

Yazıcılar Holding Anonim Şirketi

**(Convenience Translation of a Report and Financial
Statements Originally Issued in Turkish)**

**Consolidated Interim Financial Statements
As of June 30, 2006**

**CONVENIENCE TRANSLATION OF REPORT AND FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

YAZICILAR HOLDİNG A.Ş.

**LIMITED REVIEW REPORT
FOR THE PERIOD JANUARY 01, 2006 - JUNE 30, 2006**

1. We have reviewed the accompanying consolidated interim balance sheet of Yazıcılar Holding A.Ş. (the "Company") and its subsidiaries (together referred to as "Group") as of June 30, 2006, the related consolidated statements of income, change in shareholders' equity and cash flows for the six month period then ended in accordance with Capital Market Board ("CMB") standards applicable to review engagements. Consolidated financial statements of the Group as of December 31, 2005 were audited by another auditor and on the audit report dated April 7, 2006 a qualified opinion issued for an issue that has no effect on consolidated financial statements as of June 30, 2006. Opening balances in our report are based on the report issued by the other auditor. Our review on the interim financial statements is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards issued by CMB. For the purposes of understanding the system of preparing the interim financial statements, our review consisted principally of applying analytical procedures, obtaining information and included such other review procedures, as we considered necessary in the circumstances. Accordingly, our review report should not be compared with annual independent auditors' report.
2. Based on our review, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with generally accepted accounting principles determined by CMB (Note 2).

DENETİM SERBEST MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**

Selçuk Ürkmez
Partner

İstanbul, September 08, 2006

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

TABLE OF CONTENTS

	<u>Page</u>
Consolidated Balance Sheet	1 - 2
Consolidated Income Statement	3
Consolidated Statement of Changes in Equity	4
Consolidated Cash Flow Statement	5
Explanatory Notes to Consolidated Financial Statements	6- 64

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

CONSOLIDATED BALANCE SHEET

As at June 30, 2006

(Currency – TRY unless otherwise indicated)

		Reviewed	Audited
	Notes	June 30, 2006	December 31, 2005
ASSETS			
Current Assets		1.891.902.293	1.540.864.932
Cash and Cash Equivalents	4	209.108.335	141.862.819
Marketable Securities (net)	5	56.725.195	274.717.463
Reserve Deposits at Central Bank	44.1	72.824.000	61.128.000
Banking Loans (net)	44.2	1.183.540.902	770.271.845
Trade Receivables (net)	7.1	90.399.957	56.554.351
Lease Receivables (net)	8.1	84.772.693	59.975.930
Derivative Financial Instruments – Assets	44.5	16.395.000	73.000
Due From Related Parties (net)	9.1	8.806.477	10.421.421
Other Receivables (net)	10.1	30.200.527	8.537.565
Biological Assets (net)	11	5.971.536	6.507.829
Inventories (net)	12	115.498.973	133.357.657
Receivables from Continuing Construction Contracts (net)		-	-
Deferred Tax Assets		-	-
Other Current Assets	15.1	17.658.698	17.457.052
Non-Current Assets		1.248.798.022	1.102.138.622
Marketable Securities (net)	5	85.450.400	166.280.000
Banking Loans (net)	44.2	191.955.986	114.170.930
Trade Receivables (net)	7.1	-	-
Lease Receivables (net)	8.1	78.732.469	46.860.513
Due from Related Parties (net)		-	-
Other Receivables (net)		-	-
Investments (net)	16	701.099.419	593.080.176
Positive/Negative Goodwill (net)	17	35.344.256	35.344.256
Investment Property (net)	18	10.695.000	4.332.000
Property, Plant and Equipment (net)	19	109.020.668	104.365.028
Intangible Assets (net)	20	10.275.355	10.928.864
Deferred Tax Assets	14	18.421.848	21.277.735
Other Non-Current Assets	15.2	7.802.621	5.499.120
TOTAL ASSETS		3.140.700.315	2.643.003.554

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

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

CONSOLIDATED BALANCE SHEET

As at June 30, 2006

(Currency – TRY unless otherwise indicated)

		Reviewed	Audited
	Notes	June 30, 2006	December 31, 2005
LIABILITIES			
Current Liabilities		1.824.828.261	1.486.075.638
Short-Term Borrowings (net)	6	86.442.667	92.139.531
Current Portion of Long-Term Borrowings (net)	6	37.035.439	340.336
Lease Obligations (net)	8.2	3.551.017	2.630.905
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	47.358.832	46.686.099
Deposits	44.3	1.027.557.752	870.591.918
Funds Borrowed	44.4	492.802.821	404.558.149
Blocked Accounts		54.266.839	28.929.448
Due to Related Parties (net)	9.2	1.810.549	1.363.762
Advances Received	21	7.028.361	2.750.345
Deferred Income from Continuing Construction Contracts (net)		-	-
Provisions	23	2.853.063	452.584
Derivative Financial Instruments – Liabilities	44.5	5.732.000	1.252.000
Deferred Tax Liability		-	-
Other Liabilities (net)	15.3	58.388.921	34.380.561
Non-Current Liabilities		99.172.401	72.864.286
Long-Term Borrowings (net)	6	10.103.472	9.476.596
Lease Obligations (net)	8.2	2.616.726	3.579.861
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	-	-
Deposits	44.3	-	29.000
Funds Borrowed	44.4	65.214.321	34.875.000
Blocked Accounts		-	4.582.000
Due to Related Parties (net)		-	-
Advances Received		-	-
Provisions	23	15.842.701	13.826.217
Deferred Tax Liability	14	1.425.937	5.405.250
Other Liabilities (net)	15.3	3.969.244	1.090.362
MINORITY INTEREST		237.248.792	206.202.137
EQUITY		979.450.861	877.861.493
Capital	1, 25	40.000.000	40.000.000
Capital Participation Elimination		-	-
Capital Reserves		234.651.071	234.640.873
Share Premium	26	9.465.681	9.455.483
Income on Stock Disposals		-	-
Revaluation Fund		-	-
Financial Assets Value Increment Fund		-	-
Inflation Restatement Differences on Equity Items		225.185.390	225.185.390
Profit Reserves		233.401.078	177.517.023
Legal Reserves	27	23.764.819	23.764.819
Statutory Reserves	27	42.856	42.856
Extraordinary Reserves	27	190.041.771	190.041.771
Special Reserves	27	10.891.446	4.765.274
Gain on Sale of Investment and Property, Plant and Equipment to be Transferred to Capital		-	-
Currency Translation Difference		8.660.186	(41.097.697)
Net Income		66.686.275	181.445.580
Accumulated Profits	28	404.712.437	244.258.017
TOTAL LIABILITIES AND EQUITY		3.140.700.315	2.643.003.554

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

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

CONSOLIDATED INCOME STATEMENT
For the Six-Month Period Ending on June 30, 2006
(Currency – TRY unless otherwise indicated)

		Reviewed	Unaudited	Reviewed	Unaudited
		01.01.2006 –	01.04.2006 –	01.01.2005 –	01.04.2005 –
	Notes	30.06.2006	30.06.2006	30.06.2005	30.06.2005
OPERATING REVENUE					
Sales (net)	36	460.376.300	240.991.914	294.958.887	170.403.641
Cost of Sales (-)		(371.319.720)	(193.097.860)	(221.431.707)	(126.989.877)
Interest Income (net)	36	72.773.835	45.434.081	44.042.414	15.750.839
Service Income (net)	36	10.945.003	6.231.347	12.490.617	7.807.665
Other Income from Operations		-	-	-	-
GROSS OPERATING PROFIT		172.775.418	99.959.482	130.060.211	66.972.268
Operating Expenses (-)	37	(95.483.963)	(52.479.836)	(75.325.989)	(33.346.531)
PROFIT FROM OPERATIONS		77.291.455	47.079.646	54.734.222	33.625.737
Other Income	38.1,16.2,16.3	81.970.114	57.097.594	79.737.340	60.356.933
Other Expense (-)	38.2	(17.559.466)	(10.375.113)	(12.930.002)	(6.546.216)
Financial Expense (-)	39	(49.712.396)	(43.417.563)	(8.243.350)	(2.063.142)
OPERATING INCOME		91.989.707	50.384.564	113.298.210	85.373.312
Monetary Gain / (Loss)	40	-	-	-	-
Minority Interest	24	(16.724.854)	(6.538.655)	(22.176.475)	(17.022.110)
INCOME BEFORE TAX		75.264.853	43.845.909	91.121.735	68.351.202
Income Tax	14, 41	(8.578.578)	(901.028)	(16.713.706)	(11.185.994)
NET INCOME		66.686.275	42.944.881	74.408.029	57.165.208
Earnings Per Share (full TRY)	42	1,67		1,86	

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Yazıcılar Holding Anonim Şirketi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six-Month Period Ending on June 30, 2006
(Currency – TRY unless otherwise indicated)

	Historical Issued Capital	Inflation Restatement Differences on Equity Items	Share Premium	Legal, Special and Extraordinary Reserves	Currency Translation Differences	Net Income	Accumulated Profits	Total Equity
January 1, 2006	40.000.000	225.185.390	9.455.483	218.614.720	(41.097.697)	181.445.580	244.258.017	877.861.493
Transfer of net income to the accumulated profit	-	-	-	-	-	(181.445.580)	181.445.580	-
Capital increase	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(26.000.000)	(26.000.000)
Increase in share premium	-	-	10.198	-	-	-	-	10.198
Securities value increase funds	-	-	-	6.126.172	-	-	-	6.126.172
Change in consolidation structure	-	-	-	-	-	-	641.724	641.724
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	-	-	-	-	-	4.367.116	4.367.116
Currency translation difference	-	-	-	-	49.757.883	-	-	49.757.883
Net income	-	-	-	-	-	66.686.275	-	66.686.275
June 30, 2006	40.000.000	225.185.390	9.465.681	224.740.892	8.660.186	66.686.275	404.712.437	979.450.861
	Historical Issued Capital	Inflation Restatement Differences on Equity Items	Share Premium	Legal, Special and Extraordinary Reserves	Currency Translation Differences	Net Income	Accumulated Profits	Total Equity
January 1, 2005	20.475.019	228.180.330	25.197.310	168.961.464	(40.846.097)	131.670.225	162.155.730	695.793.981
Transfer of net income to the accumulated profit	-	-	-	51.943.780	-	(108.920.185)	56.976.405	-
Capital increase	19.524.981	(3.773.370)	(15.751.611)	-	-	-	-	-
Dividends paid	-	-	-	-	-	(22.750.040)	-	(22.750.040)
Increase in share premium	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Securities value increase funds	-	-	-	(3.184.586)	-	-	-	(3.184.586)
Currency translation difference	-	-	-	-	(4.714.873)	-	-	(4.714.873)
Net income	-	-	-	-	-	74.408.029	-	74.408.029
June 30, 2005	40.000.000	224.406.960	9.445.699	217.720.658	(45.560.970)	74.408.029	219.132.135	739.552.511

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Yazıcılar Holding Anonim Şirketi

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six-Month Period Ending on June 30, 2006
(Currency – TRY unless otherwise indicated)

	Notes	Reviewed June 30,2006	Reviewed June 30,2005
Cash flow from operating activities			
Net profit before minority interest, income tax and monetary gain/(loss)		91.989.707	113.298.210
Adjustments for:			
Foreign exchange loss/(gain)		64.853.519	(4.769.162)
Gain from disposal of tangible and intangible assets		198.776	189.530
Depreciation and amortization (including goodwill)	19, 20	9.529.751	7.255.185
Provision for possible loan losses and impairment in receivables	38.2, 8.1, 44.2	3.600.052	18.432.052
Warranty, unpaid vacation pay and other provisions	15.3	15.704.094	-
Provision for employee termination benefits	23	1.908.004	1.804.186
Interest expense		20.325.936	14.423.736
Gain on sale of shares in associates, joint ventures and other investments		-	(4.365.424)
Equity income from investment in associates and joint ventures	16.2, 16.3, 38.1	(47.011.661)	(44.120.725)
Other non-cash income		(994.889)	-
Operating profit before changes in operating assets and liabilities		160.103.289	102.147.588
Net (increase)/decrease in marketable securities		295.003.067	(49.930.712)
Net decrease in reserve deposits at Central Bank		(11.696.000)	(3.788.000)
Net (increase) in banking loans		(500.181.113)	(141.039.227)
Net (increase) in trade and other receivables and due from related parties		(91.416.516)	(49.162.929)
Net decrease/(increase) in derivative financial instruments – assets		(16.322.000)	401.000
Net (increase)/decrease in inventories		18.394.977	(26.973.046)
Net changes in other assets		(18.114.161)	(12.666.583)
Net (decrease)/increase in trade and other payables and due to related parties		16.580.684	(30.162.516)
Net increase/(decrease) in banking customer deposits		156.936.834	93.824.236
Net increase in blocked accounts		20.755.391	614.000
Net increase in derivative financial instruments – liabilities		4.480.000	2.806.000
Retirement pay liability payment	23	(458.649)	(277.266)
Taxes paid		(7.106.230)	(7.331.777)
Net cash (used in) / provided by operating activities		26.959.573	(121.539.232)
Cash flows from investing activities			
Purchase of property, plant and equipment, investment property, intangible asset	19, 20	(20.503.000)	(8.537.530)
Proceeds from sales of property, plant and equipment		409.342	409.369
Proceeds from sale of investment		-	2.802
Purchase of investments		(40.910.350)	-
Payments to acquired minority interest		-	(457.664)
Capital increase of subsidiaries from minority shareholders		15.156.618	5.890.132
Net cash (used in) / provided by investing activities		(45.847.390)	(2.692.891)
Cash flows from financing activities			
Dividends from equity participations		46.630.242	44.746.301
Dividends paid		(26.000.000)	(22.750.040)
Sale of treasury shares		-	-
Repayments of fund borrowed		(27.268.000)	(21.182.000)
Increase in share premium		-	857.661
Addition to borrowings from banks and other institutions		234.657.193	198.575.746
Repayments of borrowings from banks and other institutions		(135.344.048)	(56.126.744)
Interest paid		(7.058.516)	(11.413.307)
Increase/(decrease) in special reserves		-	1.255.158
Net cash provided by financing activities		85.616.871	133.962.775
Currency translation on cash and cash transaction		516.462	625.829
Net decrease/increase in cash and cash equivalents		67.245.516	10.356.481
Cash and cash equivalent at the beginning of period	4	141.862.819	200.323.485
Cash and cash equivalent at the end of period	4	209.108.335	210.679.966

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

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in Istanbul, Turkey (henceforth as “Yazıcılar” or the “Company”) is a holding company of which majority shares are owned by three Yazıcı families. Three Yazıcı families consist of Mr. Kamil Yazıcı, his two deceased brothers, their wives and children. The Company controls its subsidiaries through Anadolu Endüstri Holding (AEH) in which it has 67,91% stake. Certain shares of the Company are listed on the Istanbul Stock Exchange and Luxembourg Stock Exchange. The Company was incorporated in 1976.

