 are as follows:

	January 1, 2008	Reclassifications	Additions	Disposals	Transfer	March 31, 2008
Cost:						
Other intangible assets	22.384.160	12.618	(87.847)	-	22.308.931	22.384.160
	22.384.160	12.618	(87.847)	-	22.308.931	22.384.160
Accumulated depreciation:						
Other intangible assets	13.572.249	458.962	(48.320)	-	13.982.891	13.572.249
	13.572.249	458.962	(48.320)	-	13.982.891	13.572.249
Net book value	8.811.911				8.326.040	8.811.911

Intangible assets other than goodwill comprise information systems, privileged rights and software. They are amortized on a straight-line basis over their estimated useful lives for the period of 5-20 years from the date of acquisition.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 20 – GOODWILL

IFRS 3 (“Business Combinations”) is applied to the business combinations and to any goodwill arising on these business combinations for which the agreement date is on or after 31 March 2004. IFRS 3 requires goodwill acquired in a business combination to be measured after initial recognition at cost less any accumulated impairment losses. In accordance with the transitional provisions of IFRS 3, the Group discontinues amortizing previously recognized goodwill from the beginning of the first annual period beginning on or after 31 March 2004. Accordingly, the Group has ceased amortizing goodwill in the year beginning on January 1, 2005. Total goodwill of the Group as of December 31, 2004 was TL 2.809.692.447 and accumulated amortization was TL 579.237.809. Since January 1, 2005, the goodwill is presented net of amortization as TL 2.230.454.638 in the financial statements.

İş Doğan Petrol Yatırımları A.Ş. (“İş Doğan”), which was established as a joint venture of Türkiye İş Bankası A.Ş. and Doğan Şirketler Grubu Holding A.Ş., acquired 51% and 25,8% shares of the Company with an amount TL 2.825.070.788 and TL 557.364.740 respectively on July 21, 2000 and August 8, 2002 from the Privatization Administration (“PA”). Goodwill of TL 2.710.882.207 related to these acquisitions was included in the pre-merger consolidated financial statements of İş Doğan, prepared in accordance with IFRS.

Based on the Board of Directors decision numbered 2002/38 and dated 17 November 2002, İş Doğan decided to collect its publicly held shares through call back and these share purchases were realized between 22 November and 9 December 2002. As a result of these share purchases, the total percentage of shares owned by İş Doğan increased to 96,3% and İş Doğan transferred 14% of these shares to its shareholders, namely Türkiye İş Bankası A.Ş. and Doğan Şirketler Grubu Holding A.Ş. equally as 7%, before the merger. After the share transfer made by İş Doğan to its shareholders, the remaining shares collected via call back representing 5,5% of the total. Goodwill of TL 51.771.489 was included in the pre-merger consolidated IFRS financial statements of İş Doğan related to 5,5% share purchase. The fair value assessment related to the shares purchased by İş Doğan in 2002 finalized in 2003. As a result of the assessment, goodwill increased and property, plant and equipment decreased by TL 47.038.751.

On 27 December 2002, the Company merged with İş Doğan, which was the majority shareholder of the Company, in accordance with Turkish Commercial Code Article No: 451 and Corporate Tax Law Article No: 37-39 after the approval the Turkish Capital Markets Board (“CMB”) given at the meeting numbered 61/1705 and dated 24 December 2002. As a result of this legal merger, the assets and liabilities of İş Doğan were transferred to the Company and İş Doğan was dissolved. Minority interest of TL 247.461.598 (Note 27) in these financial statements was classified under additional paid-in capital during the merger.

The Group assesses goodwill for impairment annually or more frequently when there is an indication of impairment. Recoverable amount is determined by calculating the value in use. Principal estimates such as discount rate, growth rate, sale prices and direct costs during the period are taken into account in assessing the value in use. For value in use calculation, goodwill is not allocated to each cash-generating unit and the whole Petrol Ofisi A.Ş. was taken into consideration. Discount rate reflects the effective market valuations concerning time value of money and risks specific to the asset. The Company is using weighted average cost of capital as the discount rate. Growth rate is determined in respect of the related sector growth estimates. Changes in sales prices and direct costs are based on past experience and future expectations.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

NOTE 20 – GOODWILL (cont'd)

The Group is preparing its cash flow projections in USD based on the latest financial budget which is approved by the management. In preparing cash flows, for the next five years 5% per annum and for subsequent years zero percent per annum estimated growth rate was used as of December 31, 2008. The Company used a rate of 10,36% in order to discount cash flow projections. As a result of assessment, the recoverable amount of goodwill exceeded its carrying amount and there is no impairment as of December 31, 2008. Since impairment calculations are performed annually, no calculation has been performed as of March 31, 2009.

NOTE 21 – GOVERNMENT GRANTS AND INCENTIVES

None.

NOTE 22 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions

	March 31, 2009	December 31, 2008
Provision for lawsuits	35.428.682	27.488.552
Provisions for other debts and expenses	1.622.947	908.001
Total short term provisions	37.051.630	28.396.553
Provisions for other debts and expenses	2.164.415	2.008.360
Total long term provisions	2.164.415	2.008.360

A provision of TL 35.428.682, regarding court expenses and possible interests and charges, has been provided for various court cases filed against the Company. The movement of the provision for lawsuits is as follows:

	2009	2008
January 1	27.488.552	22.791.411
Increase during the period	8.746.024	-
Payments	(805.894)	(1.442.039)
March 31	35.428.682	21.349.372

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 22 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

Provisions

The court case for an amount of TL 850.886 which was filed by İstanbul Metropolitan Municipality with Beykoz First Civil Court of First Instance (File No: 2001/320), with a request for damages for the unlawful occupation of the Çubuklu Storage Facilities, resulted against the Company. An application was made to the Supreme Court of Appeals, which ruled for the amendment of the resolution and the trial process started again. After this, the court resulted against the Company and an application was made to the Supreme Court of Appeals that ended against the Company again. The Company applied for the correction of the decision. The application for the correction of the decision is rejected, the court decision became final. The case for an amount of TL 2.555.850 which was filed by İstanbul Metropolitan Municipality with Beykoz Civil Court of First Instance (File No: 2006/101), related to the damages payable for the unlawful occupation of the Çubuklu Storage Facilities, is currently in progress. A provision of TL 9.411.342 (December 31, 2008: TL 9.336.474) has been provided for regarding the court expenses and possible interests and charges. There is no ruling on the merits of the case yet and the trials are in progress.

A provision of TL 26.017.340 (December 31, 2008: TL 18.152.078), regarding court expenses and possible interests and charges, has been provided for various court cases filed against the Group.

Contingent Liabilities

Penalty Imposed by the Energy Market Regulatory Authority

With its Notifications No: 25049 and 25057, both dated 31 August 2006, the Energy Market Regulatory Authority (EMRA) imposed administrative fines on Petrol Ofisi A.Ş. and its subsidiary ERK Petrol Yatırımları A.Ş. (“Erk”) amounting to TL 498.693.080 and TL 100.738.860 respectively for deliveries made to unlicensed dealers. The Company and Erk have taken two different judicial actions in order to exercise their legal rights for the cancellation of the fines and removal of payment orders.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 22 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

Contingent Liabilities (cont’d)

Penalty Imposed by the Energy Market Regulatory Authority (cont’d)

Request for Cancellation of EMRA Fine Process

In line with the regulations, the Company and Erk filed court cases with the 13th Division of Council of State on 18 September 2006 for the cancellation of the EMRA resolution and the stay of execution of the fines. On 17 November 2006, 13th Division of Council of State ruled for the stay of execution of TL 11.431.360 portion of the total fine of the Company and rejected the request for stay of the execution for TL 487.261.720. Similarly stay of TL 1.428.920 portion of the total fine of Erk was ruled for and request for the stay of execution of TL 99.309.940 was rejected.

