

Business and Financial Information
 Statutory Financial Statements
 a statement of
 Management's Responsibility
 PricewaterhouseCoopers
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Opinion

4. In our opinion, the financial statements present fairly, in all material aspects, the financial position of TGMP as at 31 December 2008, and its results of operations for the year then ended in accordance with the Turkish Standard Chart of Accounts and Turkish Commercial Code.

Additional Paragraph for Emphasis of Matter

5. As mentioned in paragraph 12 of the accompanying information, the accompanying financial statements are prepared in accordance with the Turkish Standard Chart of Accounts, which is different from the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Turkish Foundation for Waste Reduction

1. We have audited the accompanying financial statements of the Turkish Foundation for Waste Reduction ("Foundation") Microcredit Center - Turkish Grameen Microcredit Program ("TGMP"), which comprise the balance sheet as at 31 December 2008 and the statement of loss for the year then ended and a summary of significant accounting policies and other explanatory notes.

Foundation 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 Commercial Code and Turkish Standard Chart of Accounts. 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 as to 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.

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

PricewaterhouseCoopers

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**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ISSUED IN TURKISH**

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

BALANCE SHEETS AT 31 DECEMBER

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

	31 December 2008	31 December 2007
ASSETS		
I. CURRENT ASSETS		
Liquid assets	135,897	327,482
Cash	73	420
Banks	135,824	327,062
Trade receivables	6,383,323	2,696,695
Customers	6,383,323	2,696,695
Inventory	26,730	-
Other inventory	26,730	-
Short-term prepaid expenses and income accruals	118,518	9,262
Short-term prepaid expenses	14,604	9,262
Income accruals	103,914	-
Other current assets	177,810	120,533
Prepaid taxes and funds	5,927	4,985
Receivables from employees	1,256	-
Inventory count differences	418	-
Advance payment for purchase orders	14,577	5,566
Other current assets	155,632	109,982
Total current assets	6,842,278	3,153,972
II. NON-CURRENT ASSETS		
Property and equipment	193,936	50,848
Motor vehicles	203,312	44,200
Furniture and fixtures	44,868	26,588
Accumulated depreciation	(54,244)	(19,940)
Intangible assets	12,199	4,246
Establishment costs	3,269	3,269
Leasehold improvements	930	1,947
Other intangibles	17,764	2,266
Accumulated amortisation	(9,764)	(3,236)
Long-term prepaid expenses and income accruals	14,312	7,224
Long-term prepaid expenses	14,312	7,224
Other non-current assets	1,835	667
Deposits given	1,835	667
Total non-current assets	222,282	62,985
TOTAL ASSETS	7,064,560	3,216,957

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ISSUED IN TURKISH

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM

BALANCE SHEETS AT 31 DECEMBER

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

		31 December 2008	31 December 2007
LIABILITIES AND FUNDS RECEIVED			
I. <u>CURRENT LIABILITIES</u>			
Short-term financial liabilities		-	153,920
Bank borrowings	-		153,920
Trade payables		25,245	50
Suppliers	25,000		50
Deposits and guarantees received	245		-
Other liabilities		730,572	352,087
Total deposits collected (voluntary savings)	716,352		351,012
Payables to employees	14,220		1,075
Advances received		617	-
Advances received	617		-
Taxes and withholdings payable		63,326	19,608
Taxes and funds payable	30,196		8,694
Social security premiums payable	33,130		10,914
Expense accruals		54	167
Expense accruals	54		167
Other current liabilities		8,170	1,345
Surplus account	8,170		1,345
Total current liabilities		827,984	527,177
II. <u>NON-CURRENT LIABILITIES</u>			
Payable to related parties		1,982,463	134,504
Payable to related parties	1,982,463		134,504
Total non-current liabilities		1,982,463	134,504
III. <u>FUNDS RECEIVED</u>			
Other reserves		5,141,624	2,735,772
Extraordinary reserves	2,051		2,051
Other reserves	3,027		3,027
Special funds	5,136,546		2,730,694
Accumulated losses		(174,531)	(50,213)
Current year loss		(712,980)	(130,283)
Total funds received		4,254,113	2,555,276
TOTAL LIABILITIES AND FUNDS RECEIVED		7,064,560	3,216,957