The registered office address of the Company is Ankara Asfaltı üzeri, PTT Hastanesi yanı, Umut Sok, No: 12, İçerenköy, Kadıköy, İstanbul – Turkey.

The consolidated financial statements are authorized for issue by the Board of Directors on September 8, 2006.

Nature of Activities of the Company / Group

The Company and its subsidiaries will be referred in this report as the “Group” henceforth for the purposes of the consolidated financial statements.

The Group is organized and primarily managed in five principal groups: beverage (including beer and soft drink products); automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts); financial services (including banking, leasing, brokerage, portfolio management in capital markets and consumer finance); writing instruments and stationery other (tourism, trade, information technologies, food, consumer durables, asset management and restaurant chain management).

The average number of personnel of the Group is 4.405 (December 31, 2005: 4.359).

List of Shareholders

As of June 30, 2006 and December 31, 2005 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 2006		December 31, 2005	
	Paid-in Capital	%	Paid-in Capital	%
Yazıcı Families	17.889.533	44,72	17.889.533	44,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	13.399.988	33,50	13.399.988	33,50
Publicly traded	8.710.479	21,78	8.710.479	21,78
Historical share capital	40.000.000	100,00	40.000.000	100,00

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Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES (continued)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2006 and December 31, 2005 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			June 30, 2006	December 31, 2005
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	67,91	67,91
Alternatifbank A.Ş. (ABank) (*)	Turkey	Banking services	61,22	61,15
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	61,22	61,15
Alternatif Finansal Kiralama A.Ş. (A Lease)	Turkey	Leasing company	64,44	64,44
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (*) (***)	Turkey	Investment company	22,14	21,30
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles	67,91	67,91
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines	67,74	67,74
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada and Kia motor vehicles	67,27	67,27
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	34,55	34,55
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (*) (**)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	38,63	38,63
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (**)	Turkey	Distribution of the products of Adel, and other imported stationery products	49,70	49,70
Ana Gıda ve İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of olive oil under Kırilangıç and Madra Brands, sunflower and corn oil	67,91	67,91
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of traveling and organization facilities of the Group	51,53	51,53
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	64,93	64,85
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	67,23	67,23
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	Germany	Provides necessary market research of products abroad	67,23	67,23
Anadolu Restaurant İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management, ranch management	67,91	67,91
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	67,91	67,91
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık) (****)	Turkey	Asset management	67,90	-

(*) Shares of ABank, Adel and AYO are currently traded on the Istanbul Stock Exchange.

(**) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar.

(***) Decrease is due to the change in ABank's effective consolidation rate of AYO.

(****) AEH has a participation of 99,60% in Anadolu Varlık which is established in May 3, 2006. Yazıcılar's indirect shareholders' ratio is 67,90 %.

List of Affiliates

The affiliates included in consolidation and their shareholding percentages at June 30, 2006 and December 31, 2005 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			June 30, 2006	December 31, 2005
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	35,97	35,09
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem)	Turkey	Provides consumer finance services	33,96	33,96

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Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES (continued)

Investments in Joint Venture

The investment in joint venture included in consolidation and their shareholding percentages at June 30, 2006 and December 31, 2005 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			June 30, 2006	December 31, 2005
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing of Isuzu brand commercial vehicles	36,42	36,42

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company and its subsidiaries have been prepared in accordance with accounting and reporting standards as prescribed by the CMB (the “CMB accounting standards”). The CMB has issued Communiqué no: XI-25 “Communiqué on Accounting Standards in Capital Markets”, which sets out a comprehensive set of accounting principles. In this Communiqué, the CMB stated that application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will also be considered to be compliant with the CMB accounting standards.

On March 17, 2005, the CMB has issued a resolution and declared that application of inflation accounting is no longer required for companies operating in Turkey and preparing financial statements in accordance with the CMB Accounting Standards, effective from January 1, 2005. The consolidated financial statements have been prepared under the alternative application defined by the CMB as explained above. The consolidated financial statements and explanatory notes are presented using the compulsory standard formats as prescribed by the CMB.

The Company and its subsidiaries in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the principles of the CMB, Turkish Commercial Code, Tax Law, Banking Code and the Uniform Charts of Account issued by the Ministry of Finance. Foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the regulations of the countries in which they operate. The consolidated financial statements have been prepared from statutory financial statements of the Company and its subsidiaries and presented in the New Turkish Lira (TRY) with adjustment and reclassifications for the purpose of fair presentation in accordance with the CMB.

The functional and presentation currency of the Company and its subsidiaries is TRY.

According to the Law numbered 5083 about the Currency of the Turkish Republic enacted on January 30, 2004, Yeni Türk Lirası (New Turkish Lira, TRY) and Yeni Kuruş (YKr) has become the new currency unit of Turkey. Yeni Kuruş is the sub unit of TRY.

Functional and Reporting Currencies of Foreign Subsidiaries

Foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the regulations of the countries in which they operate. The financial statements of foreign subsidiaries are included in consolidation after adjustments and certain reclassifications made.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Functional and Reporting Currencies of Foreign Subsidiaries (continued)

		June 30, 2006	December 31, 2005
	Local Currency	Functional Currency	Functional Currency
AEH und Co.	EUR	EUR	EUR
Oyex	EUR	EUR	EUR

Foreign subsidiaries are established as foreign corporate entities.

Preparation of Financial Statements in Hyperinflationary Periods

According to the Wholesale Price Index determined by State Institute of Statistics, the cumulative inflation rate, covering the last three years is 69,7% and the annual inflation rate is 13,8% as of December 31, 2004. In connection with the announcement of the CMB noted 7642 and dated March 18, 2005, the financial statements are restated for the last time as of December 31, 2004 since the objective conditions required for the restatement have not been realized and the CMB predicts that the indication of the realization of these conditions in the future are mainly disappeared.

As of December 31, 2004, the restatement of financial statements has been made in accordance with IAS 29 ("Financial Reporting in Hyperinflationary Economies") which requires that the current period financial statements and previous period financial statements, which are presented for comparison purposes, have been restated with the conversion factor as of December 31, 2004.

Index and conversion factors used in the restatement of consolidated income statement for the period ended December 31, 2004, presented for the purpose of comparison in terms of the purchasing power, at the time of termination of application of inflation accounting December 31, 2004, are as follows:

Date	Index	Conversion Factors
December 31, 2002	6.478,8	1,29712
December 31, 2003	7.382,1	1,13840
December 31, 2004	8.403,8	1,00000

The main guidelines for the above mentioned restatement are as follows:

- Since the restatement activity is ended as of January 1, 2005, financial statements are shown by using the measuring unit effective on December 31, 2004.
- Monetary assets and liabilities shown in the consolidated financial statements as of December 31, 2004 are not restated since they are already shown by using the measuring unit effective on balance sheet date.
- The inflation adjusted share capital was derived by indexing cash contributions, dividends and reinvested transfers from statutory retained earnings from the date they were contributed until December 31, 2004.
- Non-monetary assets, liabilities and other shareholders' equity (except eliminated revaluation fund) are restated by applying the relevant conversion factors effective on December 31, 2004.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Preparation of Financial Statements in Hyperinflationary Periods (continued)

- The effect of inflation as of December 31, 2004 to net monetary position is reflected as net monetary loss in income statement.

- All items in the income statement are restated by applying appropriate average conversion factors until December 31, 2004 with the exception of depreciation, amortization, gain or loss on disposal of non-monetary assets and participation losses which have been calculated based on the restated gross book values and accumulated depreciation/amortization.

Basis of Consolidation

The principal accounting policies adopted in preparing the consolidated financial statements of the Group are as follows:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at June 30, 2006.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The consolidated financial statements of the Group include Yazıcılar Holding A.Ş and the subsidiaries. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to minority shareholders' interests are shown separately in the consolidated interim balance sheet and income statement, respectively.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for transactions and other events in similar circumstances.

The purchase method of accounting is used for acquired businesses.

Investment in Associates

The Group's investments in associates are accounted for under the equity method of accounting. There are entities in which the Group has 20% - 50% interest and/or significant influence and which are neither subsidiaries nor joint ventures of the Group. The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The income statement reflects the Group's share of the results of operations of the associates.

Unrealized profits from the intercompany transactions are eliminated with the Group's total shareholding ratio in the associate, while unrealized losses are eliminated only if the transferred asset does not indicate impairment.

Investment in Joint Venture

Investments in companies where the Group collectively has a joint control with unrelated parties are classified as "investment in joint ventures". Investments in joint ventures are accounted for under the equity method of accounting.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Adoption of New and Revised International Financial Reporting 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 January 1, 2005 except for the ones that contradict with the CMB’s decree regarding the required format, announced on December 20, 2004.

The adoption of these new and revised Standards and Interpretations has resulted in changes to the Group’s accounting policies in the following areas that have affected the amounts reported for the current or prior years:

In the consolidated financial statements, if positive goodwill that indicates the difference between the share in the fair value of the acquired Company’s net assets and the original price is related to the sales prior to March 31 2004, it is capitalized and amortized over their estimated useful lives, using the straight line amortization method. Under IFRS 3-“Business Combinations”, positive goodwill arising from acquisitions subsequent to March 31, 2004 is reviewed and, if any impairment should be allocated.

Also for the purchases after the same period, any excess of the Group’s interest in the net fair value of the identifiable assets, liabilities acquired over cost of acquisition (previously known as negative goodwill), this amount should be recognized as income in the period in which it incurred. As of its first annual period beginning on or after March 31, 2004 (January 1, 2005), the Group has ceased to amortize positive goodwill arising from the transactions that took place before March 31, 2004.

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

IAS 1	Presentation of financial statements; Added disclosures about the entity’s capital
IFRS 7	Financial Instruments
IFRIC 7	Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies
IFRIC 8	Scope of IFRS 2
IFRS 9	Reassessment of Embedded Derivatives
IFRS 10	Interim Financial Reporting and Impairment

The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

Shareholders, executive management, members of the board of directors, subsidiaries, associates and joint ventures are regarded as related parties with respect to the basis of presentation of consolidated financial statements.

Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, deposits at the Central Bank, that are easily convertible into cash and do not carry any material value changes, have high liquidity, with an original maturity of three months or less. The amounts paid under the reverse repurchase agreements are included in cash and cash equivalents. Carrying amount of these assets approximates their fair values.

Marketable Securities

All investments are initially recognized at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date the asset delivered to or by the Group. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets i.e. for assets carried at cost or amortized cost, change in value is not recognized; for assets classified as trading or as available for sale, the change in value is recognized to profit and loss, and in equity respectively. The Group maintains three separate securities portfolio, as follows:

Trading securities

Trading securities are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit exists. After initial recognition, trading securities are remeasured at fair value based on quoted bid prices. All related realized and unrealized gains or losses are recognized in trading income/(loss), net.

Held- to- maturity securities

Investment securities with fixed or determinable payments and fixed maturity where management has both the intent and the ability to hold to maturity are classified as held-to-maturity. Management determines the appropriate classification of its investments at the time of the purchase.

After initial recognition, held-to-maturity investments are carried at amortized cost using the effective yield method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, gains and losses are recognized in income when the investments are derecognized or impaired, as well as through the amortization process.

Interest earned whilst holding held-to-maturity securities is included in interest income.

Available- for- sale securities

All other investments are classified as available-for-sale. After initial recognition, available-for-sale securities are revalued at fair value. Gains or losses on remeasurement to fair value are recognized as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Available-for-sale securities (continued)

Interest earned on available-for-sale investments is reported as interest income. Dividends received are included in dividend income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. Equity securities for which fair values cannot be measured reliably are recognized at cost less impairment.

Trade Receivables

Trade receivables are recognized at original invoice amount and carried at amortized cost less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when there are indications that collection of the full amount is no longer probable. Doubtful receivables are written off when there is no indication for collection.

Trade Payables

Liabilities for trade and other amounts are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Loans and Advances to Customers

Loans originated by the Group by providing money directly to the borrower or to a sub-participation agent at draw down are categorized as loans originated by the Group and are carried at amortized cost. Third party expenses, such as legal fees, incurred in securing a loan are treated as part of the cost of the transaction.

All loans and advances are recognized when cash is advanced to borrowers.

Provisions for Possible Loan Losses and Lease Receivable Losses

Based upon its evaluation of credits granted, management estimates the total credit risk provision that it believes is adequate to cover uncollectible amounts in the Group's loan and receivable portfolio and losses under guarantees and commitments. If there is objective evidence that the Group will not be able to collect all amounts due (principle and interest) according to original contractual terms of the loan, such loans are considered impaired and classified as "loans in arrears". The amount of the loss is measured as the difference between the loan's carrying amount and the present value of expected future cash flows discounted at the loan's original effective interest rate or as the difference between the carrying value of the loan and the fair value of collateral, if the loan is collateralized and foreclosure is probable.

Impairment and uncollectibility are measured and recognized individually for loans and receivables that are individually significant, and on a portfolio basis for a group of similar loans and receivables that are not individually identified as impaired.

The Group ceases to accrue interest on those loans that are classified as "loans in arrears" and for which the recoverable amount is determined primarily in reference to fair value of collateral.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions for Possible Loan Losses and Lease Receivable Losses (continued)

The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance for impairment account. A write off is made when all or part of a loan is deemed uncollectible or in the case of debt forgiveness. Write offs are charged against previously established allowances and reduce the principle amount of a loan. Recoveries of loans written off in earlier periods are included in income.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the provision for loan losses expense. Unwinding of the discount is treated as income and remaining provision is then reassessed.

Inventories

Inventories are valued at the lower of cost and net realizable value. Overheads that have been incurred in bringing the inventories to their present location and condition are accounted as stated below:

Costs are accounted for weighted average method. Finished goods and work in progress include cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Borrowing costs are not included in the cost of inventories.