On 7 December 2006, the Company and Erk appealed the ruling of the 13th Division of Council of State to the Plenary Session of Administrative Divisions of Council of State, denying motion for stay of execution for administrative fines imposed on the Company and Erk.

On 25 January 2007, Plenary Session of Administrative Divisions of Council of State suspended the execution of all of the fines imposed against the Company and Erk. Reasoned decision regarding the stay of the execution has been communicated to the Company and Erk on 28 February 2007.

Stay of the execution has been grounded on two reasons. These are;

- 1) transfer of fuels to unlicensed dealers should be evaluated as “Disobeying legal obligations” which is mentioned in 3rd item of 19th clause of Petroleum Market Law, instead of violation of 2nd item of 7th clause
- 2) fines should be imposed by taking the beginning date of violation as the notification date of EMRA, which is 12 April 2005, instead of 20 March 2005.

Applying fine separately for each dealer to which shipments made; imposing a single fine by considering fuel supply to unlicensed dealers as a single action; beginning date of fuel supply that is subjected to fine; whether it is lawful to impose a fine since there is not a regulation that restrains distribution license of owners from supplying fuel to their own unlicensed dealers; and amount of fines for shipments are also included in the decision. The case is still in the discussion process by 13th Department of the State Council.

Request for Cancellation of Payment Orders Process

In the second judicial process, lawsuits were filed with Istanbul Administrative Court for the cancellation of the payment orders and the suspension of the execution, upon the communication of the payment orders issued for fines imposed by EMRA to the Company and Erk by Boğaziçi Tax Office on 2 November 2006.

Simultaneously, the Company and Erk applied to the Ministry of Finance for payment in installments of the administrative fines to avoid cash-out flows during the judicial process and since the approval of this claim required submission of guarantee, 8 real-estates amounting TL 204.892.000 and inventory amounting TL 280.960.086 are given as guarantee for the Company and 33 real-estates amounting TL 89.053.744 and inventory amounting TL 11.267.870 are given as guarantee for Erk. Ministry of Finance has accepted that the fines to be paid in 18 monthly installments, starting in December 2006 and the first two being in smaller amounts. TL 5.206.720 has been paid (TL 2.966.229 through set-off and the remaining TL 2.240.491 in cash) as the December 2006 installment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 22 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

Contingent Liabilities (cont’d)

Penalty Imposed by the Energy Market Regulatory Authority (cont’d)

Request for Cancellation of Payment Orders Process (cont’d)

Consistent with the decision of the 13th Division of Council of State, İstanbul 7th Administrative Court decided to grant a stay of execution for TL 11.431.360 portion of the payment orders for the Company and TL 1.428.920 portion of the payment orders for Erk but rejected the request for stay of execution concerning the remainder of the payment orders. Notification of the decision was received on 16 January 2007. Following this decision, an application was filed at İstanbul District Administrative Court for the annulment of the rejection decision and for motion for stay of the total payment order.

Following the decision of the Plenary Session of the Administrative Divisions of Council of State, İstanbul District Administrative Court has ruled for the acceptance of the Company’s and Erk’s motion for stay without guarantee, after the annulment of the decision of the İstanbul 7th Administrative Court for the denial of the request for stay. Payments were not made after 1st installment, because execution of the payment orders was suspended.

In one of the cases on filed by a petroleum distribution company against EMRA, the 13th Division of Council of State, ruled for the annulment of the penalties on the ground that the deliveries are made to dealers of the distribution company; the law does not have a clause that restricts deliveries to unlicensed dealers and there are no clauses of penalty or restrictions on such activities. The reasons of the decision include that obtaining a dealership license it is the responsibility of the dealer; fuel distribution companies are not obligated to control or inspect the licenses of the dealers and also it is the failure of EMRA that the license process has not been completed in the time frame set by the law. It is highly probable that the ruling would be similar to this case, for the cases filed by the Company and Erk. . On April 21, 2009, the trials held for the cases filed by the Company and ERK and the cancellation of of the penalties were requested. The Company waits for the final decision of the 13th Division of Council of State. Uncertainty over the judicial process and final decision of the court cases continues as of the announcement date of the consolidated financial statements for the period ended March 31, 2009. Accordingly, no provision has been provided for this matter in the accompanying financial statements.

Other Contingent Liabilities

As a result of the tax inspection conducted on the Company’s accounts for the year 2003, tax/penalty notifications including TL 12.827.599 of original tax liability and a TL 30.092.800 of tax penalty have been communicated to the Company on 25.12.2008 by the Boğaziçi Corporate Tax Office. On 20.01.2009, the Company has filed for arbitration and as of the date of issuance of the financial statements for the year ended December 31, 2008, no date for arbitration meeting has been communicated to the Company. For the tax and penalties, the right of appeal in court stays until the resolution of the arbitration process and the Company will appeal at court if no settlement is reached in arbitration. Until settlement in arbitration process or until the decision of the tax court in case of appeal, no payment will be made.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 22 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont’d)

Contingent Liabilities (cont’d)

Other Contingent Liabilities (cont’d)

Tax/penalty notifications for the years 2003-2007 including a TL 9.916.863,16 of original tax liability and a TL 13.810.421,40 of tax penalty, which are sent out by Boğaziçi Corporate Tax Office and Large Taxpayers Tax Office with respect to the inspection reports prepared in relation to the investigation carried out by the tax inspectors of the Ministry of Finance, have been communicated to the Company on 22-23.07.2008. Tax inspection reports, which form a basis for the notifications, are grounded on the claim that advance rental payments with respect to the usufruct contracts signed between the fuel distributors and the dealers are subject to withholding tax deeming the usufruct contracts as rental agreements. A lawsuit was filed at the İstanbul Tax Court with respect to the mentioned inspection reports and the tax/penalty notifications on 11.09.2008. The judicial process continues and during this process, no payment will be made.

Uncertainty over the judicial process and final decision of the court cases continues as of the announcement date of the consolidated financial statements for the period ended March 31, 2009. Accordingly, no provision has been provided for the above matters in the accompanying financial statements.

Other contingent liabilities as of March 31, 2009 and December 31, 2008 are as follows:

	March 31, 2009	December 31, 2008
Guarantee letters given	358.718.028	359.880.654
Other lawsuits against the Group (*)	15.871.592	10.456.441

(*) Lawsuits against the Group are considered by the legal department and it is decided not to book any provision because no cash outflow is projected.

NOTE 23 – COMMITMENTS

The Group signed an agreement with Gümrük ve Turizm İşletmeleri (“GTİ”) in May 2008 to make sales of fuel and lubricants at border gates for 20 years. As part of this agreement, the Group committed to pay commissions to GTİ over sales revenue, after the commencement of sales at assigned areas.

According to a purchase agreement made with Tüpraş Petrol Rafineri İşleri A.Ş., the Group is required to notify annual purchase commitments in mid-October. However, the Group has a right to revise its quarterly purchase commitments prior to 30 days, and its monthly purchase commitments prior to 15 days.

