

Special Consumption Tax Audit Reports Announcement



Following an ongoing tax audit of our company, we have received tax audit reports and an invitation to the conciliation meeting on the 5th of November 2010.

What we have understood from the report to contain is a claim for tax liability amounting to 242 million TL, and a tax penalty amounting to 363 million TL, a total of 605 million TL for which interest payments will also be calculated on tax liability. The claims are related to the periods 2005, 2006, 2007, 2008 and 2009.

The claims in this report are related to the Special Consumption Tax Law, and particularly to the use of fuel in the production process, specifically to that used in the production of asphalt, and result from a difference in interpretations of the liability for the special consumption tax.

However, from the time that the SCT law was passed in 2002, for 4 years, under the state ownership and management, no Special Consumption tax was claimed for the fuel used in production in the refinery. Since the 26th of January 2006, when our company's status changed to that of a private company, there has been no change in the relevant laws and regulations, and so the same system has continued since.

In regards to this tax inspection report, we plan to utilize all of our legal rights including negotiations.

All developments, related to this issue, will be notified to our investors through the normal channels for such announcements.