Net realizable value is estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost to sell.

Biological Assets

Cattles are classified under biological assets and reflected at fair value as of June 30, 2006.

Investment Properties

Investment properties are stated at cost less accumulated depreciation and any impairment in value. Investment properties are depreciated on a straight-line basis over the estimated useful live which is 50 years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development to sell.

Property, Plant and Equipment

Property, plant and equipment that are acquired before January 1, 2005 are carried with their restated cost as of December 31, 2004; and property, plant and equipment that are acquired after January 1, 2005 are carried with their cost after subtracting accumulated depreciation and impairment. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

Land improvements	5-50 years
Buildings	20-50 years
Machinery and equipment	5-10 years
Motor vehicles	5 years
Furniture and fixtures	5 years
Leasehold improvements	Rent period

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

The profit/loss as a result of selling property, plant and equipment is calculated as the difference between the carrying amount and proceeds and included in income statement in the period the asset is disposed.

Intangible Assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight line basis over the estimated useful lives which are between 3 and 20 years.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. Goodwill arising from the acquisitions before March 31, 2004 was amortized on a straight-line basis over its useful economic life of 5 years. Starting from January 1, 2005, the goodwill arising from the business combinations before March 31, 2004 is not amortized in accordance with IFRS 3. In accordance with IFRS 3, goodwill is tested for impairment at least annually.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Repurchase and Resale Transactions

The Group enters into short-term sales of securities under agreements to repurchase such securities. Such securities, which have been sold under a repurchase agreement, continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the relevant security portfolio which they are part of. The counterparty liability for amounts received under these agreements is included in other money market deposits. The difference between sale and repurchase price is treated as an interest expense and accrued over the life of the repurchase agreements.

Amounts paid under these agreements are included in other money market placements. The difference between purchase and resale price is treated as an interest income and accrued over the life of the reverse repurchase agreement.

Foreign Currency Denominated Transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are included in the income statement.

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The income statements of foreign subsidiaries are also translated at year-end exchange rates, which are considered as a proxy to restate such income statement amounts at year end purchasing power of TRY. Differences resulting from the deviation between the inflation rate and the appreciation of foreign currencies against the New Turkish Lira related to equity accounts of consolidated subsidiaries included under equity as currency translation differences.

Recognition and Derecognition of Financial Instruments

The Group recognizes a financial asset or financial liability in its balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion financial asset. The Group derecognizes a financial liability when and only when a liability is extinguished that is when the obligation specified in the contract is discharged, cancelled and expired.

Offsetting

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

Borrowings from Banks and Other Institutions, Deposits and Funds Borrowed

All borrowings, deposits and funds borrowed are initially recognized at cost.

After initial recognition, all interest bearing liabilities, are subsequently measured at amortized cost using the effective interest rate method, less amounts repaid. Amortized cost is calculated by taking into account any issue costs, and any discounts or premiums on settlement.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowings from Banks and Other Institutions, Deposits and Funds Borrowed (continued)

Gains and losses are recognized in net profit or loss when the liabilities are derecognized or impaired as well as through the amortization process.

Borrowing Costs

Borrowing costs generally are expensed as incurred.

Employee Termination Benefits

a) Defined benefit plan

In accordance with existing social legislation, the Group is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Company and its Turkish subsidiaries and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statements, the Group have reflected a liability calculated using the Projected Unit Credit Method and based upon estimated inflation rates and factors derived using the Company and its Turkish subsidiaries' experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

b) Defined contribution plan

The Group pays contribution to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Leases

The Group as a Lessee

Finance Lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset should be fully depreciated over the shorter of the lease term or its useful life.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Operating Lease

Leases where the lesser retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. These include rent agreements of premises, which are cancelable subject to a period of notice. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

The Group as a Lessor

Finance Lease

The Group presents leased assets as a receivable equal to the net investment in the lease. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding. Initial direct costs are recognized immediately as expenses.

Operating Lease

The Group presents assets subject to operating leases in the balance sheets according to the nature of the asset. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Initial direct costs incurred specifically to earn revenues from an operating lease are recognized as an expense in the income statement in the period in which they are incurred. Operating leases are amortized based on their cost after deducting their residual values.

Income and Expense Recognition

Non-Banking

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of the revenue can be measured reliably. Sales are recognized net of sales taxes and discounts when delivery has taken place and transfer of risks and rewards have been completed. Revenue from rendering services is recognized by reference to the stage of completion when it can be measured reliably. Revenues and expenses are recognized on accrual basis.

Banking

Interest income and expenses are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income also includes coupons earned on fixed income securities and accrued discount and premium on treasury bills and other discounted instruments.

Commission income and fee for various banking services are recorded as income when the services are rendered. Other income and expenses are recognized on an accrual basis. Dividends are recognized when the associates and subsidiaries distribute the profit.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes out of Corporation's Earning

Income tax is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Derivative Financial Instruments

The Group enters into transactions with derivative instruments including forwards, swaps and options in the foreign exchange and capital markets. These derivative transactions are considered as effective economic hedges under the Group's risk management policies; however since they do not qualify for hedge accounting under the specific provisions of IAS 39, they are treated as derivatives held for trading. Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently are remeasured at their fair values.

Fair values are obtained from quoted market prices, to the extent publicly available, discounted cash flows and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

For derivatives that do not qualify for special hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the period.

Contingent Asset and Liabilities

Contingent liabilities are not recognized in the financial statements; they are disclosed only if they do not bear high probability of an outflow of resources embodying economic benefits. Contingent assets are explained in the footnotes only in case of a highly-probable inflow of economic benefit.

Segmental Information

Since the Group's risk and return ratios are influenced by the differences in the goods and services it produces, segmental information is provided on the basis of business segments in the first layer. Information in geographical segments is not reported as second layer since the Group's operations do not bear any significance in terms of general presentation of financial statements and monetary significance for foreign country operations. The Group is organized into four major operating segments. Financial information on business segments is presented in Note 33.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Incentives

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to such grants, and that the grants will be received. They are recognized in income over the period to match them with the related costs that they are intended to compensate. Income relating to government grants is recognized as a deduction from the appropriate expense.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet. Actual results may vary from the current estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the income statement in the periods in which they are realized.

Earnings per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“Bonus Shares”) to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and revaluation surplus. For the purpose of the EPS calculation, such Bonus Share issues are regarded as stock dividends. Accordingly, the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares.

Subsequent Events

Events after the balance sheet date that provide additional information about the Company’s position at the balance sheet date (adjusting events), are reflected in the financial statements. Events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS

	June 30, 2006	December 31, 2005
Non-Banking	82.174.138	86.960.807
Banking	126.934.197	54.902.012
Total	209.108.335	141.862.819

Non-Banking

The details of cash and cash equivalents are as follows:

	June 30, 2006	December 31, 2005
Cash on hand	972.983	1.013.015
Cash in banks (*)	81.201.155	85.947.792
Total	82.174.138	86.960.807

(*) TRY 35.544.120 amount of demand deposit is held as guarantee bearing interest income.

TRY denominated time deposits are for 3 - 129 days (December 31, 2005: 4 - 76 days) with interest rates between 13,00% - 20,50% (December 31, 2005: 13,00% - 19,00%). USD denominated time deposits are for 3 - 53 days (December 31, 2005: 1 - 3 days) with interest rates between 1,00% - 6,27% (December 31, 2005: 0,50% - 5,44%). EUR denominated time deposits are for 5 - 31 days with interest rate between 1,00% - %3,00 (December 31, 2005: None).

Banking

	June 30, 2006	December 31, 2005
Cash on hand	12.782.000	12.248.000
Balances with the Central Bank	62.619.000	27.555.000
Cash and balances with the Central Bank	75.401.000	39.803.000
Deposits with banks and other financial institutions	43.784.669	11.140.012
Funds lent under reverse repurchase agreements	2.501.218	2.002.000
Interbank placements	4.291.210	1.139.000
Cheques given to collection	956.100	818.000
Other money market placements	7.748.528	3.959.000
Total	126.934.197	54.902.012

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS (continued)

As of June 30, 2006 and December 31, 2005 the interest rate range of deposits and placements are as follows:

	June 30, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign Currency	TRY	Foreign Currency	TRY	Foreign Currency	TRY	Foreign Currency
Balances with the Central Bank	35.166.000	27.453.000	-	-	4.404.000	23.151.000	-	-
Deposits with banks and other financial institutions	3.574.318	40.210.351	14,33%	4,84%	2.556.176	8.583.836	13,09%	1,35%
Other money market placements	2.501.218	-	17,86%	-	2.002.000	-	15,35%	-
Interbank placements	4.291.210	-	15,18%	-	1.139.000	-	15,18%	-
Total	45.532.746	67.663.351			10.101.176	31.734.836		

5. MARKETABLE SECURITIES

	June 30, 2006	December 31, 2005
Non-Banking	25.284.595	14.194.463
Banking	116.888.000	426.803.000
Total	142.175.595	440.997.463

Non-Banking

Maturities of debt instruments are between July 3, 2006 – April 18, 2007 for TRY denominated instruments with interest rates between 17,00% - 22,84% (December 31, 2005: January 2, 2006 - 13,20%).

Banking

Trading Securities

	June 30, 2006		December 31, 2005	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments				
Turkish government bonds	18.595.859	18,60%	97.452.000	15,36%
Turkish treasury bills	211.816	19,34%	179.000	14,46%
Debt instruments – Fx				
Eurobonds issued by the Turkish government	477.198	7,80%	2.180.000	7,59%
Total	19.284.873		99.811.000	
Others				
Equity securities – listed in ISE (*)	21.367.667	-	17.175.000	-
Total	21.367.667		17.175.000	
Total trading securities	40.652.540		116.986.000	

(*) Equity securities include AYO amounts to TRY 8.731.220 that are actively traded (December 31, 2005: TRY 2.417.000).

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

5. MARKETABLE SECURITIES (continued)

Investment Securities:

	June 30, 2006		December 31, 2005	
	Amount	Effective Interest rate	Amount	Effective Interest rate
Available-for-sale securities at fair value-TRY				
Turkish treasury bills	747.482	14,05%	53.493.000	15,50 %
Turkish government bonds	444.922	15,99%	132.000	14,55%
Available-for-sale securities at fair value-Fx				
Eurobonds issued by the Turkish government	-	-	4.631.000	6,01%
Total available-for-sale securities at fair value	1.192.404		58.256.000	
Held-to-maturity securities				
Debt Instruments				
Foreign currency indexed Turkish government bonds	-	-	72.652.000	13,29%
Total held-to-maturity securities	-	-	72.652.000	
Total investment securities	1.192.404		130.908.000	

Carrying value of debt instruments given as collateral under repurchase agreements are:

	June 30, 2006	December 31, 2005
Trading securities	69.039.217	12.559.000
Available for sale securities	6.003.839	12.179.000
Held to maturity securities	-	154.171.000
Carrying value of securities given as collateral under repurchase agreement	75.043.056	178.909.000
Related repurchase liability	66.133.000	175.009.000

As of June 30, 2006, the carrying value of government securities kept in the Central Bank of Turkish Republic (the Central Bank) and in Istanbul Stock Exchange Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRY 12.041.000 and TRY 10.895.000 (December 31, 2005: TRY 75.588.000 and TRY 77.722.000).

As of June 30, 2006, current marketable securities amounts to TRY 56.725.195 (December 31, 2005: TRY 274.717.463) and non-current marketable securities amounts to TRY 85.450.400 (December 31, 2005: TRY 166.280.000).

6. BORROWINGS

	June 30, 2006	December 31, 2005
Bank borrowings	86.442.667	92.139.531
Current portion of long term borrowings	37.035.439	340.336
Short term borrowings	123.478.106	92.479.867
Bank borrowings	10.103.472	9.476.596
Long term borrowings	10.103.472	9.476.596
Total borrowings	133.581.578	101.956.463

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

6. BORROWINGS (continued)

As of June 30, 2006, Group does not have any secured bank borrowings (December 31, 2005: None).

The effective interest rates at the balance sheet date are as follows:

	June 30, 2006	December 31, 2005
Bank borrowings		
<i>Long term</i>		
USD and EUR denominated borrowings	4,1%-6,3%	3,7%
TRY denominated borrowings	15,0%	-
<i>Short term</i>		
USD and EUR denominated borrowings	3,6%-10,0%	3,6%-5,8%
TRY denominated borrowings	12,0%-23,0%	14,4%-16,5%

Repayments of long-term borrowings are scheduled as follows:

	June 30, 2006	December 31, 2005
2007	1.534.300	5.079.872
2008	8.569.172	4.396.724
Total	10.103.472	9.476.596

7. TRADE RECEIVABLES AND TRADE PAYABLES

7.1 TRADE RECEIVABLES

Non-Banking

	June 30, 2006	December 31, 2005
Trade receivable	52.816.923	44.467.212
Notes receivable and post-dated cheques	38.997.182	13.491.878
Less: Provision for doubtful trade receivables	(1.414.148)	(1.404.739)
Total	90.399.957	56.554.351

As of June 30, 2006, Group does not have any long term trade receivables (December 31, 2005: None).

7.2 TRADE PAYABLES

	June 30, 2006	December 31, 2005
Non-Banking	45.008.168	44.656.099
Banking	2.350.664	2.030.000
Total	47.358.832	46.686.099

As of June 30, 2006, Group does not have any long term trade payables (December 31, 2005: None).

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

8. LEASE RECEIVABLES AND OBLIGATIONS

8.1 LEASE CONTRACTS RECEIVABLE

Gross investments in finance leases receivables are as follows:

	June 30, 2006	December 31, 2005
Within 1 year	102.474.693	72.479.930
1 – 5 years	89.004.897	53.085.513
Minimum financial lease receivables, gross	191.479.590	125.565.443
Less: Unearned interest income	(26.946.428)	(17.864.000)
Net investment in finance leases	164.533.162	107.701.443
Less: Reserve for doubtful financial lease receivables	(1.028.000)	(865.000)
Minimum financial lease receivables, net	163.505.162	106.836.443

Net investment in finance leases:

	June 30, 2006	December 31, 2005
Within 1 year	84.772.693	59.975.930
1 - 5 years	78.732.469	46.860.513
Total	163.505.162	106.836.443

As of June 30, 2006 interest rates of minimum lease receivable denominated in foreign currency range are between 7,57% – 21,79% for USD and 6,17% - 21,54% for EUR respectively (December 31, 2005: 8,18% - 19,40% for USD and 2,54% - 6,17% for EUR respectively) and effective interest rates of minimum lease receivable denominated in TRY range are between 15,87% - 39,79% (December 31, 2005: 18,38% - 39,79%).