The Group is required to submit purchase commitments quarterly to Boru Hatları ile Petrol Taşıma A.Ş. (BOTAŞ) regarding the LNG shipments from LNG Terminal at Marmara Ereğlisi. In case shipments are less than 70% of the commitment, the Group pays the value of quantity difference to BOTAŞ.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

NOTE 24 – EMPLOYMENT BENEFITS

	March 31, 2009	December 31, 2008
Retirement Pay Provision	10.038.821	10.125.903
Total Employment Benefits	10.038.821	10.125.903

Retirement Pay Provision:

Under Turkish Labor Law, the Group is required to pay employment termination benefits to each employee who has qualified. Also, employees are required to be paid their retirement pay who retired by gaining right to receive according to current 506 numbered Social Insurance Law's 6 March 1981 dated, 2422 numbered and 25 August 1999 dated, 4447 numbered with 60th article that has been changed. The amount payable consists of one month's salary limited to a maximum of TL 2.260,05 for each period of service as at March 31, 2009 (December 31, 2008: TL 2.087,92).

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 Group arising from the retirement of employees. IAS 19 requires actuarial valuation methods to be developed to estimate the entity'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 parallel 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 March 31, 2009, 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 5,40% and a discount rate of 12%, resulting in a real discount rate of approximately 6,26% (December 31, 2008: 6,26% real discount rate). The anticipated rate of forfeitures is considered. As the maximum liability is revised semi annually, the maximum amount of TL 2.260,05 effective from 1 January 2009 has been taken into consideration in calculation of provision from employment termination benefits. Movement of retirement pay provision for the year ended March 31, 2009 and March 31, 2008 is as follows:

	2009	2008
January 1	10.125.903	9.461.569
Interest cost	156.346	137.127
Service cost	691.856	561.129
Payments	(935.284)	(420.338)
Closing Balance	10.038.821	9.739.487

NOTE 25 – RETIREMENT BENEFITS

None.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

NOTE 27 – SHAREHOLDERS' EQUITY

The composition of the Company's paid-in share capital as of March 31, 2009 and December 31, 2008 is as follows:

	<u>March 31, 2009</u>		<u>December 31, 2008</u>	
	Share (%)	TL	Share (%)	TL
Doğan Holding	52,73	290.019.684	52,73	290.019.684
OMV Aktiengesellschaft	34,00	187.000.000	34,00	187.000.000
Public quotation	13,27	72.980.316	13,27	72.980.316
Total	100,00	550.000.000	100,00	550.000.000

The issued capital of the Company is 550.000.000 TL as of March 31, 2009. Issued capital have been divided into two groups, A Group Shares and B Group Shares with a nominal value of 1 (one) TL.

The Board of Directors is composed of eight members. The shareholders holding the A Group shares and shareholders holding B Group registered shares shall nominate equal number of members to the Board of Directors. Half of the Board members shall be elected by the General Assembly from among the nominees of the shareholder holding B Group registered shares, and the other half of the Board members shall be elected from among the nominees of shareholders holding the A Group shares.

There is no privilege assigned to A and B group shares in terms of dividend distribution.

As a result of the purchases from public quotation, Doğan Holding shareholding portion increased to 54,17% and OMV shareholding portion increased to 41,58%, as of March 31, 2009. The new shareholding structure is as follows:

	Shareholding Group	Share (%)	TL
Doğan Holding	A Group Registered	34,00	187.000.000
Doğan Holding	A Group	20,17	110.961.344
OMV Aktiengesellschaft	B Group Registered	34,00	187.000.000
OMV Aktiengesellschaft	A Group	7,58	41.671.362
Public quotation	A Group	4,25	23.367.294
Total		100,00	550.000.000

In the Ordinary General Assembly of Company convened on April 22, 2009, the balance sheet and income statement for the year 2008 were unanimously approved; members of the Board of Directors and the Board of Auditors were separately released from liability with respect to 2008 operations and it has been decided to distribute TL 27.500.000, corresponding to 26,79% of the distributable net profit and 5% of the issued capital, to shareholders as dividends in the form of bonus shares. With respect to the mentioned resolution taken in the General Assembly, Company's Board of Directors has decided to increase the issued capital from TL 550.000.000 to TL 577.500.000 within the registered capital ceiling of TL 750.000.000 and sent in an application to the Capital Markets Board for the registration of increased issue capital amounting TL 27.500.000.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 27 – SHAREHOLDERS’ EQUITY (cont’d)

Restricted Reserves Assorted from Profit

Restricted Reserves are appropriated from retained earnings because of legal or contractual requirements; or because of specified purposes other than profit distribution (for example: in order to utilize the tax advantage of sales of equity participations).

As of balance sheet dates, Restricted Reserves Assorted from Profit consist of legal reserves.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company’s paid-in 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.

Public companies distribute dividends according to CMB regulations as follows:

CMB announced the minimum dividend rate as 20% as defined in Article 5-1 of Decree No IV-27 “Dividend and Interim Dividend Regulations for Public Companies Subject to Capital Market Law”. Based on the decision of the General Assembly, the distribution of this minimum amount can be realized as cash or as bonus share or as a combination of a certain percentage of cash and bonus shares. In case the first dividend amount is less than 5% of paid/issued capital, the dividend amount can be retained instead of distribution.

Legal Reserves and Share Issue Premium which is regarded as legal reserve in accordance with TCC Article 466 are presented at the statutory values. Inflation restatements in accordance with IFRS, which are not subject to profit distribution or capital increase as of the date of financial statements, are included in retained earnings.

As of March 31, 2009, the Group’s restricted reserves amounting to TL 227.256.811 consist of TL 77.799.885 nominal value of the legal reserves of the parent company, TL 147.437.050 inflation adjustment of legal reserves in accordance with Tax Code and TL 2.019.876 parent company’s share of subsidiaries’ legal reserves (December 31, 2008: TL 227.256.811 restricted reserves, TL 77.799.885 nominal value of legal reserves of the parent company, TL 147.437.050 inflation adjustment of legal reserves in accordance with Tax Code and TL 2.019.876 parent company’s share of subsidiaries’ legal reserves).

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 27 – SHAREHOLDERS’ EQUITY (cont’d)

Additional Paid-in Capital

The Company legally merged with İş Doğan by taking over all of İş Doğan’s assets and liabilities in accordance with the Turkish Commercial Code Article numbered 451 and Corporate Tax Law Articles numbered 37, 38 and 39 after the approval of the CMB given at the meeting numbered 61/1705 and dated 24 December 2002. As of the merger date, which was 27 December 2002, the financial statements of İş Doğan prepared in accordance with IFRS were considered as the basis for the Company’s post-merger financial statements. Goodwill related to above mentioned acquisitions was also included in the pre-merger consolidated financial statements of İş Doğan. Minority interest of TL 247.461.598 in these financial statements was classified under additional paid-in capital during the merger.

Retained Earnings / Accumulated Deficit

As of March 31, 2009 The Group’s retained earnings amounting to TL 845.582.556 consist of inflation restatement differences amounting to TL (26.789.138), legal and extraordinary reserves amounting to TL 5.804.100 and retained earnings amounting to TL 866.567.594 (December 31, 2008: TL 744.675.753; inflation restatement differences amounting to TL (26.789.138), legal and extraordinary reserves amounting to TL 5.804.100, and retained earnings amounting to TL 765.660.791).