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ISSUED IN TURKISH**

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

**STATEMENTS OF LOSS FOR THE YEARS ENDED
31 DECEMBER**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

	2008	2007
Gross sales	1,137,357	565,853
Sales revenue	1,137,357	565,853
Sales deductions	(12,750)	(12,836)
Sales returns	(12,750)	(12,836)
Net sales	1,124,607	553,017
Cost of sales	(1,197,005)	(503,759)
Cost of services provided	(1,197,005)	(503,759)
GROSS SALES (LOSS)/PROFIT	(72,398)	49,258
Operating expenses	(493,955)	(174,427)
General administrative expenses	(493,955)	(174,427)
LOSS FROM PRIMARY OPERATIONS	(566,353)	(125,169)
Other operating income	39,512	4,852
Interest income	39,512	4,852
Other operating expense	(195,945)	(8,941)
Interest expense	(195,945)	(8,941)
ORDINARY LOSS	(722,786)	(129,258)
Extraordinary income	34,946	6,894
Prior period income	212	6,894
Extraordinary income	34,734	-
Extraordinary loss	(25,140)	(7,919)
Prior period loss	(22,389)	(1,209)
Extraordinary loss	(2,751)	(6,710)
NET LOSS FOR THE YEAR	(712,980)	(130,283)

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ISSUED IN TURKISH

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER TURKISH GRAMEEN MICROCREDIT PROGRAM

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") 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 Build-Operate-Transfer 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 ("TİSVA").

The Turkish Grameen Microcredit Program ("TGMP") was officially launched by the Turkish Foundation for Waste Reduction in Diyarbakır, in the south-east of Turkey, in June 2003 with the support of GT. The primary 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 organisations and people under the control of Diyarbakır Governor's Office.

The Turkish Foundation for Waste Reduction and Hüsni Özyeğin paid the balance of public money in the accounts of Diyarbakır Governor's Office related to Bağlar and Hüsni Özyeğin Ergani Branches in 2006. TGMP was taken over by the Turkish Foundation for Waste Reduction with a payment of TL429,112. The TİSVA Microcredit Center, which is an economic enterprise foundation, was established as a part of Turkish Foundation for Waste Reduction in 2006. The Silvan (Diyarbakır) branch was taken over from the Diyarbakır Governor's Office by Turkish Foundation for Waste Reduction on 5 March 2008 by paying TL58,622. Sur (Diyarbakır) and Bismil (Diyarbakır) branches were taken over from the Diyarbakır Governor's Office by the Turkish Foundation for Waste Reduction on 17 March 2008. Thus, all the various microcredit branches across Turkey including the Diyarbakır branches are governed by TİSVA.

TGMP is being implemented in 33 different locations; Amasya, Aydın, Bağlar (Diyarbakır), Merkez (Ankara), Kozluk (Batman), Bismil (Diyarbakır), Bursa, Çankırı, Çorum, Ergani (Diyarbakır), Erzincan, Mardin, Kahramanmaraş, Elbistan (Kahramanmaraş), Kayapınar (Diyarbakır), Kayseri, Kırşehir, Mamak (Ankara), Sivas, Sur (Diyarbakır), Siverek (Şanlıurfa), Şanlıurfa, Tokat, Niğde, Rize, Kurtalan (Siirt), Tepebaşı (Eskişehir), Odunpazarı (Eskişehir), Şehitkamil (Gaziantep), Şahinbey (Gaziantep), Silvan (Diyarbakır), Yozgat and Zonguldak. The protocol signed with the Adana Private Provincial Administration on 12 November 2008 has expired and TİSVA decided not continue activities in Adana. The number of employees of TGMP at 31 December 2008 is 124 (31 December 2007: 45).

Two new loan applications have been launched under the program of the year 2008. In 2008, TGMP has started the implementation of the "Short-term Animal Breeding Loan" as a new type of loan for its members. This new type of loan is provided to all members of the branches established in rural areas who want to make animal breeding as an income-generating activity. Animal breeding loan is started to be given six months before the Feast of the Sacrifice and is recalled by the sale of the animals purchased with the loan after six months. In order to cover the member service costs, 15% of the loan given is deducted as service revenues and member service costs are paid in instalments completing in 30 weeks.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ISSUED IN TURKISH

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER TURKISH GRAMEEN MICROCREDIT PROGRAM