As of June 30, 2006, collaterals obtained by the Company from certain lease customers in relation to minimum lease payments receivables amount to TRY 41.084.000, USD 29.807.125 and EUR 16.681.406 (December 31, 2005: TRY 35.661.000, USD 26.917.188, EUR 11.562.883). These collaterals consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

Movement in doubtful financial lease receivables is as follows:

	June 30, 2006	December 31, 2005
Reserve at beginning of period	865.000	2.087.000
Provision for impairment	527.000	570.000
Collections	(364.000)	(610.000)
Written off during the period	-	(1.182.000)
Reserve at the end of period	1.028.000	865.000

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

8.2 FINANCE LEASE LIABILITIES

	June 30, 2006	December 31, 2005
Current	3.551.017	2.630.905
Non-Current	2.616.726	3.579.861
Total	6.167.743	6.210.766

As of June 30, 2006, the effective interest rates are 4,50% - 11,33%.

Future minimum lease payments for the financial lease contracts are as follows:

	June 30, 2006	December 31, 2005
Within 1 year	3.939.966	3.051.320
1 - 5 years	2.722.546	3.798.441
Total minimum lease obligations	6.662.512	6.849.761
Net minimum obligations	6.662.512	6.849.761
Unearned interest income (-)	(494.769)	(638.995)
Present value of minimum obligations	6.167.743	6.210.766

9. RELATED PARTY BALANCES AND TRANSACTIONS

Balances with related parties

9.1 DUE FROM RELATED PARTIES

	June 30, 2006	December 31, 2005
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	885	2.756
Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) (1)	1.015.011	2.267.497
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	956.037	864.364
Tarbes Tarım Ürünleri ve Besicilik San.Tic.A.Ş. (Tarbes) (3)	14.177	37.372
Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (Anadolu Isuzu) (2)	1.367.346	1.127.491
Efes Holland Technical Management Consultancy (3)	53	1.101.284
ZAO Moscow Efes Brewery (Efes Moscow) (3)	2.160.709	2.976.116
CJSC Efes Karaganda Brewery (Efes Karaganda) (3)	798.803	294.829
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tesis.	459.356	755.527
OAO Amstar (3)	-	218.340
Efes Invest Yatırım Holding A.Ş. (Efes Sınai) (5)	217.104	32.815
Efes Weifert Brewery d.o.o (Efes Weifert) (3)	445.384	-
Efes Zajecar Brewery d.o.o (Efes Zajecar) (3)	192.024	150.932
Efes Vitanta Moldova Brewery S.A (Efes Vitanta) (3)	239.307	-
Other	940.281	592.098
Total	8.806.477	10.421.421

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

9.1 DUE FROM RELATED PARTIES (continued)

As of June 30, 2006 and December 31, 2005, loans given to related parties, which are included under “Banking Loans” in the financial statements, are TRY 384.548 and TRY 2.783.208 respectively. As of June 30, 2006, TRY 5.196.221 is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2005: TRY 1.976.941).

9.2 DUE TO RELATED PARTIES

	June 30, 2006	December 31, 2005
Anadolu Isuzu (2)	425.378	3.293
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (5)	-	886.124
Anelsan (3)	223.712	253.864
Dividends payable	943.273	1.148
Other	218.186	219.333
Total	1.810.549	1.363.762

As of June 30, 2006 and December 31, 2005, related party deposits, which are included under “Deposits” in the financial statements, are TRY 52.450.779 and TRY 75.104.218 respectively.

9.3 TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the six month period ended June 30, 2006 and 2005 are as follows:

	June 30, 2006	June 30, 2005
Sales of goods and services, net		
Anadolu Efes (1)	5.337.362	9.735.570
Efpa (3)	4.818.300	4.068.927
Tarbes (3)	1.077.020	41.654
Anadolu Isuzu (2)	4.277.364	5.106.006
Efes Holland Technical Management Consultancy (3)	952.503	1.334.908
Efes Breweries International B.V. (3)	4.107.626	72.309
Efes Sınai (Efes Sınai) (5)	318.567	301.255
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem) (1)	178.408	155.186
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	120.072	529.070
Other	895.782	737.854
Total	22.083.004	22.082.739

	June 30, 2006	June 30, 2005
Purchases of goods and other charges		
Anadolu Isuzu (2)	2.062.099	1.976.194
Anelsan (3)	318.690	230.205
Efpa (3)	16.694	81.382
Other	166.240	23.460
Total	2.563.723	2.311.241

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

9.3 TRANSACTIONS WITH RELATED PARTIES (continued)

	June 30, 2006	June 30, 2005
Interest and other financial income (included in banking revenues and banking foreign exchange losses)		
Anadolu Efes (1)	237.095	73.168
Coca Cola İçecek Üretim A.Ş. (3)	109.264	44.842
Anadolu Isuzu (2)	56.265	39.250
Anadolu Cetelem (1)	210.243	25.537
Other	89.223	13.910
Total	702.090	196.707

	June 30, 2006	June 30, 2005
Interest and other financial expense (included in banking direct cost and banking foreign exchange losses) paid to		
Anadolu Efes (1)	5.329.777	3.323.339
Anadolu Isuzu (2)	201.432	1.326.529
Efpa (3)	198.246	31.365
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	26.608	126.385
Tarbes (3)	41.938	125.385
Efes Pilsen Spor Kulübü	439.070	377.941
Özilhan Sınai Yatırım A.Ş.	421.710	118.566
Others	187.849	67.431
Total	6.846.630	5.496.791

	June 30, 2006	June 30, 2005
Interest and other financial expense (included in financial income / expense and foreign exchange losses) paid to		
Anadolu Efes (1)	-	2.606.564
Efes Sınai (5)	-	33.565
Other	44.750	275.584
Total	44.750	2.915.713

	June 30, 2006	June 30, 2005
Miscellaneous sales included in other income (including dividend received)		
Anadolu Efes (1)	218.500	164.083
Polinas (5)	9.558	206.747
Coca Cola İçecek (3)	5.344	3.930.642
Efpa (3)	730.259	202.444
Anadolu Isuzu (2)	192.406	122.732
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	8.497	46.796
Other	205.976	50.020
Total	1.370.540	4.723.464

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

9.3 TRANSACTIONS WITH RELATED PARTIES (continued)

	June 30, 2006	June 30, 2005
Interest and other financial income (included in financial income/expense and foreign exchange losses) received from		
Anadolu Efes (1)	-	1.434.068
Kamil Yazıcı Yönetim ve Danışma (4)	350.963	161.054
Efes Sınai (5)	18.340	33.845
Other	6.632	1.355
Total	375.935	1.630.322

(1) An associate

(2) A joint venture

(3) A Company controlled by an associate

(4) Shareholder of the Company

(5) Investment

Compensation of Key Management Personnel of the Group.

As of June 30, 2006, members of the top management received remuneration and fees totaling TRY 4.419.488.

Other

TRY 35.544.120 of time deposits in bank is held as guarantee for related parties' loans. The interest rates of these time deposits vary between 15,75% - 20,50%.

Company and its subsidiaries with exceptions of Mc Donald's, Hamburger, Efes Tur, Ana Gıda and AYO are obligated to donate 1% - 5% of their profit to Anadolu Eğitim ve Sosyal Yarıım Vakfı before corporate tax and such fiscal obligations as stated in the entities' foundation agreements as long as these donations are exempt from tax.

Company and its subsidiaries with the exception of Mcdonald's, Hamburger, ABank, AYO, Anadolu Motor, A Yatırım and Ülku, distribute a 5% dividend of their net profit, which is the amount left after the legal reserves and the first dividend are deducted consecutively, to board members as dividend. If a corporate representative executes a board member position, the executive board dividend of that representative is recorded as board of members dividend income at the company concerned.

10. OTHER RECEIVABLES AND PAYABLES

10.1 OTHER RECEIVABLES

	June 30, 2006	December 31, 2005
Non-Banking	30.200.527	8.537.565
Banking	-	-
Total	30.200.527	8.537.565

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

10.1 OTHER RECEIVABLES (continued)

Non-Banking

	June 30, 2006	December 31, 2005
Receivables from loans given (*)	27.457.582	7.408.032
Other	2.742.945	1.129.533
Total	30.200.527	8.537.565

(*) Some of the loans, in AEH and ABank is transferred to Anadolu Varlık, which is a newly established subsidiary of the Company.

11. BIOLOGICAL ASSETS

Biological assets having a worth of TRY 5.971.536 (December 31, 2005: TRY 6.507.829) consist of cattle in a feedlot in Izmir, Turkey.

12. INVENTORIES

	June 30, 2006	December 31, 2005
Raw materials	16.970.500	14.909.532
Work-in-progress	8.105.467	7.249.197
Finished goods	13.503.995	13.690.047
Merchandise	39.267.588	54.860.071
Supplies and others	1.187.682	656.420
Advances given	36.463.741	41.992.390
Total	115.498.973	133.357.657

13. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION CONTRACTS

None.

14. DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities are as follows:

	June 30, 2006	December 31, 2005
Deferred tax assets	18.421.848	21.277.735
Deferred tax liabilities (-)	(1.425.937)	(5.405.250)
Net deferred tax assets	16.995.911	15.872.485

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

14. DEFERRED TAX ASSETS AND LIABILITIES (continued)

Movements in deferred tax during the period are as follows:

	Balance January 1, 2006 as reported	Credited/ (charged) to income statement	Balance June 30, 2006
Fixed assets	(8.774.969)	4.940.996	(3.833.973)
Inventory	29.319	(29.319)	-
Carryforward tax loss (**)	41.316.212	(16.244.180)	25.072.032
Allowance for retirement pay liability	3.936.441	(1.489.274)	2.447.167
Financial leases	5.620.923	(1.688.387)	3.932.536
Other	25.330.020	(4.062.430)	21.267.590
Net deferred tax (liability)/asset	67.457.946	(18.572.594)	48.885.352
Change in accounting policy IAS 39 (Note 2)		(1.151.664)	
Allowance for deferred tax (*)	(51.585.461)	19.696.020	(31.889.441)
Total	15.872.485	28.238	16.995.911

(*) As of June 30, 2006, the Group management decided not to recognize a portion of deferred tax assets in the future based on future business plans of ABank and ALease. For this reason, TRY 31.889.441 of deferred tax assets have not been recognized in the consolidated financial statements (December 31, 2005: TRY 51.585.461).

(**)

Maturity years of carryforward tax losses	June 30, 2006	December 31, 2005
2006	46.847.400	61.656.962
2007	75.036.918	75.036.918
2010	3.475.840	1.026.827
Total	125.360.158	137.720.707
Tax Rate	%20	%30
Deferred Tax Assets	25.072.032	41.316.212

15. OTHER CURRENT / NON-CURRENT ASSETS AND OTHER CURRENT / NON-CURRENT LIABILITIES

15.1 OTHER CURRENT ASSETS

	June 30, 2006	December 31, 2005
Non-Banking	12.951.698	13.889.052
Banking	4.707.000	3.568.000
Total	17.658.698	17.457.052

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

15.1 OTHER CURRENT ASSETS (continued)

Non-Banking

	June 30, 2006	December 31, 2005
Prepaid taxes	454.223	2.445.471
Prepaid expenses	7.633.913	4.909.699
VAT receivables	2.815.013	5.918.250
Other current assets	2.048.539	615.632
Total	12.951.698	13.889.052

Banking

	June 30, 2006	December 31, 2005
Transitory accounts and prepaid expenses	723.000	1.562.000
Prepaid taxes	17.000	8.000
VAT for rented assets	1.560.000	1.293.000
Other	2.407.000	705.000
Total	4.707.000	3.568.000

15.2 OTHER NON-CURRENT ASSETS

	June 30, 2006	December 31, 2005
Non-Banking	1.505.621	1.294.120
Banking (*)	6.297.000	4.205.000
Total	7.802.621	5.499.120

(*) As of June 30, 2006, it presents TRY 3.016.000 of fixed assets that will be leased (December 31, 2005: TRY 1.479.000).

15.3 OTHER CURRENT LIABILITIES

	June 30, 2006	December 31, 2005
Non-Banking	28.943.800	16.044.078
Banking	29.445.121	18.336.483
Total	58.388.921	34.380.561

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

15.3 OTHER CURRENT LIABILITIES (continued)

Non-Banking

	June 30, 2006	December 31, 2005
Taxes payable other than income tax	8.528.990	9.980.299
Salaries and wages payable	1.366.352	1.790.333
Accrued expenses	18.244.390	2.540.296
Deferred income	274.176	374.748
Other payables and liabilities	529.892	1.358.402
Total	28.943.800	16.044.078

The detail of the accrued expenses is as follows:

Accrued expenses	June 30, 2006	December 31, 2005
Warranty provisions (*)	7.691.799	-
Premium provisions	3.962.238	131.354
Label provisions	1.767.573	1.178.743
Dealer sales premium provision	1.141.183	1.152.840
Unused vacation provision	1.350.121	77.359
Other provisions	2.331.476	-
Total	18.244.390	2.540.296

(*) Reliable statistical information on warranty provisions is obtained as of June 30, 2006 for the first time and it is recorded in the current period.

As of June 30, 2006, other long term liabilities amounts to TRY 3.969.244 (December 31, 2005: TRY 1.090.362) is presented in the financial statements.

Banking

	June 30, 2006	December 31, 2005
Payment orders	19.445.000	10.707.533
Taxes payable other than income tax	4.322.000	4.396.000
Transitory accounts	-	368.000
Advances from customers	3.788.000	2.246.000
Others	1.890.121	618.950
Total	29.445.121	18.336.483

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

16. INVESTMENTS

16.1 INVESTMENTS

	Ownership (%)	June 30, 2006	Ownership (%)	December 31, 2005
Polinas Plastik Sanayi ve Ticaret A.Ş. (Polinas)	10,57	6.275.510	10,57	6.275.510
Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	0,48	94.767	0,48	94.767
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai)	9,56	31.339	9,56	31.339
Syrian Soft Drinks (**)	33,96	410.350	-	-
Technology Leap Holding (Technology Leap)	15,97	3.268.803	15,97	3.268.803
Other		74.573		76.575
Less: Impairment reserve (*)		(3.268.803)		(3.268.803)
Available for sale investments - non current		6.886.539		6.478.191

(*) An impairment reserve of TRY 3.268.803 is provided for Technology Leap since it is in liquidation process.