Adjusted values and inflation restatement differences in terms of the purchasing power at December 31, 2004 of items presented with statutory values in shareholders’ equity, as of March 31, 2009 and December 31, 2008 are as follows:

			March 31, 2009
	Statutory Value	Adjusted Value	Shareholder’s Equity Inflation Restatement Differences
Legal reserves	227.256.811	193.897.317	(33.359.494)
Extraordinary reserves	2.827.642	8.150.984	5.323.342
Cost increase fund	325.478	510.968	185.490
Other reserves	2.650.980	3.712.504	1.061.524
Total	233.060.911	206.271.773	(26.789.138)

			December 31, 2008
	Statutory Value	Adjusted Value	Shareholder’s Equity Inflation Restatement Differences
Legal reserves	227.256.811	193.897.317	(33.359.494)
Extraordinary reserves	2.827.642	8.150.984	5.323.342
Cost increase fund	325.478	510.968	185.490
Other reserves	2.650.980	3.712.504	1.061.524
Total	233.060.911	206.271.773	(26.789.138)

Restatement differences of equity items can only be netted-off against prior years’ losses and used as an internal source in capital increases; whereas extraordinary reserves can be netted off against prior years’ losses, and used in distribution of bonus shares and dividend to shareholders.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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NOTE 27 – SHAREHOLDERS’ EQUITY (cont’d)

Minority Interest

The Group’s minority interest and minority loss belongs to Kipet, ERK, PO Alternatif Yakıtlar and PO Gaz İletim and as of the balance sheet date TL 7.642.663 and TL 1.245.383 respectively (December 31, 2008: TL 6.396.477; December 31, 2008: TL 1.795.684).

NOTE 28 – SALES AND COST OF SALES

<u>Sales</u>	January 1- March 31, 2009	January 1- March 31, 2008
Domestic sales	2.791.130.270	3.327.924.627
Foreign sales	208.868.621	143.344.062
Sales returns	-	(8.900.714)
Sales discounts	(54.490.191)	(47.728.053)
Other discounts	(25.146.011)	(21.289.368)
	2.920.362.689	3.393.350.554

<u>Cost of sales</u>	January 1- March 31, 2009	January 1- March 31, 2008
Raw materials	22.579.646	29.099.738
Direct labor costs	129.940	96.101
General production overhead	2.571.047	2.520.411
Depreciation expense	296.652	366.868
Changes in work in process	416.456	(79.714)
Changes in finished goods	6.197.860	(1.081.153)
Cost of finished goods sold	32.191.601	30.922.251
Cost of trade goods sold	2.619.717.905	3.148.691.762
Cost of services rendered (*)	2.065.852	1.568.763
Cost of sales	2.653.975.358	3.181.182.776

(*) Cost of services rendered contains service/transportation cost of PO Gaz İletim A.Ş. of TL 2.065.852 (March,31 2008: TL 1.568.763) and includes depreciation and amortization of TL 152.748 (December,31 2008: TL 153.643). Transportation income of PO Gaz İletim A.Ş.results from the transportation services provided to Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş. and eliminated during the consolidation process. Cost of services rendered is presented in order to follow up seperately from the cost of trade goods sold of Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş.

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

	January 1- March 31, 2009	January 1- March 31, 2008
Marketing, sales and distribution expenses	(73.844.504)	(77.372.752)
General administrative expenses	(21.982.202)	(19.613.218)
	(95.826.706)	(96.985.970)

NOTE 30 – EXPENSES BY NATURE

Operating expenses for the periods ended March 31, are as follows:

Marketing, sales and distribution expenses	January 1- March 31, 2009	January 1- March 31, 2008
Depreciation and amortization	(31.131.648)	(27.997.057)
Personnel expenses	(12.606.083)	(13.196.918)
Advertising expenses	(7.872.413)	(15.011.454)
Taxes and dues	(6.571.358)	(4.684.777)
Consultancy charges and services received	(5.483.883)	(6.151.620)
Repair and maintenance expenses	(1.732.134)	(2.177.363)
Transportation expenses	(1.626.212)	(2.108.137)
Rent expenses	(1.331.351)	(1.838.652)
Insurance expenses	(1.200.804)	(1.032.858)
Electricity-Water-Heating expenses	(700.214)	(537.958)
Communication expenses	(638.121)	(526.077)
Bank and commission expenses	(403.887)	(448.508)
Other	(2.546.396)	(1.661.373)
	(73.844.504)	(77.372.752)

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NOTE 30 – EXPENSES BY NATURE (cont’d)

General administrative Expenses	January 1- March 31, 2009	January 1- March 31, 2008
Personnel expenses	(8.420.367)	(8.430.075)
Consultancy charges and services received	(3.933.734)	(3.808.178)
Taxes and dues	(1.972.308)	(1.335.356)
Depreciation and amortization	(1.946.054)	(895.857)
Rent expenses	(843.585)	(665.916)
Insurance expenses	(516.982)	(772.699)
Repair and maintenance expenses	(484.202)	(499.963)
Transportation expenses	(367.382)	(344.408)
Sponsorship expenses	(359.321)	(1.264.545)
Communication expenses	(272.727)	(262.963)
Bank and commission expenses	(236.775)	(165.154)
Electricity-Water-Heating expenses	(177.413)	(109.630)
Other	(2.451.352)	(1.058.474)
	(21.982.202)	(19.613.218)

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 31 – OTHER OPERATING INCOME/EXPENSES

Other operating income and profit for the periods ended March 31 are as follows:

	January 1- March 31, 2009	January 1- March 31, 2008
Commission income	1.153.344	650.447
Provisions released	3.157.895	5.834.429
Other income and profits	1.975.664	4.424.703
	6.286.903	10.909.579

Other operating expenses and losses for the periods ended December 31 are as follows:

	January 1- March 31, 2009	January 1- March 31, 2008
Commission expenses	(908.921)	(234.035)
Provision expenses	(23.208.916)	(442.500)
Fines and penalties paid (*)	-	(3.520.477)
Loss on sale of fixed asset	(365.053)	(319.418)
Other expenses and losses	(1.077.882)	(4.896.226)
	(25.560.772)	(9.412.656)

(*) On 27 December 2002, the Company merged with İş Doğan, which was the majority shareholder of the Company, in accordance with Turkish Commercial Code Article No: 451 and Corporate Tax Law Article No: 37, 38 and 39 after the approval the Capital Markets Board (“CMB”) has given at the meeting numbered 61/1705 and dated 24 December 2002. As a result of this legal merger, the assets and liabilities of İş Doğan were transferred to the Company and İş Doğan was dissolved.

As a result of tax audit of the fiscal years of 2001 and 2002 of İş Doğan and fiscal years of 2002, 2003, 2004 and 2005 of the Company, notifications for tax assessment amounting to TL 359.992.521,20 for corporate tax liability, TL 265.516.081 for prepaid tax liability and tax penalty amounting to TL 625.508.602 were communicated to the Company.

The Company has filed an application for arbitration with Ministry of Finance for the above mentioned tax and tax penalty. Negotiations between the representatives of Ministry of Finance and the Company have been finalized through a settlement, TL 275.362.170 was paid on 11 June 2007. Accordingly, the Company has no outstanding liability related with this tax audit.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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NOTE 32 – FINANCE INCOME

Finance income for the year ended March 31, are as follows:

	January 1- March 31, 2009	January 1- March 31, 2008
Interest income	17.388.973	12.890.571
Foreign exchange gain	240.297.796	81.883.976
Discount interest income	1.671.428	11.320.469
	259.358.197	106.095.016

NOTE 33 – FINANCE EXPENSES

Finance expenses for the year ended March 31 are as follows:

	January 1- March 31, 2009	January 1- March 31, 2008
Interest expense	(38.121.035)	(29.008.660)
Foreign exchange loss	(376.177.064)	(212.281.413)
Discount expenses	(1.766.097)	(11.923.706)
Discount of letter of credits	(32.832.146)	(19.557.369)
	(448.896.342)	(272.771.148)

NOTE 34 –ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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NOTE 35 – TAX ASSETS AND LIABILITIES

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

The rate applied in the calculation of deferred tax assets and liabilities is 20% (2008: %20).

