

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

YAZICILAR HOLDİNG ANONİM ŐİRKETİ

**Consolidated Interim Financial Statements
As Of June 30, 2007
Together With
Independent Auditors' Review Report**

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**CONSOLIDATED INTERIM BALANCE SHEET
AS OF JUNE 30, 2007**

(Currency – TRY unless otherwise indicated)

		Reviewed Current Period	Audited Prior Period Represented
	Notes	June 30, 2007	December 31, 2006
ASSETS			
Current Assets		2,163,643,318	2,095,088,739
Cash and Cash Equivalents	4	253,546,078	494,708,615
Marketable Securities (net)	5	48,836,662	30,949,731
Reserve Deposits at Central Bank	44.1	74,132,000	61,288,000
Banking Loans (net)	44.2	1,386,819,601	1,154,726,791
Trade Receivables (net)	7.1	124,832,570	58,873,300
Lease Receivables (net)	8.1	99,979,281	90,414,573
Derivative Financial Instruments – Assets	44.5	5,018,000	3,689,000
Due From Related Parties (net)	9.1	11,606,987	12,809,069
Other Receivables (net)	10.1	23,536,276	23,894,986
Biological Assets (net)	11	5,747,778	5,446,816
Inventories (net)	12	98,666,289	129,819,946
Receivables from Construction Contracts in Progress (net)	14	-	-
Deferred Tax Assets		-	-
Other Current Assets	15.1	30,921,796	28,467,912
Non-Current Assets		1,508,446,666	1,358,842,068
Marketable Securities (net)	5	120,990,000	105,190,756
Banking Loans (net)	44.2	244,682,061	190,047,923
Trade Receivables (net)	7.1	61,589	36,438
Lease Receivables (net)	8.1	97,629,171	91,907,692
Derivative Financial Instruments – Assets	44.5	153,000	3,031,000
Due from Related Parties (net)	9	-	-
Other Receivables (net)	10	-	-
Investments (net)	16	772,101,635	759,608,855
Positive/Negative Goodwill (net)	17	35,344,256	35,344,256
Investment Property (net)	18	3,891,000	10,218,000
Property, Plant and Equipment (net)	19	193,603,492	129,881,566
Intangible Assets (net)	20	8,631,859	10,550,902
Deferred Tax Assets	14	87,546	8,044,282
Other Non-Current Assets	15.2	31,271,057	14,980,398
TOTAL ASSETS		3,672,089,984	3,453,930,807

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**CONSOLIDATED INTERIM BALANCE SHEET
AS OF JUNE 30, 2007**

(Currency – TRY unless otherwise indicated)

		Reviewed Current Period	Audited Prior period Represented
	Notes	June 30, 2007	December 31, 2006
LIABILITIES			
Current Liabilities		1,913,551,734	1,826,885,017
Short-Term Borrowings (net)	6	108,990,102	63,103,553
Current Portion of Long-Term Borrowings (net)	6	38,479,909	41,106,279
Lease Obligations (net)	8.2	-	3,039,133
Other Financial Liabilities (net)	10	-	-
Trade Payables (net)	7.2	57,735,234	48,791,993
Deposits	44.3	1,109,606,245	1,102,824,202
Funds Borrowed	44.4	439,056,987	460,726,001
Blocked Accounts		57,172,000	39,652,000
Due to Related Parties (net)	9.2	1,020,424	486,633
Advances Received	21	10,834,804	2,291,152
Deferred Income from Construction Contracts in progress (net)	13	-	-
Provisions	23	2,936,783	524,699
Derivative Financial Instruments – Liabilities	44.5	32,009,000	12,059,000
Deferred Tax Liability	14	-	-
Other Liabilities (net)	15.3	55,710,246	52,280,372
Non-Current Liabilities		322,204,596	321,179,804
Long-Term Borrowings (net)	6	22,189,309	22,911,754
Lease Obligations (net)	8.2	-	780,138
Other Financial Liabilities (net)	10	-	-
Trade Payables (net)	7.2	-	-
Deposits	44.3	-	17,000
Funds Borrowed	44.4	276,276,013	273,467,999
Blocked Accounts		-	-
Due to Related Parties (net)	9	-	-
Advances Received	21	3,053,719	2,319,040
Provisions	23	12,305,206	15,102,682
Derivative Financial Instruments – Liabilities	44.5	191,000	-
Deferred Tax Liability	14	6,709,760	3,447,753
Other Liabilities (net)	15.3	1,479,589	3,133,438
MINORITY INTEREST	24	294,395,074	254,367,924
EQUITY		1,141,938,580	1,051,498,062
Capital	1, 25	160,000,000	40,000,000
Capital Participation Elimination		-	-
Capital Reserves		114,653,099	234,652,915
Share Premium	26	9,467,709	9,467,525
Income on Stock Disposals		-	-
Revaluation Fund		-	-
Financial Assets Value Increment Fund		-	-
Inflation Restatement Differences on Equity Items		105,185,390	225,185,390
Profit Reserves		197,612,687	214,792,423
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	15,470,321	14,893,130
Gain on Sale of Investment and Property, Plant and equipment to be Transferred to Capital		-	-
Currency Translation Difference		(31,707,080)	(13,950,153)
Net Income		127,505,259	156,745,411
Accumulated Profits	28	542,167,535	405,307,313
TOTAL LIABILITIES AND EQUITY		3,672,089,984	3,453,930,807

