

Price Waterhouse Coopers
Sertifika Kurumu
Ticaret Sicil No: 27090
Mecidiyeköy, Kat: 9, Büyükdere
Mahallesi, Beşiktaş, İstanbul
Türkiye

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

**TURKISH FOUNDATION FOR WASTE REDUCTION
MICROCREDIT CENTER - TURKISH GRAMEEN MICROCREDIT
PROGRAM**

**STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007
TOGETHER WITH AUDITOR'S REPORT**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Standard Code of Accounts and the Turkish Commercial Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with all of requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Turkish Foundation for Waste Reduction

1. We have audited the accompanying financial statements of Turkish Foundation for Waste Reduction Microcredit Center - Turkish Grameen Microcredit Program ("TGMP"), which comprise the balance sheet as at 31 December 2007 and the income statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Turkish Standard Chart of Accounts and the Turkish Commercial Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

4. As explained in Note II to the accompanying financial statements, the accompanying financial statements include deposits collected from each project group member amounting to TRY351,012 classified under current liabilities at 31 December 2007. An annual interest rate of 7.5% is applied on the savings balance. However, the savings account interest accrual which should be recognized in the financial statements for the year ended 31 December 2007 has not been accounted for. The effect of such expense accrual on the accompanying financial statements could not be quantified.

Qualified Opinion

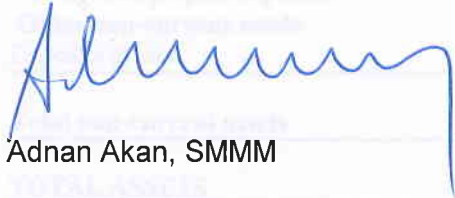
5. In our opinion, except for the effect on the financial statements of the matter referred to in the 4th paragraph, the financial statements present fairly, in all material respects, the financial position of TGMP as of 31 December 2007, and its financial performance for the year then ended in accordance with the Turkish Standard Chart of Accounts and Turkish Commercial Code.

Emphasis of Matter

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

6. As explained in Note 29.d to the accompanying balance sheet, the accompanying financial statements are based on the Turkish Standard Chart of Accounts in accordance with the Turkish Commercial Code, which is different from the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS). The effects of such differences have not been quantified. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in the financial position and cash flows in accordance with the accounting principles generally existing in such countries and IFRS.

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



Adnan Akan, SMMM

Istanbul, 15 October 2008

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

BALANCE SHEETS AT 31 DECEMBER

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

	31 December 2007	31 December 2006
ASSETS		
I. CURRENT ASSETS		
Liquid assets	327,482	226,234
Cash	420	1,341
Banks	327,062	224,893
Trade receivables	2,696,695	1,499,324
Customers (Microcredits given)	2,696,695	1,499,324
Short-term prepaid expenses and income accruals	9,262	694
Short-term prepaid expenses	9,262	694
Other current assets	120,533	25,013
Value Added Tax ("VAT") receivable	-	375
Prepaid taxes and funds	4,985	-
Work advances	-	10,000
Receivable from employees	-	966
Advance payments for orders	5,566	-
Other current assets	109,982	13,672
Total current assets	3,153,972	1,751,265
II. NON-CURRENT ASSETS		
Property and equipment	50,848	32,863
Motor vehicles	44,200	16,000
Furniture and fixtures	26,588	21,972
Accumulated depreciation	(19,940)	(5,109)
Intangible assets	4,246	4,126
Establishment costs	3,269	3,269
Leasehold improvements	1,947	-
Other intangibles	2,266	2,266
Accumulated amortization	(3,236)	(1,409)
Long-term prepaid expenses and income accruals	7,224	2,400
Long-term prepaid expenses	7,224	2,400
Other non-current assets	667	500
Deposits given	667	500
Total non-current assets	62,985	39,889
TOTAL ASSETS	3,216,957	1,791,154