	<u>Temporary Differences</u>		<u>Deferred Tax Asset / (Liability)</u>	
	<u>March 31, 2009</u>	<u>December 31, 2008</u>	<u>March 31, 2009</u>	<u>December 31, 2008</u>
Difference between tax base and carrying amount of tangible fixed assets and intangibles	(406.701.233)	(411.489.313)	(60.659.480)	(61.617.096)
Deferred finance expense of long term trade payables	(15.709.497)	(20.688.347)	(3.141.899)	(4.137.669)
Provision for doubtful receivables and lawsuits	53.947.600	50.398.662	10.789.520	10.079.732
Impairment of inventories	1.355.581	68.776.629	271.116	13.755.325
Provision for employee termination benefits	8.527.041	8.769.392	1.705.408	1.753.878
Carry forward tax losses	77.000.137	5.359.776	15.400.027	1.071.955
Mark to market accrual of futures and SWAP	(73.129.078)	(104.937.763)	(14.625.816)	(20.987.553)
Deferred finance income of short term trade payables	(793.139)	(1.571.094)	(158.628)	(314.219)
Deferred finance expense of short term trade receivables	14.012.072	15.901.217	2.802.414	3.180.243
Prepaid stamp taxes adjustment	(8.018.547)	(11.944.134)	(1.603.709)	(2.388.827)
Other temporary differences	(7.749.806)	3.422.185	(1.549.961)	684.437
Deferred tax asset / (liability), net			(50.771.008)	(58.919.794)

Deferred tax asset and liability movements as of March 31, 2009 and 2008 are as follows;

<u>Deferred tax asset movement :</u>	2009	2008
January 1, opening balance	744.904	562.830
Deferred tax income/(expense)	322.426	31.087
March 31, closing balance	1.067.330	593.917
<u>Deferred tax liability movement :</u>	2009	2008
January 1, opening balance	(59.664.697)	(50.761.087)
Deferred tax income/(expense)	7.826.359	9.704.437
March 31, closing balance	(51.838.338)	(41.056.650)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

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

Corporate Tax

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

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

The effective tax rate in 2009 is 20% (2008: 20%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% in 2009 (2008: 20%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

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

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% commencing from 23 July 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes. Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to 24 April 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the Group. The investments without investment incentive certificates do not qualify for tax allowance.

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

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

PETROL OFİSİ A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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NOT 35 – TAX ASSETS AND LIABILITIES (cont'd)

The Group has used 20% corporate tax rate as of March 31, 2009 and December 31, 2008 because it has chosen not to use investment incentive.

	March 31, 2009	December 31, 2008
<u>Current tax liability:</u>		
Current tax liability	850.750	21.121.567
Prepaid taxes and dues	-	(20.361.942)
Total current tax liability	850.750	759.625

	January 1- March 31, 2009	January 1- March 31, 2008
<u>Tax (charge)/benefit:</u>		
Current tax	850.750	570.106
Deferred tax benefit/(charge)	(8.148.785)	(9.735.524)
	(7.298.035)	(9.165.418)

Current period tax reconciliation is as follows:

	January 1- March 31, 2009	January 1- March 31, 2008
Consolidated profit before taxes on income	(38.251.389)	(49.997.401)
Tax at the effective rate : 20%	7.650.277	9.999.480
Tax effect of non – deductible expenses	(312.066)	(717.694)
Tax effect of tax dispute payment	-	-
Tax effect of exempt income	(40.176)	(116.368)
Tax (expense) / income	7.298.035	9.165.418

NOTE 36 – EARNINGS PER SHARE

	January 1- March 31, 2009	January 1- March 31, 2008
Net profit /(loss) for the period	(32.198.737)	(41.037.623)
Weighted-average number of outstanding shares (1 share equals to TL 1 valued shares)	550.000.000	550.000.000
Net profit/(loss) per share (TL)	(0,059)	(0,075)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira ("TL") unless otherwise stated.)

NOTE 37 – RELATED PARTY TRANSACTIONS

i) Due to/from related parties:

a) Due from related parties

	March 31, 2009	December 31, 2008
Çankaya Bel-Pet Ltd. Şti.	1.496.737	1.631.394
Petrom S.A.	749.745	692.903
OMV Refining & Marketing GMBH	50.864	-
Milta Turizm İşletmeleri A.Ş.	49.792	10.851
Doğan Haber Ajansı A.Ş.	43.624	37.290
Çelik Halat ve Tel San. A.Ş.	30.955	8.815
Doğan Dağıtım Satış ve Pazarlama A.Ş.	30.803	9.172
DTV Haber ve Görsel Yayıncılık A.Ş.	25.067	20.796
Doğan Yayın Holding A.Ş.	19.898	21.074
Dergi Pazarlama Planlama ve Ticaret A.Ş.	16.669	19.436
Doğan Şirketler Grubu Holding A.Ş.	16.086	14.482
Ray Sigorta A.Ş.	14.419	16.639
Doğan Dış Ticaret ve Mümessillik A.Ş.	5.067	6.297
Hürriyet Gazetecilik ve Matbaacılık A.Ş.	3.887	661
Doğan Havacılık Sanayi ve Ticaret A.Ş.	-	13.692
Other	296.664	290.676
Total	2.850.277	2.794.178

b) Due to related parties

	March 31, 2009	December 31, 2008
Doğan Gazetecilik A.Ş.	249.612	248.165
OMV Refining & Marketing GMBH	198.096	190.531
Hürriyet Gazetecilik ve Matbaacılık A.Ş.	142.569	143.747
Milta Turizm İşletmeleri A.Ş.	131.584	368.336
Ray Sigorta A.Ş.	-	673.491
Petrom S.A.	-	4.014
Other	299.409	406.612
Total	1.021.270	2.034.896

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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NOTE 37 – RELATED PARTY TRANSACTIONS (cont'd)

ii) Major sales to related parties and purchases from related parties:

a) Product sales to related parties

	January 1 - March 31, 2009	January 1 - March 31, 2008
Petrom S.A.	2.680.868	638.819
Çankaya Bel-Pet Ltd. Şti	1.209.886	2.866.483
Hürriyet Gazetecilik Ve Matbaacılık A.Ş.	341.624	327.724
Doğan Dış Ticaret Ve Mümessillik A.Ş.	295.531	326.819
Doğan Dağıtım Satış Ve Pazarlama A.Ş.	92.147	122.388
OMV Refining & Marketing GMBH	74.100	1.208.957
Milta Turizm İşletmeleri A.Ş.	6.912	102.033
Other	777.456	1.018.807
Total	5.478.524	6.612.030

b) Product purchases from related parties

	January 1 - March 31, 2009	January 1 - March 31, 2008
Petrom S.A.	3.750	8.314
OMV Refining & Marketing GMBH	400.617	1.703.706
Ray Sigorta A.Ş.	1.572.271	1.349.650
Milta Turizm İşletmeleri A.Ş.	1.023.702	780.371
Doğan Şirketler Grubu Holding A.Ş.	718.619	594.943
Hürriyet Gazetecilik ve Matbaacılık A.Ş.	234.963	404.461
Doğan Gazetecilik A.Ş.	347.429	568.726
Doğan Otomobilcilik Tic. ve San. A.Ş	26.483	-
Diğer	98.610	120.929
Total	4.426.444	5.531.100

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NOTE 37 – RELATED PARTY TRANSACTIONS (cont’d)

iii) Other income from and expense to related parties:

a) Benefits provided to board members and key management personnel:

	1 January- 31 March 2009	1 January- 31 March 2008
Wages and other short-term benefits	2.135.470	1.564.582
Total	2.135.470	1.564.582

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 8, cash and cash equivalents disclosed in note 6 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 27.