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

I. NATURE OF OPERATIONS (Continued)

The other loan type launched by TGMP in 2008 for its members is the "Landless Micro Greenhouse Credit". This loan targets better nutrition in addition to its aim to provide job opportunity for the poor people who do not have arable land and to save soil, water and time. The loan amount can be TL300 or TL500 according to the greenhouse type chosen. Similar to the fundamental credit, the principal amount is paid in 46 weeks and the service revenues, which are deducted from the principal amount by 15%, are collected in installments completing in 30 weeks.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

In accordance with Article 1 of Law No. 5083 concerning the "Currency of the Republic of Turkey" and according to the Decision of The Council of Ministers dated 4 April 2007 and No. 2007/11963, the prefix "new" used in "New Turkish lira" and "new kuruş" were removed as of 1 January 2009. When the prior currency, New Turkish lira ("TL"), values are converted into TL and Kr, one TL (TL1) and one YKr (YKr1) are now equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish lira or lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments are considered to have been made to TL at the conversion rate indicated above. Consequently, effective from 1 January 2009, the TL replaced the TL as a unit of account in keeping and presenting of books, accounts and financial statements.

The changes in funds in 2008 are displayed as follows:

	Extraordinary reserves	Other reserves	Special funds	Accumulated losses	Total loss for the period	Total funds received
1 January 2008	2,051	3,027	2,730,694	(50,213)	(130,283)	2,555,276
Transfers	-	-	-	(130,283)	130,283	-
Branch closing (Note 29.a) (*)	-	-	(100,000)	5,965	-	(94,035)
Donations	-	-	2,505,852	-	-	2,505,852
Net loss for the period	-	-	-	-	(712,980)	(712,980)
31 December 2008	2,051	3,027	5,136,546	(174,531)	(712,980)	4,254,113

(*) As of 12 November 2008, the protocol signed with Special Provincial Administration of Adana has expired and Adana Branch has been transferred to Adana Governor's Office.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ISSUED IN TURKISH

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER TURKISH GRAMEEN MICROCREDIT PROGRAM

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

The changes in funds in 2007 are displayed as follows:

	Capital	Special funds	Extraordinary reserves	Other reserves	Accumulated losses	Total gain/(loss) for the period	Total funds received
01 January 2007	826,931	-	-	-	(47,946)	11,170	790,155
Transfers	(826,931)	826,931	-	-	11,170	(11,170)	-
Prior year correction	-	-	-	-	(13,437)	-	(13,437)
Donations	-	1,903,763	-	-	-	-	1,903,763
Uncollected loans	-	-	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

Significant Accounting Policies

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

Revenue recognition

TGMP charges 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 recognised in the financial statement based on an accrual basis. As of 31 December 2008, accrued income has been classified under income accruals in the financial statements. As of 31 December 2007, accrued income has been classified under other current assets in the financial statements.

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 and the portion of depreciation expense related to the following years is accounted under the long-term prepaid expenses.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ISSUED IN TURKISH

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER TURKISH GRAMEEN MICROCREDIT PROGRAM

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AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

Intangible assets

Intangible assets mainly comprise establishment costs, leasehold improvements and other intangibles. They are stated at cost less accumulated amortisation. Amortisation 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 organisations controlled by or affiliated with them are considered and referred to as related parties.

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 2008 is TL5,078 (31 December 2007: TL5,078) and is recognised under in the extraordinary reserves and other reserves accounts under funds in the financial statements.

Taxes on income

In accordance with Corporate Tax Law No. 5520, Article 2, Paragraph 5, the "Law related to taxpayers of corporation tax for the associations and foundations" published on 21 June 2006, commercial, industrial and agricultural enterprises that are owned by or affiliated to associations or foundations are the economic enterprises of associations and foundations. The Turkish Foundation for Waste Reduction is affiliated to Microcredit Center foundation economic enterprise and Amasya, Aydın, Merkez (Ankara), Kozluk (Batman), Bursa, Çankırı, Çorum, Ergani (Diyarbakır), Erzincan, Mardin, Kahramanmaraş, Bağlar (Diyarbakır), Elbistan (Kahramanmaraş), Kayapınar (Diyarbakır), Kayseri, Kırşehir, Mamak (Ankara), Sivas, Siverek (Şanlıurfa), Şanlıurfa, Tokat, Niğde, Rize, Kurtalan (Siirt), Tepebaşı (Eskişehir), Odunpazarı (Eskişehir), Şehitkamil (Gaziantep), Şahinbey (Gaziantep), Yozgat and Zonguldak Branches are subject to corporate tax. Silvan (Diyarbakır) Branch is subject to corporate tax since the date of 5 March 2008 and Bismil (Diyarbakır) and Sur (Diyarbakır) Branches are subject to corporate tax since the date of 17 March 2008.