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

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

BALANCE SHEETS AT 31 DECEMBER

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

	31 December 2007	31 December 2006
LIABILITIES AND FUNDS RECEIVED		
I. <u>CURRENT LIABILITIES</u>		
Short term financial liabilities	153,920	-
Bank borrowings	153,920	-
Trade payables	50	304
Suppliers	50	304
Other liabilities	352,087	232,057
Total deposits collected (voluntary savings)	351,012	217,081
Payable to employees	1,075	-
Other miscellaneous liabilities	-	14,976
Taxes and withholdings payable	19,608	22,180
Taxes and funds payable	8,694	20,519
Social security premiums payable	10,914	1,661
Expense accruals	167	-
Expense accruals	167	-
Other current liabilities	1,345	573
Surplus account	1,345	573
Total current liabilities	527,177	255,114
II. <u>NON CURRENT LIABILITIES</u>		
Payable to related parties	134,504	745,885
Payable to related parties	134,504	745,885
Total non-current liabilities	134,504	745,885
III. <u>FUNDS RECEIVED</u>		
Capital	-	826,931
Other reserve	2,735,772	-
Extraordinary reserves	2,051	-
Other reserves	3,027	-
Special funds	2,730,694	-
Accumulated losses	(50,213)	(47,946)
Current year (loss)/gain	(130,283)	11,170
Total funds received	2,555,276	790,155
TOTAL LIABILITIES AND FUNDS RECEIVED	3,216,957	1,791,154

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

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**STATEMENTS OF (LOSS)/INCOME FOR THE YEARS ENDED
31 DECEMBER**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

	2007	2006
Gross sales	565,853	328,062
Sales revenue	565,853	328,062
Sales deductions	(12,836)	(10,606)
Sales returns	(12,836)	(10,606)
Net sales	553,017	317,456
Cost of sales	(503,759)	(161,187)
Cost of services provided	(503,759)	(161,187)
GROSS PROFIT	49,258	156,269
Operating expenses	(174,427)	(130,916)
General administrative expenses	(174,427)	(130,916)
(LOSS)/GAIN FROM PRIMARY OPERATIONS	(125,169)	25,353
Other operating income	4,852	81
Interest income	4,852	81
Other operating expense	(8,941)	-
Interest expense	(8,941)	-
ORDINARY (LOSS)/GAIN	(129,258)	25,434
Extraordinary gain	6,894	3,246
Extraordinary gain	6,894	3,246
Extraordinary loss	(7,919)	(17,510)
Prior period loss	(1,209)	-
Extraordinary loss	(6,710)	(17,510)
NET GAIN FOR THE YEAR	(130,283)	11,170

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

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

NOTES TO STATUTORY FINANCIAL STATEMENTS

AT 31 DECEMBER 2007

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

I. NATURE OF OPERATIONS

Grameen Trust ("GT") is committed to the cause of alleviating global poverty by providing financial and technical support to Grameen Bank Replication Programs in Bangladesh and abroad. As part of its commitment, GT began a Grameen replication project in Turkey under its build, operate and transfer model with the support of the Turkish Foundation for Waste Reduction.

The Turkish Grameen Microcredit Program ("TGMP") was officially launched by Turkish Foundation for Waste Reduction in Diyarbakır, in the south-east of Turkey, in June 2003 with the support of GT. The prime objective of this project is to provide loans to poor women in rural and urban areas surrounding Diyarbakır, and to support their income-generating activities and small businesses as a means of reducing poverty. During the implementation of the project, due to the regulations, the project was financed by the donations given by various organizations and people under the control of Diyarbakır Governor's Office.

Turkish Foundation for Waste Reduction paid the balance of public money in the accounts of Diyarbakır Governor's Office related to Bağlar and Hüsni Özyeğin Ergani Branches in 2006. With the payment of total of TRY429,112, TGMP has been taken over by Turkish Foundation for Waste Reduction. Microcredit Center, which is a foundation economic enterprise, was established under the control of Turkish Foundation for Waste Reduction in 2006.

The Project has been implemented in sixteen different locations in 2007; Ergani (Diyarbakır), Bağlar (Diyarbakır), Mamak (Ankara), Kozluk (Batman), Adana, Çankırı, Eskişehir, Yozgat, Kahramanmaraş, Gaziantep, Mardin, Zonguldak, Proje Ofis, Silvan (Diyarbakır), Sur (Diyarbakır) and Bismil (Diyarbakır). The number of employees of TGMP at 31 December 2007 is 45 (31 December 2006: 32).

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

TGMP maintains its books of account in New Turkish lira ("TRY") based on the Turkish Commercial Code and tax legislation and prepares its statutory financial statements in accordance with the Turkish Standard Chart of Accounts.

The changes in funds in 2007 are displayed as follows:

	Capital	Special funds	Extraordinary reserves	Other reserves	Retained earnings	Total gain/(loss) the period	Total funds received
1 January 2007	826,931	-	-	-	(47,946)	11,170	790,155
Transfers	(826,931)	826,931	-	-	11,170	(11,170)	-
Prior year correction (Note 29.a)	-	-	-	-	(13,437)	-	(13,437)
Increase in donations	-	1,903,763	-	-	-	-	1,903,763
Uncollected loans (Note II)	-	-	2,051	3,027	-	-	5,078
Net loss for the period	-	-	-	-	-	(130,283)	(130,283)
31 December 2007	-	2,730,694	2,051	3,027	(50,213)	(130,283)	2,555,276

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

Significant Accounting Policies

The following significant accounting policies have been applied in the preparation of these financial statements:

Revenue recognition

TGMP charges a service fee on each loan given to the members of the project. The total service charge is determined as 15% of the outstanding loan amount.