The management of the Group considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the redemption of existing debt.

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

As of March 31, 2009 and December 31, 2008 net debt / total capital ratio is as follows:

	March 31, 2009	December 31, 2008
Total Liabilities	4.180.261.776	3.665.747.065
Less: Cash and cash equivalents	1.969.798.899	1.535.732.285
Net Debt	2.210.462.877	2.130.014.780
Shareholders’ Equity	2.715.032.809	2.747.035.667
Total Capital	4.925.495.686	4.877.050.447
Net Debt / Total Capital ratio	45%	44%

The Group’s overall strategy is not different from previous period.

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors

The risks of the Group, resulted from operations, include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group’s risk management program generally seeks to minimize the effects of uncertainty in financial market on financial performance of the Group. The Group uses derivative financial instruments in order to safeguard itself from different financial risks.

Risk management is implemented by finance department according to the policies approved by Board of Directors. The Group’s finance department provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. The written procedures are formed by Board of Directors to manage the foreign currency risk, interest risk, credit risk, use of derivative and non-derivative financial instruments and the assessment of excess liquidity.

(c.1) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group’s credit risks mainly arise from trade receivables. The Group manages this risk by the credit limits up to the guarantees received from customers. The usage of credit limits are monitored by the Group and also by taking into consideration customer’s financial position, past experiences and other factors, customer’s credibility is evaluated continuously. Trade receivables, are evaluated based on the Group’s policies and procedures and as a result presented net of doubtful provision in the financial statements (Note 10).

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

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.1) Credit risk management (cont’d)

Credit Risk of Financial Instruments	Receivables				Deposits in Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
March 31, 2009	Related Party	Third Party	Related Party	Third Party			
Maximum net credit risk as of balance sheet date (*) (A +B+C+D+E)	1.425.911	831.247.947	-	-	1.969.776.850	135.908.051	-
- The part of maximum risk under guarantee with collateral etc.	500.000	243.828.878	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	1.328.393	669.228.110	-	-	1.969.776.850	135.908.051	-
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	48.366.353	-	-	-	-	-
C. Carrying value of financial assets that are past due but not impaired	87.233	73.224.686	-	-	-	-	-
- The part under guarantee with collateral etc.	-	13.373.827	-	-	-	-	-
D. Net book value of impaired assets	10.825	40.428.798	-	-	-	-	-
- Past due (gross carrying amount)	1.434.651	148.246.437	-	-	-	-	-
- Impairment (-)	(1.424.366)	(107.817.639)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	500.000	40.428.798	-	-	-	-	-
- Not past due (gross carrying amount)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-

(*) The factors that increase in credit reliability such as guarantees received are not considered in the balance.

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.1) Credit risk management (cont’d)

(*) The factors that increase in credit reliability such as guarantees received are not considered in the balance.

Credit Risk of Financial Instruments	Receivables						Deposits in Banks	Derivative Instruments	Other	
	Trade Receivables		Other Receivables							
	Related Party	Third Party	Related Party	Third Party						
December 31, 2008										
Maximum net credit risk as of balance sheet date (*) (A +B+C+D+E)	2.022.168	829.279.367	-	-	1.535.732.285	104.937.763	-	-		
- The part of maximum risk under guarantee with collateral etc.	500.000	235.395.806	-	-	-	-	-	-		
A. Net book value of financial assets that are neither past due nor impaired	1.121.444	647.325.377	-	-	1.535.732.285	104.937.763	-	-		
B. Net book value of financial assets that are renegotiated, if not that will be accepted as past due or impaired	-	43.643.960	-	-	-	-	-	-		
C. Carrying value of financial assets that are past due but not impaired	806.228	105.983.521	-	-	-	-	-	-		
- The part under guarantee with collateral etc.	500.000	38.959.521	-	-	-	-	-	-		
D. Net book value of impaired assets	94.496	32.326.509	-	-	-	-	-	-		
- Past due (gross carrying amount)	866.505	128.685.615	-	-	-	-	-	-		
- Impairment (-)	(772.009)	(96.359.106)	-	-	-	-	-	-		
- The part of net value under guarantee with collateral etc.	-	32.326.509	-	-	-	-	-	-		
- Not past due (gross carrying amount)	-	-	-	-	-	-	-	-		
- Impairment (-)	-	-	-	-	-	-	-	-		
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-	-		
E. Off-balance sheet items with credit risk	-	-	-	-	-	-	-	-		

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk factors (cont'd)

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

As of 31 March 2009, trade receivables of TL 718.922.856 (December 31, 2008: TL 692.090.781) were neither past due nor impaired.

Total collaterals that were obtained from customers are presented below:

	March 31, 2009	December 31, 2008
Guarantee cheques and notes	83.076.545	79.130.085
Letter of guarantees	240.538.408	261.136.126
Mortgages	407.171.678	409.049.428
Insurance (*)	185.164.397	168.019.697
Cash guarantees	693.433	683.747
	916.644.461	918.019.083

(*) The Group has insured receivables from marine and aviation customers.

As of March 31, 2009; trade receivables of TL 73.311.919 (31 December 2008: TL 106.789.749) which includes TL 33.338.645 (31 December 2008: TL 22.588.793) receivables from public entities, were past due but not impaired. Based on industry dynamics and characteristics, the Group does not foresee any collection risk for overdue amounts up to 90 days. Interest is charged for trade receivables which are overdue more than 90 days and these receivables are restructured and considered recoverable because there are letter of guarantees, mortgages and other guarantees obtained. Overdue trade receivables is a result of the industry characteristic as mentioned above and is not significantly different from previous periods.

As of 31 March 2009, trade receivables of TL 149.681.088 (31 December 2008: TL 129.552.120) were assessed as impaired. The collaterals held for these receivables were deducted and TL 109.242.005 provision has been provided for as of March 31, 2009 (December 31, 2008: TL 97.131.115). The provision for trade receivables is provided based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. The Group offsets these risks by limiting average risk limits of counterparties in each transaction and obtaining guarantees if necessary. Credit risk mainly arises from trade receivables. Credit limits of the customers are monitored regularly and credit quality is assessed with reference to past experience, financial status of the customer and other factors. Trade receivables are evaluated in accordance with the Group policies and procedures; and accordingly, are presented net of doubtful provision on the balance sheet.