(**) Syrian Soft Drinks was established with 50% participation of AEH on June 22, 2006. As of June 30, 2006, the entity's financial statements are not consolidated due to immateriality.

16.2 INVESTMENTS IN ASSOCIATES

Entity	Principle Activities	Country of Business	June 30, 2006			December 31, 2005		
			Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)	Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)
Anadolu Efes (*)	Product. of beer	Turkey	627.210.359	35,97	41.201.755	518.242.062	35,09	109.290.960
Anadolu Cetelem	Provides consumer finance services	Turkey	369.675	33,96	55.209	314.665	33,96	(1.463.818)
TOTAL			627.580.034		41.256.964	518.556.727		107.827.142

(*) Shares of Anadolu Efes are currently traded on the Istanbul Stock Exchange.

Company purchased 1.000.000 unit of Anadolu Efes' stock in consideration of TRY 40.50 price from Yazıcı Family from the ISE Sales in Whole Sales Market on June 21, 2006 and Group's effective Anadolu Efes participation rate is increased by 0,88%. The Group's share in goodwill arising from this acquisition that is calculated on June 30, 2006 based on the consolidated financials of Anadolu Efes is TRY 26.710.558. This amount is followed under the carrying value of Anadolu Efes.

16.3 INVESTMENTS IN JOINT VENTURE

The detail of the investment in joint venture is as follows:

Entity	Principle Activities	Country of Business	June 30, 2006			December 31, 2005		
			Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)	Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)
Anadolu Isuzu (*)	Manufacturing of Isuzu brand commercial vehicle	Turkey	66.632.846	36,42	5.754.697	68.045.258	36,42	11.983.349
TOTAL			66.632.846		5.754.697	68.045.258		11.983.349

(*) Shares of Anadolu Isuzu are traded on the Istanbul Stock Exchange.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

16.3 INVESTMENTS IN JOINT VENTURE (continued)

The Group has a 36,42% interest in Anadolu Isuzu, which is involved in the production of Isuzu commercial vehicles in Turkey.

The Group's share of the assets, liabilities, revenue and expenses of the joint venture, which are included in the consolidated financial statements, are as follows at June 30, 2006 and December 31, 2005:

	June 30, 2006	December 31, 2005
Current assets	76.834.391	66.211.044
Non-current assets	29.754.203	31.469.222
Total	106.588.594	97.680.266
Current liabilities	36.409.022	24.825.936
Non-current liabilities	4.134.119	5.408.337
Total	40.543.141	30.234.273
Revenue	72.923.586	145.319.016
Cost of sales	(57.262.822)	(114.067.878)
Selling and marketing expense	(5.742.400)	(9.599.022)
Research and development expense	(618.745)	(604.726)
Administrative expense	(2.731.408)	(5.262.773)
Finance cost	(2.854.206)	(179.828)
Other income, net	2.107.772	1.294.611
Income tax expense	(67.516)	(4.915.909)
Minority interest	436	(142)
Net profit	5.754.697	11.983.349

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

17. POSITIVE/NEGATIVE GOODWILL

Positive Goodwill	June 30, 2006	December 31, 2005
Cost	138.103.925	138.103.925
Accumulated Depreciation	(102.759.669)	(102.759.669)
Net carrying amount	35.344.256	35.344.256

Starting from January 1, 2005, the Group has ceased amortizing the goodwill arising from business combinations before March 31, 2004, in accordance with IFRS 3. Amortization of goodwill method is not applied for any acquisitions after March 31, 2004.

18. INVESTMENT PROPERTY

	June 30, 2006	December 31, 2005
Beginning (January 1)	4.332.000	5.137.000
Disposal of investment property	(793.000)	(3.085.000)
Additions to investment properties	7.184.000	2.308.000
Provision for impairment	(28.000)	(28.000)
Total	10.695.000	4.332.000

Investment property consists of a building and parcels of land. According to a report prepared by an independent valuation firm, the fair value of such property is TRY 11.415.623 as of June 30, 2006 (December 31, 2005, TRY 5.424.000).

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

19. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment during the period ended as of 30 June 2006 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2006	6.956.684	52.799.440	156.288.653	15.654.994	27.664.066	13.344.299	44.902.966	582.882	318.193.984
Additions	141.506	2.035.682	2.080.331	5.570.629	1.605.494	76.141	504.108	1.854.015	13.867.906
Disposals	(27.099)	(24.208)	(5.882.269)	(867.462)	(1.458.079)	(233.816)	(10.138)	(359.717)	(8.862.788)
June 30,2006	7.071.091	54.810.914	152.486.715	20.358.161	27.811.481	13.186.624	45.396.936	2.077.180	323.199.102
Accumulated depreciation									
January 1, 2006	1.256.099	12.381.837	128.684.046	5.414.933	24.394.325	12.271.266	29.426.450	-	213.828.956
Depreciation charge for the year	41.975	638.689	3.157.011	2.748.703	552.987	42.724	1.422.060	-	8.604.149
Disposals	(15.564)	(15.658)	(5.744.931)	(786.070)	(1.455.655)	(233.583)	(3.210)	-	(8.254.671)
June 30, 2006	1.282.510	13.004.868	126.096.126	7.377.566	23.491.657	12.080.407	30.845.300	-	214.178.434
Net carrying amount	5.788.581	41.806.046	26.390.589	12.980.595	4.319.824	1.106.217	14.551.636	2.077.180	109.020.668

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at June 30, 2006 is TRY 26.465.956. Tangible assets under financial lease are pledged against the related financial liabilities.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

19. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements of property, plant and equipment for the year ended 31 December 2005 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2005	6.726.535	41.875.557	135.693.573	6.961.101	26.092.034	12.531.088	12.414.466	11.258	242.305.612
Additions	366.122	496.711	4.579.297	9.586.453	2.444.760	819.291	3.670.423	1.423.219	23.386.276
Additions via subsidiary purchase	-	10.457.609	17.114.814	695.418	3.031.433	-	28.829.768	107.135	60.236.177
Disposals	(135.973)	(30.437)	(1.099.031)	(1.587.978)	(3.904.161)	(6.080)	(11.691)	(958.730)	(7.734.081)
December 31, 2005	6.956.684	52.799.440	156.288.653	15.654.994	27.664.066	13.344.299	44.902.966	582.882	318.193.984
Accumulated depreciation									
January 1, 2005	1.191.672	11.608.107	116.545.370	4.793.504	24.147.278	11.676.870	11.307.651	-	181.270.452
Depreciation charge for the year	64.427	775.582	3.940.027	1.536.778	2.353.872	600.476	1.482.871	-	10.754.033
Additions via subsidiary purchase	-	-	8.438.503	407.129	1.823.689	-	16.636.120	-	27.305.441
Disposals	-	(1.852)	(239.854)	(1.322.478)	(3.930.514)	(6.080)	(192)	-	(5.500.970)
December 31, 2005	1.256.099	12.381.837	128.684.046	5.414.933	24.394.325	12.271.266	29.426.450	-	213.828.956
Net carrying amount	5.700.585	40.417.603	27.604.607	10.240.061	3.269.741	1.073.033	15.476.516	582.882	104.365.028

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at December 31, 2005 is TRY 24.225.329. Tangible assets under financial lease are pledged against the related financial liabilities.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

20. INTANGIBLE ASSETS

The intangible asset movement chart as of June 30, 2006 is as follows:

Cost	Rights	Patents and licenses	Franchise	Other intangible assets	Total
January 1, 2006	38.883.027	10.677.061	1.051.246	442.134	51.053.468
Additions	180.709	-	-	91.384	272.093
Disposals	-	-	-	-	-
June 30, 2006	39.063.736	10.677.061	1.051.246	533.518	51.325.561
Accumulated amortization					
January 1, 2006	31.663.485	8.219.674	26.281	215.164	40.124.604
Amortization charge for the year	519.240	328.668	44.281	33.413	925.602
Disposals	-	-	-	-	-
June 30, 2006	32.182.725	8.548.342	70.562	248.577	41.050.206
Net carrying amount	6.881.011	2.128.719	980.684	284.941	10.275.355

The intangible asset movement chart as of December 31, 2005 is as follows:

Cost	Rights	Patents and licenses	Franchise	Other intangible assets	Total
January 1, 2005	34.344.180	10.677.061	-	274.006	45.295.247
Additions	458.495	-	-	230.128	688.623
Additions via subsidiary purchase	4.111.023	-	1.051.246	-	5.162.269
Disposals	(30.671)	-	-	(62.000)	(92.671)
December 31, 2005	38.883.027	10.677.061	1.051.246	442.134	51.053.468
Accumulated amortization					
January 1, 2005	26.320.729	6.551.972	-	140.522	33.013.223
Amortization charge for the year	3.902.543	1.667.702	-	76.642	5.646.887
Additions via subsidiary purchase	1.465.565	-	26.281	-	1.491.846
Disposals	(25.352)	-	-	(2.000)	(27.352)
December 31, 2005	31.663.485	8.219.674	26.281	215.164	40.124.604
Net carrying amount	7.219.542	2.457.387	1.024.965	226.970	10.928.864

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

21. ADVANCES TAKEN

	June 30, 2006	December 31, 2005
Advances Taken	7.028.361	2.750.345

22. PENSION PLANS

None.

23. PROVISIONS

	June 30, 2006	December 31, 2005
Short term		
Income tax provision	1.670.078	225.967
Other	1.182.985	226.617
Total short term	2.853.063	452.584
Long term		
Provision for retire pay	14.921.655	13.472.300
Other	921.046	353.917
Total long term	15.842.701	13.826.217
Total	18.695.764	14.278.801

Provision for retirement pay liability

In accordance with the existing labor legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TRY 1.770,62 at June 30, 2006 and TRY 1.727,15 at December 31, 2005, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

For the companies established in Turkey, as of June 30, 2006 and December 31, 2005, financial statements reflect a liability calculated using the Projected Unit Credit Method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

The principal actuarial assumptions used at the balance sheet dates are as follows:

	June 30, 2006	December 31, 2005
Discount rate	12%	12%
Expected rates of salary/limit increases	6,175%	6,175%

In addition, as of June 30, 2006 retirement pay liability provision was calculated as actuarial assumption considering the increase of maximum liability of TRY 1.770,62 for the related year in accordance with the inflation rate.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

23. PROVISIONS (continued)

Retirement pay liability provision movements are as follows:

	June 30, 2006
January 1, 2006	13.472.300
Interest cost	808.768
Charge for the year	1.099.236
Retirement pay paid	(458.649)
June 30, 2006	14.921.655
	December 31, 2005
January 1, 2005	10.879.892
Additions via subsidiary acquired	621.490
Interest cost	1.305.587
Actuarial loss	7.450
Charge for the year	1.845.252
Paid	(1.187.371)
December 31, 2005	13.472.300

24. MINORITY INTEREST

Minority interest is separately classified in the financial statements.

25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION

	June 30, 2006		December 31, 2005	
	Paid-in Capital	%	Paid-in Capital	%
Yazıcı Families	17.889.533	44,72	17.889.533	44,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	13.399.988	33,50	13.399.988	33,50
Publicly traded	8.710.479	21,78	8.710.479	21,78
Historical share capital	40.000.000	100,00	40.000.000	100,00
Restatement effect	68.908.781		68.908.781	
Total restated share capital	108.908.781		108.908.781	

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION (continued)

Movement of paid in capital as at June 30, 2006 and December 31, 2005 is as follows (historical amounts in TRY):

	June 30, 2006		December 31, 2005	
	Share	Amount	Share	Amount
Beginning (January 1)	40.000.000	40.000.000	20.475.019	20.475.019
Issued shares				
-Adjustments to equity	-	-	3.773.370	3.773.370
-Extraordinary reserves	-	-	-	-
-Income from sales of treasury shares	-	-	15.751.611	15.751.611
Ending	40.000.000	40.000.000	40.000.000	40.000.000

Kamil Yazıcı Yönetim ve Danışma A.Ş. (henceforth as Management Company) is a professional management company established by members of the Kamil Yazıcı Family to manage their investments. Management Company owns 33,50% of Company but, with the special board nomination rights granted to Class A and Class B shares (1 + 3), it is entitled to appointed four of the six directors to the Company's board of directors.

Yazıcılar common shares are divided into four classes, each class of shares having identical voting rights on all matters except for the election of directors. Three of these classes of shares – Classes B, C and D – consist of registered shares and are owned by the members of the Yazıcı Family. Class A shares are divided into two sub-classes, one consisting of registered and the other, bearer shares; bearer shares are held by public and the other ones are held by two Yazıcı Families (see note 1).

The following table shows information as of June 30, 2006 with respect to the four classes of Yazıcılar shares. There have been changes in the group share information with a registration on July 27, 2006 and a declaration on August 1, 2006 via Turkish Trade Registry Gazette. The updated information is given in Note 34.

Class	Number	% of Capital	Number of Members on Board
A (Bearer and Registered)	17.864.988	45	1
B (Bearer)	9.999.991	25	3
C (Bearer)	5.701.762	14	1
D (Bearer)	6.433.259	16	1
Total	40.000.000	100	6

26. CAPITAL RESERVES

As of June 30, 2006, restated values of capital reserves which are included in equity and their restatement differences are as follows:

	Historic Amount	Equity Restatement Differences	Restated Amount
Share Premium	9.465.681	-	9.465.681

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

27. PROFIT RESERVES

Legal Reserves

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code (TCC). The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's restated share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's restated share capital.

As required by the Capital Markets Board (the CMB) Communiqué Serial XI, No : 25 "Communiqué for the Accounting Standards in Capital Markets"; beginning from the year 2003 profits, the net profit in the financial statements which are prepared in accordance with International Financial Reporting Standards will be taken as the base for dividend appropriation.

Publicly held companies perform their dividend appropriation in accordance with the CMB regulations as follows:

Based on the CMB communiqué XI-25 section fifteen article 399, the amount included in "Prior Year Losses" account resulting from the first application of inflation accounting should be considered as a deduction during the identification of the profit to be distributed based on the inflation adjusted financial statements. Accordingly, the amount followed under "Prior Year Losses" account, may be offset against period income and retained earnings if it exists, and the remaining losses against extraordinary reserves, legal reserves and reserves resulted from inflation adjustment of equity accounts, respectively.