Sales revenue consists of service charge income which is recognized in the financial statement based on an accrual basis.

Foreign currency transactions and translation

Transactions in foreign currencies are translated into TRY at the exchange rates prevailing at the date of the transactions. Foreign currency assets and liabilities are translated using exchange rates at the balance sheet date, and the resulting gains and losses are included in the current year results. There are no foreign currency denominated balances as of 31 December 2007.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. The depreciation is provided for property and equipment based on the straight line method over the following periods that are in line with tax regulations:

Depreciation periods

Motor vehicles	5 years
Furniture and fixtures	4 years

The pro-rata depreciation method is used for the vehicles of TGMP and the portion of depreciation expense related with the following years is accounted under the long term prepaid expenses.

Intangible assets

Intangible assets mainly comprise establishment costs, leasehold improvements and other intangibles. They are stated at cost less accumulated amortization. The amortization is provided based on the straight line method over five years.

Related parties

For the purpose of these financial statements major donors and key management personnel, in each case together with organizations controlled by or affiliated with them are considered and referred to as related parties.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

NOTES TO STATUTORY FINANCIAL STATEMENTS

AT 31 DECEMBER 2007

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

Provision for doubtful receivables

Provision for doubtful receivables is accounted for receivables if the management will not be able to collect all amounts due from the members of the project. The provision for doubtful receivable balance as of 31 December 2007 is TRY5,078 (31 December 2006: TRY14,976 under other miscellaneous liabilities) and was recognized in the extraordinary reserves and other reserves lines under equity.

Taxes on income

In accordance with Corporate Tax Law No:5520, Article 2, Paragraph 5 "Law related to taxpayers of corporation tax for the associations and foundations" that was published on 21 June 2006, the commercial, industrial and agricultural enterprises that are owned by or affiliated to associations or foundations are the economic enterprises of associations and foundations. Turkish Foundation for Waste Reduction is affiliated to Microcredit Center foundation economic enterprise and Hüsnü Özyeğin Ergani (Diyarbakır), Bağlar (Diyarbakır), Mamak (Ankara), Kozluk (Batman), Adana, Çankırı, Eskişehir, Yozgat, Kahramanmaraş, Gaziantep, Mardin, and Zonguldak Branches are subject to corporate tax.

Corporation tax is payable at the rate of 20% on the net income of the Organization after adjusting for certain disallowable expenses, exempt income and investment and other allowances.

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

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

Total voluntary savings

Within the scope of the prime objective of TGMP, each project group member deposits at least TRY1 weekly. TGMP applies an interest rate of 7.5% per annum (2006: 7.5%) on the saving balance. The group members can withdraw the saving any time. Only the new members are not allowed to withdraw cash within a year. TGMP accounts the weekly deposited amount under total deposits collected in the balance sheet.

Trade receivable (Microcredits given)

TGMP's customers are the members of the project and the receivable is recognized by TGMP by way of giving loan to project group members at nominal value.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS

A) Notes to the Balance Sheet

1. Upper limit of capital where registered capital system is applied:

Turkish Grameen Microcredit Program ("TGMP") has not applied the registered capital system; as such system is applicable to listed companies only.

2. a. Total amount of advances extended to the chairman, members of the board of directors, members of trustee, secretary general, general manager, general coordinator, assistant general manager and other high-level management during the year:

None (31 December 2006: None).

b. Balance of such advances at year-end:

None (31 December 2006: None).

3. Total amount of insurance on assets:

None (31 December 2006: TRY15,000).

4. Total guarantee letters obtained for receivables:

None (31 December 2006: None).

5. Total collateral and guarantee letters given for payables:

None (31 December 2006: None).

6. Off-balance sheet commitments and contingent liabilities:

None (31 December 2006: None).

7. Foreign currency denominated cash and bank balances:

None (31 December 2006: None).

8. Foreign currency denominated receivables:

None (31 December 2006: None).

9. Foreign currency denominated liabilities:

None (31 December 2006: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

NOTES TO STATUTORY FINANCIAL STATEMENTS

AT 31 DECEMBER 2007

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

10. Bills and financial bonds issued under the guarantee of banks:

None (31 December 2006: None).