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)**(c) Financial risk factors (cont'd)****(c.1) Credit risk management (cont'd)**

The aging of the past due receivables are as follows

	Receivables	
	Trade Receivables	Other Receivables
March 31, 2009		
Past due 1-30 days	37.506.744	-
Past due 1-3 months	34.787.228	-
Past due 3-12 months	18.368.215	-
Past due 1-5 years	132.330.820	-
Past due more than 5 years	-	-
Total past due receivables	222.993.007	-
The part under guarantee with collateral	54.302.625	-

	Receivables	
	Trade Receivables	Other Receivables
December 31, 2008		
Past due 1-30 days	63.701.370	-
Past due 1-3 months	38.016.850	-
Past due 3-12 months	28.240.918	-
Past due 1-5 years	106.382.731	-
Past due more than 5 years	-	-
Total past due receivables	236.341.869	-
The part under guarantee with collateral	71.786.030	-

Collaterals held for the trade receivables that are past due but not impaired:

	<u>March 31, 2009</u>	<u>December 31, 2008</u>
Guarantee cheques and notes	391.414	1.384.819
Letter of guarantees	6.672.971	18.006.227
Mortgages	4.676.225	16.347.917
Insurance (*)	1.603.343	3.709.073
Cash guarantees	29.874	11.485
	13.373.827	39.459.521

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.1) Credit risk management (cont’d)

Collaterals held for the trade receivables that are past due and impaired:

	<u>31 March 2009</u>	<u>31 December 2008</u>
Guarantee cheques and notes	783.674	64.637
Letter of guarantees	452.507	417.507
Mortgages	39.692.617	31.844.365
	<u>40.928.798</u>	<u>32.326.509</u>

(c.2) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity Risk Tables

Having a conservative liquidity risk management requires obtaining adequate level of cash in addition to having the ability to utilize adequate level of borrowings and fund resources as well as closing market positions.

Funding risk attributable to the current and future potential borrowing demand is managed to the extent that an ongoing access to adequate number of creditors with high quality is provided.

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

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.2) Liquidity risk management (cont’d)

March 31, 2009

<u>Contractual Maturity Analysis</u>	<u>Carrying Value</u>	<u>Total cash outflow according to contract (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Non-derivative Financial liabilities						
Bank borrowings	1.104.017.110	1.322.924.960	9.055.458	275.506.603	1.038.362.899	-
Finance lease liabilities	30.995.544	38.375.187	2.858.506	7.816.706	26.518.795	1.181.180
Trade payables	3.040.940.207	3.132.049.502	513.962.817	1.795.712.556	822.374.129	-
Total liabilities	4.175.952.861	4.493.349.649	525.876.781	2.079.035.865	1.887.255.823	1.181.180

December 31, 2008

<u>Contractual Maturity Analysis</u>	<u>Carrying Value</u>	<u>Total cash outflow according to contract (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Non-derivative Financial liabilities						
Bank borrowings	952.803.454	1.189.260.542	53.065.524	128.193.571	1.003.331.462	4.669.985
Finance lease liabilities	30.700.955	38.508.365	2.718.778	7.557.156	26.665.181	1.567.250
Trade payables	2.663.397.737	2.768.741.154	345.084.384	1.398.000.874	1.025.655.896	-
Other financial liabilities	18.844.919	18.844.919	18.844.919	-	-	-
Total liabilities	3.665.747.065	4.015.354.980	419.713.605	1.533.751.601	2.055.652.539	6.237.235

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk factors (cont'd)

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

March 31, 2009

<u>Contractual Maturity Analysis</u>	<u>Carrying Value</u>	<u>Total cash outflow according to contract (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Derivative Financial liabilities						
Derivative cash inflow	77.437.993	491.769.772	185.968.351	21.885.096	283.916.325	-
Derivative cash outflow	(4.308.915)	(439.745.177)	(190.277.268)	(41.816.894)	(207.651.015)	-

December 31, 2008

<u>Contractual Maturity Analysis</u>	<u>Carrying Value</u>	<u>Total cash outflow according to contract (I+II+III+IV)</u>	<u>Less than 3 Months (I)</u>	<u>3-12 Months (II)</u>	<u>1-5 Years (III)</u>	<u>More than 5 Years (IV)</u>
Derivative Financial liabilities						
Derivative cash inflow	104.937.763	651.735.791	377.710.813	9.722.986	264.301.992	-
Derivative cash outflow	-	(575.806.420)	(326.338.511)	(20.736.597)	(228.731.312)	-

(c.3) Market risk management

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

Market risk exposures of the Group are measured using sensitivity analysis.

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

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.3.1) Foreign currency risk management

Transactions in foreign currencies expose the Group to foreign currency risk.

This risk mainly arises from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. In this regard, the Group manages this risk with a method of netting foreign currency denominated assets and liabilities. The management reviews the foreign currency open position and provide measures if required.

The Group is mainly exposed to foreign currency risk in USD, and the effects of other currencies are not material.

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

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk factors (cont'd)

(c.3.1) Foreign currency risk management (cont'd)

	March 31, 2009			
	TL Equivalent (Functional currency)	US Dollar	Euro	Other
1. Trade Receivables	79.656.532	46.614.063	436.694	-
2a. Monetary Financial Assets (Cash, Banks included)	1.985.901.187	1.175.875.028	457.244	4.145
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	2.065.557.719	1.222.489.091	893.938	4.145
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	2.065.557.719	1.222.489.091	893.938	4.145
10. Trade Receivables	2.088.361.612	1.236.802.817	286.844	-
11. Financial Liabilities	88.706.746	50.702.668	1.402.032	-
12a. Other Monetary Financial Liabilities	-	-	-	-
12b. Other Non-monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	2.177.068.359	1.287.505.485	1.688.876	-
14. Trade Payables	776.941.189	460.273.216	-	-
15. Financial Liabilities	505.080.905	296.884.678	1.769.956	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	1.282.022.094	757.157.894	1.769.956	-
18. Total Liabilities (13+17)	3.459.090.452	2.044.663.379	3.458.832	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	278.520.000	165.000.000	-	-
19.a Off-balance sheet foreign currency derivative assets	278.520.000	165.000.000	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(1.115.012.734)	(657.174.288)	(2.564.894)	4.145
21. Net foreign currency asset / liability position of monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	(1.393.532.733)	(822.174.288)	(2.564.894)	4.145
22. Fair value of foreign currency hedged financial assets	77.437.994	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	278.520.000	165.000.000	-	-
23. Exports	208.868.621	126.756.051	-	-
24. Imports	405.060.690	245.819.086	-	-

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.3.1) Foreign currency risk management (cont’d)

	December 31, 2008			
	TL Equivalent (Functional currency)	US Dollar	Euro	Other
1. Trade Receivables	90.363.484	58.997.867	532.983	-
2a. Monetary Financial Assets (Cash, Banks included)	1.550.851.621	1.024.836.945	459.565	4.453
2b. Non-monetary Financial Assets	-	-	-	-
3. Other	-	-	-	-
4. Current Assets (1+2+3)	1.641.215.105	1.083.834.812	992.548	4.453
5. Trade Receivables	-	-	-	-
6a. Monetary Financial Assets	-	-	-	-
6b. Non-monetary Financial Assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-
9. Total Assets (4+8)	1.641.215.105	1.083.834.812	992.548	4.453
10. Trade Receivables	1.439.045.159	949.970.867	1.123.046	-
11. Financial Liabilities	80.866.577	51.479.712	1.407.796	-
12a. Other Monetary Financial Liabilities	18.844.919	12.461.098	-	-
12b. Other Non-monetary Financial Liabilities	-	-	-	-
13. Current Liabilities (10+11+12)	1.538.756.655	1.013.911.677	2.530.842	-
14. Trade Payables	966.823.460	639.306.659	-	-
15. Financial Liabilities	345.542.302	225.554.576	2.072.177	-
16a. Other Monetary Financial Liabilities	-	-	-	-
16b. Other Non-monetary Financial Liabilities	-	-	-	-
17. Non-current Liabilities (14+15+16)	1.312.365.762	864.861.235	2.072.177	-
18. Total Liabilities (13+17)	2.851.122.417	1.878.772.912	4.603.019	-
19. Net asset / liability position of Off-balance sheet derivatives (19a-19b)	249.529.500	165.000.000	-	-
19.a Off-balance sheet foreign currency derivative assets	249.529.500	165.000.000	-	-
19b. Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20. Net foreign currency asset liability position (9-18+19)	(960.377.812)	(629.938.100)	(3.610.471)	4.453
21. Net foreign currency asset / liability position of monetary Items (1+2a+5+6a-10-11-12a-14-15-16a)	(1.209.907.312)	(794.938.100)	(3.610.471)	4.453
22. Fair value of foreign currency hedged financial assets	42.369.299	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	249.529.500	165.000.000	-	-
23. Exports	2.323.208.805	1.790.389.029	-	-
24. Imports	2.858.849.670	2.303.182.545	-	-