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

Tax returns are open for five years 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.

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(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

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

Total voluntary savings

Within the scope of the primary objective of TGMP, each project group member voluntarily deposits at least TL1 weekly. TGMP applies an income return of 7.5% per annum (2007: 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.

Paid income returns are recognised in the financial statement on an accrual basis and are classified under total deposits collected (voluntarily savings) as of 31 December 2008. However, interest expense accrual that has to be recognised in the financial statements is not recorded in the financial statements as of 31 December 2007.

Trade receivable (Microcredit given)

TGMP's customers are the members of the microcredit and the receivable is calculated as loans are given to microcredit members at nominal value by TGMP.

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:

TGMP is not subject to registered capital system; as such system is applicable to listed companies only.

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

None (31 December 2007: None).

b. Balance of such advances at year-end:

None (31 December 2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ISSUED IN TURKISH**

**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
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AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

3. Total amount of insurance on assets:

TL1,868 (31 December 2007: TL1,093).

4. Total amount of mortgages and other guarantees obtained against the receivables:

None (31 December 2007: None).

5. Total amount of mortgages and other collaterals and guarantee letters given against the payables:

None (31 December 2007: None).

6. Off-balance sheet commitments and contingent liabilities:

None (31 December 2007: None).

7. Foreign currency denominated cash and bank balances:

None (31 December 2007: None).

8. Foreign currency denominated receivables:

None (31 December 2007: None).

9. Foreign currency denominated liabilities:

None (31 December 2007: None).

10. Amount of bonds and commercial paper in circulation issued under the guarantee of banks:

None (31 December 2007: None).

11. Total amount of investment incentives to be utilised in the current and the following periods:

None (31 December 2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
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(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

12. Amount of bonds in circulation that are convertible into shares:

None (31 December 2007: None).

13. List of shares representing the capital:

None (31 December 2007: None).

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

None (31 December 2007: None).

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

TGMP is a not-for-profit organisation and it does not have a shareholding structure. The TGMP management classified the donations as special funds under equity in the financial statements (Note 29.b).

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

None (31 December 2007: None)

17. Stock valuation method:

Weighted average method is applied as the stock valuation method.

18. Property and equipment movements during the year:

- | | |
|--------------|--|
| a. Additions | : TL179,376 (31 December 2007: TL32,816) |
| b. Disposals | : None (31 December 2007: None). |

As of 31 December 2007, tangible assets amounting to TL1,984 of Adana Branch have been transferred to Adana Governor's Office.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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TURKISH GRAMEEN MICROCREDIT PROGRAM**

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AT 31 DECEMBER 2008**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

19. Share of shareholders, subsidiaries, associates and related parties in short and long-term trade receivables and trade payables:

31 December 2008 31 December 2007

Receivable from related parties:

Turkish Foundation for Waste Reduction (Note 29.c)	136,503	36,294
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31 December 2008 31 December 2007

Payable to related parties:

Turkish Foundation for Waste Reduction (*)	1,982,463	134,504
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(*) TL1,641,002 of payable to related parties includes principal and accrued interest of various bank loans transferred from the Turkish Foundation for Waste Reduction with the same conditions (average annual interest rate equal to 18.51%). The maturities of those bank loans varies in the interval of 10 March 2009 to 25 November 2011 and the amount of TL114,320 relates to the year 2009.

20. Average number of employees in current year:

Average number of employees during the year is 114 (31 December 2007: 45).

21. Subsequent events:

a) In 2009, until the date of preparation of the financial statements, 28 April 2009, the project was implemented in 10 new locations which are Malatya, Adıyaman, Bingöl, Isparta, Bilecik, Burdur, Hatay, İskenderun Ramazan Öz (Hatay), Siverek and Mardin (Kızıltepe).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
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(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

- b) In 2009, until the date of presentation of financial statements, 28 April 2009, following institutions and real persons have made donations amounting to TL2,548,285 in aggregate.