11. Total investment incentive tax exemption to be utilized in current and following periods:

None (31 December 2006: None).

12. Total debenture bonds in circulation which are convertible into shares:

None (31 December 2006: None).

13. Shares representing the capital:

None (31 December 2006: None).

14. Total amount of share capital issued in current period:

None (31 December 2006: None).

15. List of owners or shareholders holding more than 10% of capital:

	31 December 2007 Share (%)	31 December 2006 Share (%)
Diyarbakır Governor's Office	-	100%

TGMP is a not-for-profit organization and it does not have a shareholding structure. As of 31 December 2006, the management presented the donations as capital under equity. As of 31 December 2007, the management classified the donations as special funds under equity in the financial statements (Note 29.c).

16. List of investments and subsidiaries where more than 10% of the share capital is owned:

None (31 December 2006: None)

17. Stock valuation method:

There is no inventory as of 31 December 2007 (31 December 2006: None).

18. Property and equipment and intangible assets movements during the year:

- a. Additions : TRY32,816 (31 December 2006: TRY35,669).
b. Disposals : None (31 December 2006: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

19. Portion of shareholders, associates, subsidiaries and related parties in trade receivables and trade payables:

	31 December 2007	31 December 2006
Receivable from related parties:		
Türkiye İsrافی Önleme Vakfı (Note 29.e)	36,294	-

	31 December 2007	31 December 2006
Payable to related parties:		
Türkiye İsrافی Önleme Vakfı (*)	134,504	745,885

(*) The payable amount is non-interest bearing and there is no specific redemption schedule for the outstanding liability amount.

20. Average number of employees in current year:

Average number of employees during the year is 45 (31 December 2006: 30).

21. Subsequent events:

In 2008, the project was implemented in seven new locations: Sivas, Gaziantep (Şahinbey Branch), Rize, Amasya, Niğde, Bursa, Aydın, Tokat, Çorum and Kayseri.

In 2008, TGMP has taken various loans amounting to TRY652,653 from HSBC Bank A.Ş. with annual interest rates ranging from 16.63% to 20.36% with maturities of two years.

In 2008, Citibank A.Ş. and Akfen Holding A.Ş. have made donations amounting to USD178,600 and TRY100,000, respectively.

22. Contingent liabilities and contingent profits:

None (31 December 2006: None).

23. Disclosure of changes in accounting estimates, which have material effect on gross profit ratios and their monetary effect:

None (31 December 2006: None).

24. Amount of blocked deposits in bank accounts:

None (31 December 2006: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

25. Issues and amount of marketable securities issued by affiliates, subsidiaries and shareholders:

None (31 December 2006: None).

26. Bonus shares received from affiliates and subsidiaries due to capital increase realized from reserves:

None (31 December 2006: None).

27. Total amount of unrealized interest for the following financial period:

None (31 December 2006: None).

28. Guarantees extended to shareholders, affiliates and subsidiaries:

None (31 December 2006: None).

29. Other issues, which might have a material effect on the financial statements or issues, which clarify the financial statements:

- a) In accordance with Corporate Tax Law No: 5520, Article 2, Paragraph 5 "Law related to taxpayers of corporation tax for the associations and foundations", TGMP is subject to corporate tax. The management was informed about the application of this law in year 2007; therefore the corporate tax provision for the year ended 31 December 2006 was not accounted for in 2006 financial statements. Corporate taxes amounting to TRY13,437 were calculated for the year ended 31 December 2006 and were accounted in the current year financial statement under the accumulated loss.
- b) In 2007, Hüsnü Özyeğin provided a restricted fund amounting to TRY343,174 to TGMP. The use of this fund is limited to the microcredit activities in Hüsnü Özyeğin Ergani Branch of TGMP, only.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

c) The breakdown of the special funds is as follows:

	31 December 2007	31 December 2006 (*)
Diyarbakır Governor's Office	988,386	826,931
Open Society Institute	423,359	423,359
Hüsnü Özyeğin	343,174	137,209
Gaziantep Special Provincial Administration Fund	200,000	-
Kahramanmaraş Special Provincial Administration Fund	100,935	-
Batman/Pemi Fund	100,000	26,000
Adana Special Provincial Administration Fund	100,000	-
Mardin Special Provincial Administration Fund	94,287	-
HSBC Fund	75,928	-
Eskişehir Special Provincial Administration Fund	60,000	-
Limak Holding A.Ş.	50,000	50,000
TAV Yatırım Holding A.Ş.	50,000	50,000
Yozgat Special Provincial Administration Fund	49,625	-
Zonguldak Special Provincial Administration Fund	45,000	-
Norm Sanayi Dış Ticaret Fund	20,000	-
Çankırı Special Provincial Administration Fund	20,000	-
İşkur Enerji A.Ş.	5,000	-
Vefa Dayanıklı Tük. Mal. Ltd. Şti. Fund	5,000	-
Total	2,730,694	1,513,499