The statutory accumulated profits and statutory current year profit are available for distribution, subject to the reserve requirements referred to above.

As of June 30, 2006, restated values of, legal reserves and extraordinary reserves, which are included in equity and their restatement differences, are as follows:

	Historic Amount	Equity Restatement Differences	Restated Amount
Legal Reserves	23.764.819	59.051.149	82.815.968
Statutory Reserves	42.856	356.718	399.574
Extraordinary Reserves	190.041.771	96.852.186	286.893.957
Special Reserves	10.891.446	16.556	10.908.002

28. ACCUMULATED PROFITS

Accumulated profits are separately classified in the financial statements.

29. FOREIGN CURRENCY POSITION

Net foreign currency short position for the Group (excluding bank) as of June 30, 2006 is approximately TRY 90.624.382 (December 31, 2005: TRY 67.187.102). Net foreign currency of banking group is disclosed in Note 44.6.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

30. GOVERNMENT INCENTIVES AND GRANTS

As of June 30, 2006, Group's do not have any matter related to investment reduction. As of December 31, 2005, the Group has benefited from 40% of investment expenditures amounts to TRY 5.696.128 in its corporate tax provision.

31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Non-Banking

Letters of guarantee given to banks, suppliers, and custom offices are TRY 7.160.395 (December 31, 2005: TRY 4.115.270).

Letters of guarantee given to banks for the loans of associates and other related parties are TRY 40.420.585 (December 31, 2005: TRY 32.937.000).

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRY 14.615.376 (December 31, 2005: TRY 14.795.214).

Total letter of credits amount to TRY 11.273.432 (December 31, 2005: TRY 3.175.461).

ABH has service agreement liabilities for 1 to 2 years with its customers.

The Group's guarantee, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRY 45.832.888, TRY 1.192.699, TRY 10.656.507 and TRY 275.150 respectively.

The subsidiary AEH has undertaken the obligation of preserving the corporate presence, and supporting to fulfill the financial and fiscal liabilities during its contract period with McDonald's.

As of June 30, 2006, the total sum of lawsuits against the Group is TRY 539.535, and the total sum of lawsuits filed by the Group is TRY 1.728.563.

Banking

In the normal course of business activities, ABank and its consolidated subsidiaries undertake various commitments. Contingent liabilities that are not presented in the financial statements are as follows:

	June 30, 2006	December 31, 2005
Letters of guarantees		
- issued by ABank	681.115.641	474.757.000
Letters of credit	217.166.568	156.208.000
Acceptance credits	31.105.624	14.925.000
Other	12.079.742	-
Total non-cash loans	941.467.395	645.890.000
Other commitments	120.571.881	137.000.000
Total	1.062.039.276	782.890.000

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Banking (continued)

As of June 30, 2006, A Lease obtained letters of guarantee amounts to TRY 339.000 (December 31, 2005: TRY 289.000) and submitted to various institutions for various leasing transactions and funds borrowed from banks.

Blocked Assets

As of June 30, 2006, the nominal values of the TRY denominated assets held by the Group in fiduciary, agency or custodian capacities amounted to TRY 275.281.000 (December 31, 2005: TRY 253.092.000) and foreign currency denominated assets amounted to TRY 47.745.000 (December 31, 2005: TRY 36.508.000).

Litigation

Damages claimed in the suits filed against the Group amount to TRY 118.000 (December 31, 2005: TRY 115.000), as of June 30, 2006. These mainly include matters relating to personal claims of customers and ex-employees of ABank. Although the outcome of these matters can not always be ascertained with precision, the Management, based on professional advice and also considering ABank's insurance coverage believes that no material liabilities are likely to result. Consequently, no provision has been made.

Other

ABank manages six open-ended investment funds which were established under the regulations of the Turkish Capital Board. In accordance with the funds' charters, ABank purchases and sells marketable securities on behalf of funds, markets their participation certificates and provides other services in return for a management fee and undertakes management responsibility for their operations.

32. BUSINESS COMBINATIONS

None.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

33. SEGMENTAL INFORMATION

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group is organized into four major operating businesses.

Segmental Information

Segments	Financial Institutions		Automotive & Machinery		Writing Instruments & Stationary		Other Operations		Unallocated		Elimination		Consolidated	
	30.06.2006	30.06.2005	30.06.2006	30.06.2005	30.06.2006	30.06.2005	30.06.2006	30.06.2005	30.06.2006	30.06.2005	30.06.2006	30.06.2005	30.06.2006	30.06.2005
Revenues from external customers	72.773	44.042	289.563	227.118	35.854	31.828	140.557	36.468	5.348	12.036			544.095	351.492
Inter-segment revenue	(1.040)	1.290	26.576	141	3.300	1.367	2.088	1.727	1.245	1.460	(32.169)	(5.985)	-	-
Total Revenue	71.733	45.332	316.139	227.259	39.154	33.195	142.645	38.195	6.593	13.496	(32.169)	(5.985)	544.095	351.492
Segment Result	71.733	47.415	67.083	52.312	18.939	17.157	15.853	5.665	6.593	13.496	(7.426)	(5.985)	172.775	130.060
Operating Profit	51.104	17.045	21.583	29.187	14.559	10.107	(1.001)	(3.673)	(1.528)	8.053	(7.426)	(5.985)	77.291	54.734
Other income	6.285	6.626	13.632	9.420	929	1.358	(913)	271	62.037	62.062	-	-	81.970	79.737
Other expense	(8.606)	515	(4.676)	(8.434)	(1.989)	(1.770)	(1.546)	(131)	(742)	(3.110)	-	-	(17.559)	(12.930)
Finance expense	(26.701)	(1.706)	(12.843)	(426)	(1.710)	(1.189)	(750)	(1.109)	(7.708)	(3.813)	-	-	(49.712)	(8.243)
Income tax expense	(3.435)	(5.196)	(2.923)	(7.667)	(410)	(1.662)	(222)	(75)	(1.589)	(2.114)	-	-	(8.579)	(16.714)
Minority interest	1.524	(2.756)	1.210	485	-	(1.665)	-	(135)	(19.459)	(18.105)	-	-	(16.725)	(22.176)
Net profit	20.171	14.528	15.983	22.565	11.379	5.179	(4.432)	(4.852)	31.011	42.973	(7.426)	(5.985)	66.686	74.408
Total Assets	1.916.300	1.397.203	220.952	167.204	66.090	57.626	156.674	41.784	1.342.493	1.090.548	(561.808)	(495.054)	3.140.701	2.259.311
Segment Liabilities	1.687.793	1.192.483	94.194	64.068	26.937	18.127	67.764	29.641	47.313	40.977	-	-	1.924.001	1.345.296
Fixed Asset Purchases	666	538	7.459	6.975	3.259	671	2.674	327	82	27	-	-	14.140	8.538
Depreciation and amortization charges	1.030	3.088	4.043	2.089	784	814	3.257	674	415	590	-	-	9.529	7.255

* Income recognized due to equity pick up adjustment that amounts for KTRY 47.012 recorded to other income in unallocated segment (June 30, 2005: KTRY 44.866).

** There is no expense recorded in unallocated segment for equity pick up method adjustments (June 30 2005: KTRY 745).

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

33. SEGMENTAL INFORMATION (continued)

Geographical Segments

Substantially all of the consolidated revenues are obtained from operations located in Turkey. Similarly, substantially all of the consolidated assets are located in Turkey.

Investment in associates and joint ventures: Company's effective participation rate for Anadolu Efes is 35,97% (December 31, 2005: 35,09%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and bottling of soft drinks under Coca Cola trademark principally in Turkey, East Europe and Middle Asia. The result of these operations, as of June 30, 2006 and June 30, 2005 are reflected in "other income and expenses" line of the consolidated income statement as TRY 41.201.755 and TRY 36.040.680 respectively.

34. SUBSEQUENT EVENTS

There have been changes in the group share information with a registration on July 27, 2006 and a declaration on August 1, 2006 via Turkish Trade Registry Gazette. The following table shows certain information with respect to the four classes of Yazıcılar shares.

Class	Number	% of Capital	Number of Members on Board
A (Bearer and Registered)	19.864.988	50	1
B (Bearer)	7.999.991	20	3
C (Bearer)	5.701.762	14	1
D (Bearer)	6.433.259	16	1
Total	40.000.000	100	6

The termination indemnity ceiling, that was TRY 1.770,62 as of June 30, 2006, was increased to TRY 1.815,28 commencing on July 1, 2006.

Company purchased 286.000 units of Anadolu Efes' shares in consideration of TRY 42 price from ISE Whole Sale Market in July 28, 2006. Moreover, AEH purchased total of 825.674 shares of Abank and 143.185 shares of Anadolu Isuzu in July, 2006.

Ülkü which is a subsidiary of Company, decommissioned with the board of director's decision on July 4, 2006.

35. DISCONTINUING OPERATIONS

None.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

36. OPERATING INCOME

	June 30, 2006	June 30, 2005
Non-banking –net		
Sales Income	89.056.580	73.527.180
Service Income (*)	10.945.003	12.490.617
Banking – interest income- net	72.773.835	44.042.414
Total	172.775.418	130.060.211

(*) Service income consists of AEH and ABH's service income.

37. OPERATING EXPENSES

	June 30, 2006	June 30, 2005
Non-banking	74.964.022	44.953.414
Banking	20.519.941	30.372.575
Total	95.483.963	75.325.989

Non-Banking

	June 30, 2006	December 31, 2005
General administrative expenses	35.024.426	24.726.044
Selling and marketing expenses	39.848.138	20.153.192
Research and development expenses	91.458	74.178
Total	74.964.022	44.953.414

Banking

	June 30, 2006	June 30, 2005
General Administrative Expenses	6.264.941	22.452.945
Banking foreign exchange (gains)/losses, net	14.255.000	7.919.630
Total	20.519.941	30.372.575

The breakdown of depreciation and amortization of fixed assets recorded to income statement is as follows:

	June 30, 2006	June 30, 2005
Depreciation of tangibles and amortization of intangibles		
Cost of sales	3.286.792	1.175.120
General administrative expenses	5.937.737	5.985.638
Selling and marketing expenses	305.222	94.427
Total	9.529.751	7.255.185

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

37. OPERATING EXPENSES (continued)

The breakdown of payroll expenses recorded to income statement is as follows:

	June 30, 2006	June 30, 2005
Personnel expenses		
Cost of sales	18.154.079	4.581.536
General administrative expenses	37.665.998	30.401.468
Selling and marketing expenses	4.170.717	2.500.785
Total	59.990.794	37.483.789

38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS

38.1 OTHER OPERATING INCOME AND GAIN

	June 30, 2006	June 30, 2005
Income from associates	47.011.661	44.865.728
Trading income	-	2.894.000
Foreign exchange gain	7.970.429	10.301.685
Dividend income	34.125	4.857.838
Income from sales of associates	-	4.365.424
Interest income	6.477.139	3.610.569
Gain on sale of fixed assets	216.053	83.386
Reversal of provision for loan losses	6.053.948	3.118.031
Transportation income	1.161.740	999.241
Rent income	2.467.355	799.152
Insurance damage income	1.045.412	120.684
After sales service income	2.236.399	1.449.707
Commission income	1.284.372	-
Distributor contribution share	1.007.404	-
Other	5.004.077	2.271.895
Total	81.970.114	79.737.340

38.2 OTHER OPERATING EXPENSE AND LOSS

	June 30, 2006	June 30, 2005
Foreign exchange loss	4.127.739	7.194.907
Donations	1.224.122	1.601.175
Trading loss	7.297.000	-
Loss from associates	-	745.003
Discount interest expense	1.990.135	1.367.561
Other	2.920.470	2.021.356
Total	17.559.466	12.930.002

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

39. FINANCIAL EXPENSES

	June 30, 2006	June 30, 2005
Interest expense	7.982.936	6.342.803
Foreign exchange loss	40.140.295	1.188.556
Other	1.589.165	711.991
Total	49.712.396	8.243.350

40. MONETARY GAIN/LOSS

The CMB has ceased the application of inflation accounting as of January 1, 2005. Therefore there is no monetary gain or loss recognized in the consolidated income statement for the six month period ended June 30, 2006 and June 30, 2005.

41. INCOME TAXES

	June 30, 2006	June 30, 2005
Current tax expense	8.550.340	10.607.317
Effect of change in tax rate	5.841.849	-
Deferred tax expense	(5.813.611)	6.106.389
Total	8.578.578	16.713.706

Corporate Tax

The Company and its subsidiaries operating in Turkey are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the 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 rates of tax are as follows except for A Lease: In 2006 20%, in 2005 30%, management of A Lease has elected to choose 30% of corporate tax (2005: 30%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate was decreased to 20% for 2006 (2005: 30%). The excess temporary tax paid of corporate income that was calculated at the rate of 30% during the taxation of the corporate income in temporary taxation periods after January 2006 over 20% will be deducted from future temporary tax returns.

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 April 1 and 25 following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

41. INCOME TAXES (continued)

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 April 24, 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from June 21, 2006. However until the resolution of council of ministers, it was used as 10%. After the resolution, declared in official journal in July 23, 2006, this rate is changed to 15% commencing from July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Income withholding tax (continued)

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to April 24, 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 company. 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 Group cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

The Group has used 20% corporate tax rate because it did not use investment incentive except for A Lease.