Donor (individual - institution)	Amount (TL)
Batman Special Provincial Administration	200,000
Municipality of Malatya	200,000
Malatya Special Provincial Administration	200,000
Municipality of Çorum	200,000
Şanlıurfa Special Provincial Administration (for Viranşehir)	200,000
Isparta Special Provincial Administration	150,000
Adıyaman Special Provincial Administration	150,000
Bilecik Special Provincial Administration	100,000
Burdur Special Provincial Administration	100,000
Erzincan Special Provincial Administration	100,000
Tokat Special Provincial Administration	100,000
Ramazan Öz	100,000
Aydın Special Provincial Administration	99,250
Bingöl Special Provincial Administration	81,000
YUMA İnş. Tic. ve San. Ltd. Şti.	80,000
Amasya Special Provincial Administration	50,000
Bursa Special Provincial Administration	50,000
Niğde Special Provincial Administration	50,000
Rize Special Provincial Administration	50,000
Sivas Special Provincial Administration	50,000
Eyyüp Cenap Gülpınar	50,000
Şanlıurfa Special Provincial Administration (for Siverek)	50,000
Mardin Special Provincial Administration (for Kızıltepe)	49,926
HSBC Bank A.Ş.	48,497
Çorum Special Provincial Administration	39,513
Celal Tilge	100

Total **2,548,286**

22. Contingent liabilities and contingent profits:

None (31 December 2007: None).

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ISSUED IN TURKISH

TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER TURKISH GRAMEEN MICROCREDIT PROGRAM

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(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

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

None (31 December 2007: None).

24. Amount of blocked deposits in bank accounts:

None (31 December 2007: None).

25. Affiliates, subsidiaries and shareholders issuing available-for-sale marketable securities and their amount:

None (31 December 2007: None).

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

None (31 December 2007: None).

27. Total amount of unrealised interest related to the following financial period:

None (31 December 2007: None).

28. Guarantees extended to shareholders, affiliates and subsidiaries:

None (31 December 2007: None).

29. Other matters that may have a material effect on, or be explained for the clear understanding of the financial statements:

- a) As of 12 November 2008, the protocol signed with Adana Special Provincial Administration expired and TİSVA decided not to continue activities in Adana. Donated funds amounting to TL100,000 as of 31 December 2007 and the prior year losses amounting to TL5,596 have been transferred to Adana Governor's Office.

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TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
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AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

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

	31 December 2008	31 December 2007
Diyarbakır Governor's Office Donation Account	1,021,425	988,386
Hüsnü Özyeğin	551,224	343,174
Open Society Institute	423,359	423,359
Gaziantep Special Provincial Administration Donation Account	300,000	200,000
Bursa Special Provincial Administration Donation Account	200,000	-
Şanlıurfa Special Provincial Administration Donation Account	200,000	-
Şahinbey Special Provincial Administration Donation Account	200,000	-
Batman/Pemi Donation Account	160,000	100,000
Eskişehir Special Provincial Administration Donation Account	157,000	60,000
Citibank Donation Account	131,609	-
HSBC Donation Account	130,884	75,928
Amasya Special Provincial Administration Donation Account	110,000	-
Kahramanmaraş Special Provincial Administration Donation Account	100,935	100,935
Akfen A.Ş.	100,000	-
Rize Special Provincial Administration Donation Account	100,000	-
Sivas Special Provincial Administration Donation Account	100,000	-
Erzincan Special Provincial Administration Donation Account	99,250	-
Mardin Special Provincial Administration Donation Account	94,288	94,287
Niğde Special Provincial Administration Donation Account	75,000	-
Aydın Special Provincial Administration Donation Account	74,437	-
Çankırı Special Provincial Administration Donation Account	65,000	20,000
Turkish Foundation for Waste Reduction (TİSVA)	58,610	-
Limak Holding A.Ş.	50,000	50,000
TAV Yatırım Holding A.Ş.	50,000	50,000
Zonguldak Special Provincial Administration Donation Account	50,000	45,000
Municipality of Kahramanmaraş	50,000	-
Kahramanmaraş Sosyal Yardımlaşma Vakfı	50,000	-
Turgay Ciner Donation Account	50,000	-
Nihat Özdemir	50,000	-
Hatay Special Provincial Administration Donation Account	50,000	-
Eyüp Cenap Gülpınar	50,000	-
Yozgat Special Provincial Administration Donation Account	49,625	49,625
Kırşehir Special Provincial Administration Donation Account	40,000	-
Çorum Special Provincial Administration	25,000	-
K.Maraş Chamber of Commerce	25,000	-
Kipaş A.Ş.	25,000	-
Tokat Special Provincial Administration Donation Account	25,000	-
Norm Sanayi Dış Ticaret Donation Account	20,000	20,000
İşkur Enerji A.Ş.	15,000	5,000
Vefa Dayanıklı Tük. Mal. Ltd. Şti. Donation Account	5,000	5,000
K.Maraş Trade Corporation Donation Account	3,400	-
Duru İnşaat	500	-
Adana Special Provincial Administration Donation Account	-	100,000
Total	5,136,546	2,730,694