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont’d)

(c) Financial risk factors (cont’d)

(c.3.1) Foreign currency risk management (cont’d)

As of December 31, 2008 foreign currency denominated asset and liability balances were converted with the following exchange rates; TL 1,6880 = USD 1 and TL 2,2258 = EURO 1 (December 31, 2008: TL 1,5123 = USD 1 and TL 2,1408 = EURO 1)

Foreign currency sensitivity

March 31, 2009

	Income / Expense		Equity	
	Appreciation of Foreign currency	Devaluation of Foreign currency	Appreciation of Foreign currency	Devaluation of Foreign currency
	If US Dollar appreciated against TL by 1%			
1- US Dollar net asset / liability	(14.052.199)	14.052.199	-	-
2- Part of hedged from US Dollar risk (-)	2.785.200	(2.785.200)	-	-
3- US Dollar net effect (1 +2)	(11.266.999)	11.266.999	-	-
	If Euro appreciated against TL by 1%			
4- Euro net asset / liability	(64.443)	64.443	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(64.443)	64.443	-	-
	If other foreign currency appreciated against TL by 1%			
7- Other foreign currency net asset / liability	-	-	-	-
8- Part of hedged other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	-	-	-	-
Total (3 + 6 +9)	(11.331.442)	11.331.442	-	-

NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL

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INSTRUMENTS (cont'd)**(c) Financial risk factors (cont'd)****(c.3.1) Foreign currency risk management (cont'd)****March 31, 2008**

	<u>Income / Expense</u>		<u>Equity</u>	
	<u>Appreciation of Foreign currency</u>	<u>Devaluation of Foreign currency</u>	<u>Appreciation of Foreign currency</u>	<u>Devaluation of Foreign currency</u>
	If US Dollar appreciated against TL by 1%			
1- US Dollar net asset / liability	(12.399.496)	12.399.496	-	-
2- Part of hedged from US Dollar risk (-)	-	-	-	-
3- US Dollar net effect (1 +2)	(12.399.496)	12.399.496	-	-
	If Euro appreciated against TL by 1%			
4- Euro net asset / liability	(51.426)	51.426	-	-
5- Part of hedged from Euro risk (-)	-	-	-	-
6- Euro net effect (4+5)	(51.426)	51.426	-	-
	If other foreign currency appreciated against TL by 1%			
7- Other foreign currency net asset / liability	-	-	-	-
8- Part of hedged other foreign currency risk (-)	-	-	-	-
9- Other foreign currency net effect (7+8)	-	-	-	-
Total (3 + 6 +9)	(12.450.921)	12.450.921	-	-

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NOTE 38 – NATURE AND LEVEL OF RISKS DERIVED FROM FINANCIAL INSTRUMENTS (cont'd)

(c) Financial risk factors (cont'd)

(c.3.2) Interest rate risk management

Financial liabilities of the Group expose the Group to interest rate risk. The Group's financial liabilities are mainly fixed rate borrowings. Based on the current balance sheet as at December 31, 2008, if there is 1% decrease/increase in the interest rates and if the other variables are kept constant; the net income before tax of the Group is going to increase/decrease by TL 447.921 (December 31, 2008: TL 1.345.947).

Interest rate sensitivity

The financial instruments, that are sensitive to interest rate, are as follows:

Interest Rate Position Table

		December 31, 2008	December 31, 2007
Fixed Interest Rate Financial Instruments			
Financial Assets	Fair value through profit and loss	-	-
	Available for sale financial assets	-	-
Financial Liabilities		-	-
Floating Interest Rate Financial Instruments			
Financial Assets		-	-
Financial Liabilities		180.423.133	140.052.344

(c.3.3) Price Risk

The Group is exposed to price risk due to the difference between petroleum product inventory value and the product prices traded in international commodity market which subsequently affects sales price adversely. In order to avoid the negative price fluctuations on sales price, the Group entered into petroleum future contracts. Gain/loss arising from these transactions is included in cost of goods sold. TL 6.386.205 of gain on these transactions is included in cost of goods sold in 2009 (2008: TL 39.025.489 gain).

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**NOTE 39 –FINANCIAL INSTRUMENTS (EXPLANATIONS RELATED TO FAIR VALUE
AND HEDGE ACCOUNTING)**

Financial instrument categories

March 31, 2009	Financial assets at amortized cost	Loans and receivables	Available for sale financial assets	Financial liabilities at amortized cost	Carrying value	Note
Financial assets						
Cash and cash equivalents	1.969.798.899	-	-	-	1.971.500.673	6
Trade receivables	-	832.673.858	-	-	832.673.858	10
Other financial assets	-	-	135.892	-	135.892	7
Financial liabilities						
Financial liabilities	-	-	-	1.135.012.654	1.135.012.654	8
Trade payables	-	-	-	3.040.940.710	3.040.940.710	10
Other financial liabilities	-	-	-	4.308.915	4.308.915	9
December 31, 2008						
	Financial assets at amortized cost	Loans and receivables	Available for sale financial assets	Amortized financial liabilities	Carrying value	Note
Financial assets						
Cash and cash equivalents	1.535.732.285	-	-	-	1.535.732.285	6
Trade receivables	-	831.301.535	-	-	831.301.535	10
Other financial assets	-	-	135.892	-	135.892	7
Financial liabilities						
Financial liabilities	-	-	-	983.504.409	983.504.409	8
Trade payables	-	-	-	2.663.397.737	2.663.397.737	10

The fair value of the Group’s financial assets and liabilities approximates their carrying amount. Information of derivative instruments related with financial liabilities and assets disclosed in Note 9 and Note 7.

PETROL OFİSİ A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2009

(Amounts are expressed as Turkish Lira (“TL”) unless otherwise stated.)

NOTE 40 – SUBSEQUENT EVENTS

The Company has received a fax message from Electricity Production Company (EÜAŞ) on April 20, 2009, which states that the agreement, for the procurement of 350,000 tons of fuel-oil, signed between the Company and EÜAŞ has been cancelled in accordance with Articles 25/d and 25/f of the Public Procurement Law. On April 21, 2009 it was announced officially that the Group and its shareholder Doğan Şirketler Grubu Holding A.Ş have been prohibited from participation public tenders for one year.

All the deliveries with respect to the agreement made by the Company have been in accordance with the bid specifications, the Company’s offer and the relevant clauses of the legislation and the agreement. Accordingly, all of the rights of appeal will be employed and required applications will be made to protect the Company’s legal rights. A court case has been filed with the Ankara 12th Administrative Court against the Ministry of Energy and Natural Resources for a stay of execution and the annulment of the mentioned decision.

The consolidated financial statements dated March 31, 2009 were approved on May 7, 2009 by Board of Directors.

NOTE 41 – OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR THE CLEAR UNDERSTANDING OF FINANCIAL STATEMENTS

None.