Adjusted Tax Calculations According to Inflation

For the year 2003 and previous periods, except yearly revaluation of fixed assets and their depreciations, the profit for the period was not calculated with the inflation adjusted balances. In accordance with Tax Law No: 5024 “Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law” (“Tax Law 5024”) that was published in the Official Gazette on December 30, 2003, the application of the inflation accounting has to be used in case of the inflation rate reaches the stated range in the law after 2004 and the following periods. There are significant differences in inflation accounting principles between tax legislation and IFRS 29 “Financial Reporting in Hyperinflationary Economies”. Because inflation exceeded certain criteria in 2004, according to Tax Law article 5024 the Group made inflation adjustment, these balances were used as opening balance for legitimate records after January 1, 2005. In 2005 and 2006 inflation accounting was not applied because the criteria stated in the law had not been occurred.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

41. INCOME TAXES (continued)

The reconciliation of taxation between the taxation per financial statements and the theoretically calculated income tax based on the effective tax rate of the parent Company is as follows:

Reconciliation of taxation	June 30, 2006	June 30, 2005
Consolidated income before taxation	75.264.856	91.121.737
Tax rate of parent Company 20% (2005: %30)	15.052.971	27.336.521
Expenses that are not deductible in determining taxable profit	3.853.970	9.742.419
Income not subject to taxation	(4.638.440)	(7.869.807)
Carry forward tax losses	1.258.239	(3.333.100)
Investment incentive	-	(738.343)
Donations	(130.000)	(405.000)
Consolidation effect	(5.943.435)	(6.441.869)
Effect of change in tax rate	5.841.849	-
Permanent differences in CMB and local records	(6.716.576)	(1.577.115)
Taxation	8.578.578	16.713.706

42. EARNING PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

In Turkey, companies can increase their share capital by making a pro rata distribution of shares (“Bonus Shares”) to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings and inflation adjustment. For the purpose of the EPS calculation such Bonus Share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly. Therefore, for the calculation of weighted average number of shares, it is assumed that the shares are in circulation. Accordingly, the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares with consideration.

	June 30, 2006	June 30, 2005
Net profit for the period	66.686.275	74.408.029
Number of shares	40.000.000	40.000.000
Earnings per share	1,67	1,86

There have been no other transactions involving ordinary shares or potential ordinary shares since the financial statements preparation date and before the completion of these financial statements.

43. CASH FLOW STATEMENT

Cash flow statement is separately represented in the complete set of financial statements.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44. OTHER ISSUES

44.1 RESERVE DEPOSITS AT CENTRAL BANK

	June 30, 2006	December 31, 2005
Reserve Deposits		
- New Turkish Lira	687.000	475.000
- Foreign Currency	72.137.000	60.653.000
Total	72.824.000	61.128.000

According to the regulations of the Central Bank, banks are obliged to reserve a portion of certain liability accounts as specified in the related decree. Such reserves are deposited with the Central Bank.

As of June 30, 2006 and December 31, 2005, reserve deposit rates applicable for the TRY and foreign currency deposits are 6,00% and 11,00% respectively.

As of June 30, 2006, the interest rates applied for TRY and foreign currency reserve deposits are 12,93% and 2,42% (December 31, 2005: 10,30% and 1,80%) respectively.

44.2 BANKING LOANS

	June 30, 2006				Effective interest rate		
	Amount				TRY	Foreign Currency	Foreign Currency Indexed
	TRY	Foreign Currency	Foreign Currency Indexed	Total			
Corporate loans (*)	719.942.815	275.131.577	371.498.550	1.366.572.943	21,5%	7,3%	7,4%
Consumer loans	12.684.885	-	871.875	13.556.760	24,5%	-	8,6%
Total performing loans	732.627.700	275.131.577	372.370.425	1.380.129.703			
Loans in arrears	26.157.185	-	-	26.157.185	-	-	-
Less: Reserve for possible loan losses	(30.790.000)	-	-	(30.790.000)	-	-	-
Total	727.994.885	275.131.577	372.370.425	1.375.496.888			
	December 31, 2005				Effective interest rate		
	Amount				TRY	Foreign Currency	Foreign Currency Indexed
	TRY	Foreign Currency	Foreign Currency Indexed	Total			
Corporate loans (*)	480.636.241	183.033.334	191.688.200	855.357.775	20,1%	6,8%	7,4%
Consumer loans	17.529.000	-	-	17.529.000	23,4%	-	-
Total performing loans	498.165.241	183.033.334	191.688.200	872.886.775			
Loans in arrears							
Less: Reserve for possible loan losses	42.943.000	-	-	42.943.000	-	-	-
	(31.387.000)	-	-	(31.387.000)	-	-	-
Total	509.721.241	183.033.334	191.688.200	884.442.775			

(*) Corporate loans include restructured loans which amount to TRY 10.171.000 (December 31, 2005: TRY 10.569.000).

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.2 BANKING LOANS (continued)

Movements in the reserve for possible loan losses are as follows:

	June 30, 2006	December 31, 2005
Reserve at beginning of year	31.387.000	22.114.000
Provision for possible loan losses	9.127.000	18.786.000
Collections	(9.542.000)	(9.397.000)
Loans written off and sold during the year	(182.000)	(116.000)
Reserve at the end of year	30.790.000	31.387.000

ABank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of June 30, 2006 interest accrued on the restructured loans amounted to TRY 3.601.000 (December 31, 2005: TRY 2.112.000).

Reserve for impairment also includes TRY 7.308.000 (December 31, 2005: TRY 4.941.000) provided on a portfolio basis as of June 30, 2006.

As of June 30, 2006, loans and advances on which interest is not being accrued or where interest is suspended, amounted to TRY 26.157.185 (December 31, 2005: TRY 42.943.348).

The TRY 1.183.540.902 amount of 'Banking Loans' covers (December 31, 2005: TRY 770.271.845) current loans and TRY 191.955.986 amount covers (December 31, 2005: TRY 114.170.930) non-current loans.

44.3 DEPOSITS

Deposits from other banks

	June 30, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign Currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign Currency
Demand	52.000	19.919.000	-	-	113.000	830.000	-	-
Time	6.504.000	-	21,73%	-	2.004.000	21.668.000	15,20%	3,06%
Total	6.556.000	19.919.000			2.117.000	22.498.000		

Customer deposits

	June 30, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign Currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Saving								
Demand	9.468.000	17.769.000	-	-	8.860.000	21.899.000	-	-
Time	260.628.000	334.633.000	17,40%	5,24%	124.476.000	264.939.000	16,65%	4,46%
Total	270.096.000	352.402.000			133.336.000	286.838.000		
Commercial and other								
Demand	58.589.977	54.532.683	-	-	27.969.622	58.570.532	-	-
Time	100.235.579	89.324.512	17,04%	4,13%	93.233.763	57.326.001	13,36%	4,12%
Total	158.825.556	143.857.195			121.203.385	115.896.533		

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

Total	428.921.556	496.259.195		254.539.385	402.734.533
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44.3 DEPOSITS (continued)

Other money market deposits

	June 30, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign Currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Obligations under repurchase agreements:								
-Due to customers	6.352.941	-	13,74%	-	4.132.000	-	10,00%	-
-Due to banks	59.956.000	-	15,55%	-	170.877.000	-	12,85%	-
	66.308.941	-	-	-	175.009.000	-	-	-
Interbank deposits	9.593.060	-	17,30%	-	13.723.000	-	15,00%	-
Other money market deposits	-	-	-	-	-	-	-	-
Total	75.902.001	-	-	-	188.732.000	-	-	-

44.4 FUNDS BORROWED

	June 30, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign Currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Short-term								
Fixed interest	25.143.000	439.599.494	11,94% - 17,75%	4,77% - 7,63%	23.693.949	155.859.200	13,19% - 17,75%	4,02% - 6,75%
Floating interest	-	28.060.327	-	4,28% - 7,42%	-	225.005.000	-	4,09% - 6,73%
Medium-long term								
Fixed interest	255.000	22.776.000	17,75%	4,45%	512.000	-	17,75%	3,56% - 4,89%
Floating interest	-	42.183.321	-	4,86% - 7,51%	-	-	-	4,26% - 6,75%
Total	25.398.000	532.619.142			24.205.949	415.433.149		
Total funds borrowed	558.017.142				439.433.149			

Repayments of medium-long-term borrowing as per original contractual terms are as follows:

	June 30, 2006		December 31, 2005	
	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate
2007	2.868.000	11.139.321	4.211.000	9.741.000
2008	-	15.704.000	7.955.000	5.008.000
2009 and after	20.163.000	15.340.000	-	7.960.000
Total	23.031.000	42.183.321	12.166.000	22.709.000

Letters of guarantee denominated in foreign currency, TRY equivalent of which amounts to TRY 4.126.170 (December 31, 2005: TRY 6.573.000) were given to the lending institutions as collateral against the loans obtained.

As of June 30, 2006, there is no notes payable given to banks related to short term foreign exchange loan (December 31, 2005: EUR 780.905 – TRY 1.240.000).

TRY amount of 492.802.821 'Deposits' covers (December 31, 2005: TRY 404.558.149) current deposits and TRY 65.214.321 amount covers (December 31, 2005: TRY 34.875.000) non-current deposits.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.5 DERIVATIVES

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instruments, reference rates or indices. Derivative financial instruments include forwards, swaps and futures.

The table below shows the favorable (assets) and unfavorable (liabilities) fair values of derivative financial instruments together with the notional amounts analyzed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

The fair value of derivative financial instruments is calculated by using forward exchange rates at the balance sheet date. In the absence of reliable forward rate estimations in a volatile market, current market rate is considered to be the best estimate of the present value of the forward exchange rates.

June 30, 2006									
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 Months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	658.000	2.058.000	140.262.000	58.884.000	45.547.000	34.745.000	1.086.000	-	-
Forward sale contract	7.449.000	113.000	134.368.000	57.538.000	43.032.000	32.739.000	1.059.000	-	-
Currency swap purchase	1.723.000	1.540.000	412.070.000	412.070.000	-	-	-	-	-
Currency swap sale	679.000	-	411.772.000	411.772.000	-	-	-	-	-
Futures purchase	-	946.000	24.389.000	-	24.389.000	-	-	-	-
Futures sale	-	-	25.334.000	-	25.334.000	-	-	-	-
Futures interest purchase	-	18.000	3.206.000	-	3.206.000	-	-	-	-
Futures interest sale	-	-	-	-	-	-	-	-	-
Option purchase	910.000	23.000	38.764.000	14.400.000	20.557.000	1.740.000	2.067.000	-	-
Option sale	23.000	1.034.000	38.847.000	14.418.000	20.559.000	1.696.000	2.174.000	-	-
Interest Swap Purchase	206.000	-	32.058.000	-	-	-	-	32.058.000	-
Interest Swap Sale	4.747.000	-	26.380.000	-	-	-	-	26.380.000	-
Total	16.395.000	5.732.000	1.287.450.000	969.082.000	182.624.000	70.920.000	6.386.000	58.438.000	-

December 31, 2005									
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	13.000	42.000	24.729.900	14.278.900	2.889.000	848.000	6.714.000	-	-
Forward sale contract	-	315.000	25.568.400	14.361.400	2.991.000	878.000	7.338.000	-	-
Currency swap purchase	37.000	50.000	143.783.000	76.634.000	67.149.000	-	-	-	-
Currency swap sale	-	811.000	145.999.000	76.646.000	69.353.000	-	-	-	-
Futures purchase	-	-	-	-	-	-	-	-	-
Futures sale	-	-	-	-	-	-	-	-	-
Futures interest purchase	-	-	-	-	-	-	-	-	-
Futures interest sale	-	9.000	1.343.000	-	1.343.000	-	-	-	-
Option purchase	23.000	8.000	72.009.000	65.860.000	4.598.000	817.000	734.000	-	-
Option sale	-	17.000	71.693.000	65.619.000	4.584.000	818.000	672.000	-	-
Total	73.000	1.252.000	485.125.300	313.399.300	152.907.000	3.361.000	15.458.000	-	-

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS

Banking

Financial Risk Management

General

To maintain and improve the soundness of its operations, ABank accords top management priority to upgrading its risk management systems and capabilities. According to ABank’s “Risk Management Policy”, Financial Risks are composed of Market, Credit and Liquidity risks. These risks are supervised by the “Bank Risk Committee” while the various Risk Committees and Risk Control Unit carry out the risk management related tasks. Risk Management Policy includes details about the framework for defining, measuring, monitoring and managing the risks taken by the business units across ABank. Risk Management Policy covers,

- Sound and optimum capital allocation
- Quantification of the actual risks
- Establishment of dynamic risk limits

Building a capital management system lies at the core of ABank’s Risk Management Policy. In addition to fully complying with regulatory capital requirements, ABank has its own estimate of required economic capital. This figure is believed to reflect a more realistic picture of ABank’s risk profile. Based on the capital management tool, ABank conducts RaRoC (Risk-adjusted Return on Capital) analysis for different lines of business and uses the outcome as a performance measurement tool.

As a last step of Risk Management Policy, ABank determines risk-based limits, with respect to available economic capital and monitors actual risks against these limits.

Credit Risk

Seeking to maintain a sound asset portfolio and prevent non-performing loans, the ABank has clearly separated its sales-related departments and credit management department. ABank has its own score-sheet and rating scale and uses the output of this internal rating tool in managing the credit portfolio, setting limits, pricing and collateralizing.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

Sectoral break down of cash and non-cash loans are as follows:

	June 30, 2006		December 31, 2005	
	Cash	Non-cash	Cash	Non-cash
Automotive	23.662.876	8.204.628	16.068.000	17.760.000
Chemical	34.314.277	20.273.379	32.856.000	12.933.000
Construction	114.849.356	119.082.358	70.287.000	98.965.000
Electrics and electronics	14.927.512	12.249.453	5.886.000	4.270.000
Finance	93.640.123	59.746.805	65.038.200	23.387.000
Food and beverage	58.889.467	67.424.674	54.452.612	40.594.000
Forest products and agriculture	31.502.919	4.583.400	20.175.000	4.275.000
Iron and steel, non-metal	81.546.779	70.304.547	43.641.000	43.521.000
Machinery	33.127.203	21.416.534	24.471.000	17.123.000
Mining	65.620.265	24.548.739	40.477.000	31.642.000
Paper	10.959.573	20.645.484	9.339.000	12.376.000
Petroleum	25.648.164	34.279.153	8.499.000	29.064.000
Production	84.246.305	38.476.700	51.621.167	29.405.000
Textile	154.251.961	34.377.296	116.653.000	39.305.000
Tourism	37.914.812	2.693.400	21.438.000	2.021.000
Trade	198.141.129	238.298.149	125.069.000	145.120.000
Transportation	64.009.735	32.978.385	38.534.000	28.364.000
Others	178.406.908	131.884.311	101.960.000	65.765.000
Corporate loans	1.305.659.364	941.467.395	846.464.979	645.890.000
Consumer loans	13.394.759	-	17.494.372	-
Interest accruals	61.075.634	-	8.927.370	-
Loans in arrears	26.157.185	-	42.943.348	-
Provision for possible losses	(30.790.054)	-	(31.387.294)	-
Total	1.375.496.888	941.467.395	884.442.775	645.890.000

Liquidity Risk

Liquidity risk refers to the possibility of an institution being unable to access necessary funds due to declining fund-raising capacity.