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
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AT 31 DECEMBER 2008**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

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

	31 December 2008	31 December 2007
Receivable from Turkish Foundation for Waste Reduction ("TISVA")	136,503	36,294
Service charge income accrual	14,645	34,325
Receivable from personnel	-	34,955
Other	4,484	4,408
Other current assets	155,632	109,982

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.

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

The financial statements were prepared based on the general ledger dated 28 April 2009. 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 organisations.

b) NOTES TO THE STATEMENTS OF LOSS

1. Total depreciation and amortisation charges for the period:

Depreciation: TL29,881 (31 December 2007: TL9,344).
Amortisation: TL6,714 (31 December 2007: TL1,827).

2. Provision expenses for the period:

TL58,133 (31 December 2007: None).

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**TURKISH FOUNDATION FOR WASTE REDUCTION MICROCREDIT CENTER
TURKISH GRAMEEN MICROCREDIT PROGRAM**

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2008**

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

3. Financial expenses for the period:

TL195,945 (31 December 2007: TL8,941).

4. Amount of financial expenses for the period related to shareholders, subsidiaries and affiliates:

None (31 December 2007: None).

5. Sales to shareholders, subsidiaries and affiliates:

None (31 December 2007: None).

6. Interest, commission, rent and similar income and expenses received from or paid to shareholders, subsidiaries and affiliates:

None (31 December 2007: None).

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

TL32,474 (31 December 2007: TL36,710) was paid to the General Manager of TGMP. No salary or other benefits were paid to the chairman and the members of the board of directors, members of board of trustees and audit committee of TİSVA.

8. Depreciation and amortisation method applied:

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

9. Costing method of stocks:

Weighted Average Costing Method (31 December 2007: None).

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

Physical stock count was not performed as the inventory amount is not material to the financial statements.

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EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2008

(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

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

None (31 December 2007: None).

12. Explanatory note presenting the amount and sources of prior period income and expenses:

TL22,389 (2007: TL1,209)

13. Earnings per share: Since TGMP is not a capital stock company, earnings per share is not calculated.

Dividend per share: Since TGMP is not a capital stock company, dividend per share is not calculated.

14. Other matters:

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

	2008	2007
Salaries	185,194	72,388
Accounting services	95,496	40,446
Brochure expenses	68,886	11,315
Transportation	28,023	7,445
Depreciation	27,158	1,275
Expensed fixed assets	21,956	-
Utilities	14,498	7,877
Postage	7,591	6,824
Rent	3,750	6,432
Notary	3,596	7,205
Fees and penalties	1,905	6,202
Other	35,902	7,018
General administrative expenses	493,955	174,427

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(Amounts expressed in Turkish lira ("TL") unless otherwise indicated)

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

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

	2008	2007
Salaries	953,922	383,978
Fuel	60,802	27,531
Maintenance	28,091	6,929
Travel	19,193	8,339
Communication	17,220	9,106
Rent	14,464	6,874
Stationary	9,902	5,468
Depreciation and amortisation	9,437	7,520
Wallet expenses	6,534	-
Utilities	5,950	1,651
Taxes and other duties	5,300	3,979
Micro Greenhouse supplies	3,763	-
Insurance premiums	1,868	1,093
Other	60,559	41,291
Cost of services provided	1,197,005	503,759

c) The breakdown of extraordinary income is as follows:

	2008
Employer share paid by Turkish Treasury	25,286
Adana Branch contribution fee	9,448
Total	34,734