(*) As of 31 December 2006, the management presented the donations from Diyarbakır Governor's Office amounting to TRY826,931 as capital under equity and the donations from Open Society Institute, Hüsnü Özyeğin, Batman/Pemi Fund, Limak Holding A.Ş. and TAV Yatırım Holding A.Ş. total amounting to TRY686,568 as payable to related parties under non-current liabilities.

d) The financial statements are based on the Turkish Standard Chart of Accounts in accordance with the Turkish Commercial Code, which is different from the accounting principles generally accepted in countries in which the financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). The effects of such differences have not been quantified. Accordingly, the financial statements are not intended to present the financial position, results of operations and changes in the financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

e) The breakdown of the other assets is as follows:

	31 December 2007	31 December 2006
Receivable from Türkiye İsrافی Önleme Vakfı ("TISVA")	36,294	-
Receivable from personnel	34,955	-
Service charge income accrual	34,325	12,130
Other	4,408	1,542
Other current assets	109,982	13,672

30. Date at which the financial statements are approved and become effective:

The financial statements were prepared based on the general ledger dated 4 July 2008. The financial statements have not yet been approved as at the preparation date of these financial statements. According to governing rules, there is no such requirement for not-for-profit organization.

b) NOTES TO THE STATEMENTS OF LOSS

1. Total depreciation and amortization charges for the period:

Depreciation: TRY9,344 (2006: TRY5,109).

Amortization: TRY1,827 (2006: TRY1,409).

2. Provisional expenses for the period:

None (2006: None).

3. Financial expenses for the period:

TRY8,941 (2006: None).

4. Amount of financial expenses for the period relating to the parent company, shareholders, affiliated companies and subsidiaries:

None (2006: None).

5. Sales to the parent company, shareholders, affiliated companies and subsidiaries:

None (2006: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
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**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

6. Interest, commission, rent etc. received from or paid to the parent company, shareholders, affiliated companies and subsidiaries:

None (2006: None).

7. Gross salaries and other benefits paid to the chairman, members of the board of directors, general manager, general coordinator, assistant general manager and other high level management during the year:

An amount of TRY36,710 (2006: TRY30,300) was paid to the General Manager of TGMP. No salary or other benefits were paid to the chairman and members of the board of directors, members of board of trustees and audit committee of TISVA.

8. Depreciation and amortization method applied:

The depreciation and amortization are provided for property and equipment based on the straight line method.

9. Costing method of stocks:

None (2006: None).

10. Reasons for the non-performance of physical stock counts:

Since TGMP has no inventories, physical stock count has not been performed.

11. Sales of side products, and scraps exceeding 20% of sales:

None (2006: None).

12. Income and expenses related to prior periods:

Expenses amounting to TRY1,209 (2006: TRY246) are related to the prior periods.

13. Earnings per share: None (2006: None).

Dividend per share: None (2006: None).

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**NOTES TO STATUTORY FINANCIAL STATEMENTS
AT 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("TRY") unless otherwise indicated)

**III. DISCLOSURES REQUIRED BY TURKISH UNIFORM CHART OF ACCOUNTS
(Continued)**

14. Other matters:

- a) General administrative expenses are mostly attributable to the expenses of the project office in Diyarbakır. The breakdown of such expenses is as follows:

	2007	2006
Salaries	72,388	64,300
Accounting services	40,446	-
Brochures	11,315	1,349
Utilities	7,877	15,312
Transportation	7,445	1,321
Notary	7,205	276
Postage	6,824	1,930
Rent	6,432	14,945
Fees, penalties	6,202	-
Other	8,293	31,483
General administrative expenses	174,427	130,916

- b) The breakdown of cost of services provided is as follows:

	2007	2006
Salaries	383,978	137,976
Gasoline	27,531	5,100
Communication	9,106	552
Travel	8,339	129
Depreciation and amortisation	7,520	-
Maintenance expenses	6,929	978
Rent	6,874	63
Stationary	5,468	1,846
Taxes and other duties	3,979	427
Utilities	1,651	-
Insurance	1,093	257
Other	41,291	13,859
Cost of services provided	503,759	161,187