The Banking closely monitors its overall liquidity level and operates under strict limits based on stress conditions. To address liquidity risk, Banking has adopted a unified approach to TRY and foreign currency fund-raising opportunities.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

The table below analyses assets and liabilities (in thousands of TRY) of Abank and A Lease into relevant maturity groupings based on the remaining period at balance sheet date to contractual maturity date:

Thousands TRY	Up to 1 month	1 to 3 Months	3 to 6 months	6 to 12 months	Over 1 year	Total
As at June 30, 2006						
Assets						
Cash and balances with the Central Bank	81.886	-	-	-	-	81.886
Deposits with banks and other financial	36.241	2.015	-	-	-	38.256
Other money market placements	6.792	-	-	-	-	6.792
Reserve deposits at the Central Bank	72.824	-	-	-	-	72.824
Trading securities	22.536	218	183	1.745	85.011	109.693
Investment securities	-	360	6.400	-	436	7.196
Originated loans and advances	368.761	339.826	335.269	148.975	194.412	1.387.243
Minimum lease payments receivable	19.463	13.358	18.379	33.752	78.862	163.814
Derivative financial instruments	6.207	2.962	2.138	136	4.952	16.395
Affiliates	-	-	-	-	183	183
Assets held for resale	-	-	-	-	10.695	10.695
Tangible assets	-	-	-	-	3.091	3.091
Intangible assets	-	-	-	-	884	884
Deferred tax assets	-	-	-	-	18.220	18.220
Other assets	3.232	1.219	70	186	6.297	11.004
Total Assets	617.942	359.958	362.439	184.794	403.043	1.928.176
Liabilities						
Deposits from other banks	21.472	-	5.003	-	-	26.475
Customers' deposits	859.450	56.164	53.964	1.683	-	971.261
Other money market deposits	75.902	-	-	-	-	75.902
Funds borrowed	40.074	52.367	319.287	81.554	65.215	558.497
Derivative financial instruments	3.987	1.505	95	145	-	5.732
Other liabilities and provisions	87.050	1.247	99	162	9.221	97.779
Income taxes payable	-	-	-	-	-	-
Total Liabilities	1.087.935	111.283	378.448	83.544	74.436	1.735.646
Net liquidity gap	(469.993)	248.675	(16.009)	101.250	328.607	192.530
As at December 31, 2005						
Total assets	717.399	69.471	294.399	130.651	359.980	1.571.900
Total liabilities	883.780	105.855	59.716	278.612	44.877	1.372.840
Net liquidity gap	(166.381)	(36.384)	(234.683)	(147.961)	315.103	199.060

Market Risk

Market risk is defined as the decrease in the market value of ABank due to relevant price fluctuations. This risk group is handled in two broad categories. Trading and Structural Interest Rate Risk, which requires different models and assumptions. Trading Risk refers to the daily volatility of values of tradable assets, such as Foreign Exchange, Fixed Income Securities, Stocks, and related derivative instruments. Value-at-Risk (VaR) is the primary tool for day-to-day monitoring of trading-related market risk. VaR is a statistical measure of the potential losses that could occur due to movements in market rates and prices under normal market circumstances. Secondly, Structural Interest Rate Risk, addresses the risk which stems from sensitivity of the relatively illiquid items of the balance sheet to the shifts of the yield curve. Market risk exposure of ABank as a whole is bound by the economic capital allocated by the Board.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

Currency Risk

ABank centralized their currency risk and assigned Treasury Department to manage this risk. In principal, the balance sheet is assumed to be currency risk free. Any residual currency risk is treated as trading risk and it is subject to Value-at-Risk limits and nominal limits set by the Board.

The concentrations of assets, liabilities and off balance sheet items of Abank and A Lease are as follows:

Thousands TRY	New Turkish Lira	US Dollars	EUR	Japanese Yen	Others	Total
As at June 30, 2006						
Assets						
Cash and balances with the Central Bank	42.844	33.285	5.632	-	125	81.886
Deposits with banks and other financial institutions	2.373	33.003	2.705	-	175	38.256
Other money market placements	6.792	-	-	-	-	6.792
Reserve deposits at the Central Bank	687	72.137	-	-	-	72.824
Trading securities	109.215	478	-	-	-	109.693
Investment securities	7.196	-	-	-	-	7.196
Originated loans and advances	735.309	326.688	324.890	-	356	1.387.243
Minimum lease payments receivable	39.459	54.693	69.662	-	-	163.814
Derivative financial instruments	16.395	-	-	-	-	16.395
Investments	183	-	-	-	-	183
Assets held for resale	10.695	-	-	-	-	10.695
Tangible assets	3.091	-	-	-	-	3.091
Intangible assets	884	-	-	-	-	884
Deferred tax assets	18.220	-	-	-	-	18.220
Other assets	6.591	3.479	919	-	15	11.004
Total assets	999.934	523.763	403.808	-	671	1.928.176
Liabilities						
Deposits from other banks	6.556	1.651	17.471	-	797	26.475
Customers' deposits	463.416	383.301	119.913	-	4.631	971.261
Other money market deposits	75.902	-	-	-	-	75.902
Funds borrowed	25.478	390.730	141.931	-	358	558.497
Derivative financial instruments	5.732	-	-	-	-	5.732
Other liabilities and provisions	56.995	20.345	20.408	-	31	97.779
Income taxes payable	-	-	-	-	-	-
Total liabilities	634.079	796.027	299.723	-	5.817	1.735.646
Net on-balance sheet position	365.855	(272.264)	104.085	-	(5.146)	192.530
Off-balance sheet position						
Net notional amount of derivatives	(30.275)	67.918	(17.807)	-	(4.694)	15.142
Non- cash loans	369.098	192.036	107.780	-	(31.459)	637.455
As at December 31, 2005						
Total assets	782.498	604.874	183.611	-	917	1.571.900
Total liabilities	517.959	658.624	189.993	-	6.264	1.372.840
Net on balance sheet position	264.539	(53.750)	(6.381)	-	(5.347)	199.060
Off-balance sheet position, net nominal amount	267.595	228.025	120.649	-	32.261	648.531

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

The net present value assets and liabilities are driven by interest rates different in terms of maturity and market characteristics. Trading securities are sensitive to treasury bill rates; therefore they are treated in the trading book and subject to Value-at-Risk limits. Items such as loans, deposits and other interest rate sensitive assets and liabilities are assumed to be sensitive to the structural changes in the interest rates and thus classified in the banking book. The relevant risk is measured with simulation based interest rate models. Applied limits on the risks posed by the asset- liability mismatches are derived from the capital set aside by the Board for Asset-Liability Management purposes.

The table below summarizes Abank and A Leases' exposure to interest rate risk (in thousands of TRY) on the basis of the remaining period at the balance sheet date to the re-pricing date.

Thousands TRY	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	No interest	Total
As at June 30, 2006							
Assets							
Cash and balances with the Central Bank	37.709	402	-	-	-	43.775	81.886
Deposits with banks and other financial institutions	34.152	2.015	-	-	-	2.089	38.256
Other money market placements	6.792	-	-	-	-	-	6.792
Reserve deposits at the Central Bank	72.824	-	-	-	-	-	72.824
Trading securities	150	54.713	183	1.745	30.406	22.496	109.693
Investment securities	-	793	6.402	-	1	-	7.196
Originated loans and advances	939.631	106.958	115.607	73.472	151.575	-	1.387.243
Minimum lease payments receivable	12.747	13.358	18.379	33.752	78.862	6.716	163.814
Derivative financial instruments	-	-	-	-	-	16.395	16.395
Affiliates	-	-	-	-	-	183	183
Tangible assets held for resale	-	-	-	-	-	10.695	10.695
Tangible assets	-	-	-	-	-	3.091	3.091
Intangible assets	-	-	-	-	-	884	884
Deferred tax asset	-	-	-	-	-	18.220	18.220
Other assets	-	11	18	83	125	10.767	11.004
Total Assets	1.104.005	178.250	140.589	109.052	260.969	135.311	1.928.176
Liabilities							
Deposits from other banks	1.501	-	5.003	-	-	19.971	26.475
Customers' deposits	717.194	56.164	53.964	1.684	-	142.255	971.261
Other money market deposits	75.902	-	-	-	-	-	75.902
Funds borrowed	42.136	95.096	325.767	66.576	28.922	-	558.497
Derivative financial instruments	-	-	-	-	-	5.732	5.732
Other liabilities and provisions	7.138	64	99	162	122	90.194	97.779
Income taxes payable	-	-	-	-	-	-	-
Total Liabilities	843.871	151.324	384.833	68.422	29.044	258.152	1.735.646
On balance sheet interest sensitivity gap	260.134	26.926	(244.244)	40.630	231.925	(122.841)	192.530
Off balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	260.134	26.926	(244.244)	40.630	231.925	(122.841)	192.530

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

The table below summarizes Abank and A Leases' exposure to interest rate risk (in thousands of TRY) on the basis of the remaining period at the balance sheet date to the repricing date.

Thousands TRY	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Non interest bearing	Total
As at December 31, 2005							
Assets							
Cash and balances with the Central Bank	4.397	-	-	-	-	35.406	39.803
Deposits with banks and other financial institutions	5.935	-	-	-	-	5.205	11.140
Other money market placements	3.141	-	-	-	-	818	3.959
Reserve deposits at the Central Bank	61.128	-	-	-	-	-	61.128
Trading securities	-	103.990	193	808	7.379	17.175	129.545
Investment securities	39	42.021	226.992	4.812	23.394	-	297.258
Originated loans and advances	589.102	58.098	52.795	90.742	77.854	15.852	884.443
Minimum lease payments receivable	9.320	10.093	14.007	23.117	46.861	3.438	106.836
Derivative financial instruments	-	-	-	-	-	73	73
Tangible assets held for resale	-	-	-	-	-	4.332	4.332
Tangible assets	-	-	-	-	-	3.480	3.480
Intangible assets	-	-	-	-	-	891	891
Deferred tax liabilities	-	-	-	-	-	21.239	21.239
Other assets	-	-	-	-	-	7.773	7.773
Total assets	673.062	214.202	293.987	119.479	155.488	115.682	1.571.900
Liabilities							
Deposits from other banks	23.672	-	-	-	-	943	24.615
Customers' deposits	454.293	58.679	6.605	20.369	29	117.299	657.274
Other money market deposits	188.732	-	-	-	-	-	188.732
Funds borrowed	60.416	75.635	245.723	43.663	13.996	-	439.433
Derivative financial instruments	-	-	-	-	-	1.252	1.252
Other liabilities and provisions	9.194	-	-	-	-	52.340	61.534
Income tax payable	-	-	-	-	-	-	-
Total liabilities	736.307	134.314	252.328	64.032	14.025	171.834	1.372.840
On balance sheet interest sensitivity gap	(63.245)	79.888	41.659	55.447	141.463	(56.152)	199.060
Off balance sheet interest sensitivity gap	-	(1.343)	-	-	-	-	(1.343)
Total interest sensitivity gap	(63.245)	78.545	41.659	55.447	141.463	(56.152)	197.717

Operational Risk

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal process, people and systems or from external events.

Operational risk which is inherent in all business activities is associated with human error, system failure and inadequate controls and procedures. Operational risk includes errors and omissions in business activities, internal and external fraud and natural disasters.

Banking has Risk Management and Internal Control practices, to keep operational risks under control and minimize it by operating under detailed written procedures. All documents, including Risk Management policies and contingency procedures, are kept up-to-date and accessible to all staff in electronic media.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

Capital Adequacy

To monitor the adequacy of its capital, ABank uses ratios established by BRSA. These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing ABank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of June 30, 2006 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 12,58% (December 31, 2005: 16,86%).

Non-Banking

Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise bank borrowings, finance leases, cash and short-term deposits and marketable securities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, and credit risk. The board / management reviews and agrees policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

1) *Foreign currency risk*

The Group's operations are predominantly performed in Turkey where the economy experiences high and variable levels of inflation.

The following table summarizes the exchange rate of New Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at January 1, 2006	Average exchange buying rate in the period	Exchange buying rate at June 30, 2006
TRY /USD	Turkey	1,3418	1,3891	1,6029
TRY /EUR	Turkey	1,5875	1,7108	2,0095
		Exchange selling rate at January 1, 2006	Average exchange selling rate in the period	Exchange selling rate at June 30, 2006
TRY /USD	Turkey	1,3483	1,3958	1,6106
TRY /EUR	Turkey	1,5952	1,7191	2,0192

The Group does not hedge investments, receivables, accounts payables, lease obligations and borrowings denominated in a foreign currency. The Group does not hedge their estimated foreign currency exposure in respect of sales and purchases.

2) *Liquidity Risk*

Liquidity risk arises from the possibility that customers may not be able to settle within the normal terms of trade. To manage this risk the Group periodically assesses the financial viability of customers. Liquidity risk arises from the possibility that a market for derivatives may not exist in some circumstances.

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2006

(Currency – TRY unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

3) Credit Risk

The Group is generally raising funds by liquidating their short-term financial instruments such as collecting their receivables. The Group's proceedings from these instruments generally approximate their fair values.

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

4) Price Risk

The Group is exposed to exchange rate fluctuations due to the nature of their businesses. The Group's imports are in US Dollars and European currencies. These currencies strengthening against the subsidiaries' local currencies have an adverse effect on the Group's results. Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group does not have any hedging transactions to limit currency and interest rate risks.

5) Interest Rate Risk

The Group mainly enters into fixed based contracts in its financial borrowings. As of June 30, 2006, overwhelming majority of the Group's (non-banking) long-term debt was at fixed rates.

The effective interest rate range which are calculated from different types of currencies other than New Turkish Lira, is as follows:

Fixed rate bank loans	3,60% - 10,00%
Fixed rate financial lease payables	4,50% - 11,33%

Fair Values

Fair value of trade receivables, other current assets, trade payables and other current liabilities are equal to their carrying values in the balance sheet due to their short term nature.

Due to the unavailability of market prices and insufficiency of other methods to be used in determining the fair value, investments are carried on their cost values.

Short term and long term financial lease liabilities, and other current liabilities are presented with their carrying values in the balance sheet owing to their foreign exchange denominated structure and revalued by the year end foreign exchange rates.

It's accepted that, banking loans are all deemed to represent their carrying values because of the fact that, lender updates the interest rate applied on loans aiming to reflect the active market rates.