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTH PERIOD ENDING ON JUNE 30, 2007**

(Currency – TRY unless otherwise indicated)

	Notes	Reviewed 01.01.2007 – 30.06.2007	Unreviewed 01.04.2007 – 30.06.2007	Reviewed 01.01.2006 – 30.06.2006	Unreviewed 01.04.2006 – 30.06.2006
OPERATING REVENUE					
Revenue (net)	36	419,727,532	233,278,471	462,603,773	243,219,387
Cost of Sales (-)	36	(320,675,643)	(171,540,484)	(371,319,720)	(193,097,860)
Interest Income (net)	36	78,990,639	39,204,625	72,773,835	45,434,081
Service Income (net)	36	13,189,281	6,778,892	10,945,003	6,231,347
Other Operating Income		-	-	-	-
GROSS OPERATING PROFIT		191,231,809	107,721,504	175,002,891	101,786,955
Operating Expenses (-)	37	(108,380,245)	(59,096,377)	(95,483,963)	(52,479,836)
PROFIT FROM OPERATIONS		82,851,564	48,625,127	79,518,928	49,307,119
Other Income	38.1,16.2,16.3	144,176,754	114,059,773	79,742,641	54,870,121
Other Expense (-)	38.2	(23,467,612)	(14,549,626)	(17,559,466)	(10,375,113)
Finance Expense (-)	39	(16,029,633)	(7,930,215)	(49,712,396)	(43,417,563)
OPERATING INCOME		187,531,073	140,205,059	91,989,707	50,384,564
Monetary Gain / (Loss)	40	-	-	-	-
Minority Interest	24	(45,211,766)	(32,040,982)	(16,724,854)	(6,538,655)
INCOME BEFORE TAX		142,319,307	108,164,077	75,264,853	43,845,909
Income Tax	14, 41	(14,814,048)	(8,748,413)	(8,578,578)	(901,028)
NET INCOME		127,505,259	99,415,664	66,686,275	42,944,881
Earnings Per Share (TRY)	42	0.7969	0.6213	0.4168	0.2684

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDING ON JUNE 30, 2007

(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, 2007	40,000,000	225,185,390	9,467,525	228,742,576	(13,950,153)	156,745,411	405,307,313	1,051,498,062
Transfer of net income to the accumulated profit	-	-	-	-	-	(156,745,411)	156,745,411	-
Capital increase	120,000,000	(120,000,000)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(21,000,000)	(21,000,000)
Increase in share premium	-	-	184	-	-	-	-	184
Securities value increase funds	-	-	-	577,191	-	-	-	577,191
Change in consolidation structure	-	-	-	-	-	-	1,114,811	1,114,811
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	(17,756,927)	-	-	(17,756,927)
Net income	-	-	-	-	-	127,505,259	-	127,505,259
June 30, 2007	160,000,000	105,185,390	9,467,709	229,319,767	(31,707,080)	127,505,259	542,167,535	1,141,938,580

	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	-
Dividends paid	-	-	-	-	-	-	(26,000,000)	(26,000,000)
Increase in share premium	-	-	10,198	-	-	-	-	10,198
Other	-	-	-	6,126,172	-	-	-	6,126,172
Securities value increase funds	-	-	-	-	-	-	641,724	641,724
Change in consolidation structure	-	-	-	-	-	-	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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDING ON JUNE 30, 2007

(Currency – TRY unless otherwise indicated)

	Notes	Reviewed Current Period June 30, 2007	Reviewed Prior Period June 30, 2006
Cash flow from operating activities			
Net profit before minority interest, income tax and monetary gain/(loss) (before effect of deduction held for sales operations)		187,531,073	91,989,707
Adjustments for:			
Foreign exchange loss/(gain)		(7,975,913)	64,853,519
Loss/(gain) from disposal of tangible and intangible assets		1,444,526	198,776
Loss/(gain) from disposal of investmnet		(1,391,000)	-
Depreciation and amortization (including goodwill)	19, 20	10,185,564	9,529,751
Provision for possible loan losses and impairment in receivables		7,307,078	3,600,052
Warranty, unpaid vacation pay and other provisions	15.3	6,203,869	15,704,094
Provision for employee termination benefits		1,289,776	1,908,004
Gain on sale of financial asset	38.1	(18,962,278)	-
Interest expenses		31,984,609	20,325,936
Reserve for obsolescence		242,025	-
Gain on sale of shares in associates, joint ventures and other investments		-	-
Equity income from investment in associates and joint ventures	16.2, 16.3, 38.1	(79,553,686)	(47,011,661)
Other non-cash income		73,508	(994,889)
Operating profit before changes in operating assets and liabilities		138,379,151	160,103,289
Net (increase)/decrease in marketable securities		(33,181,089)	295,003,067
Net (increase)/decrease in reserve deposits at Central Bank		(12,844,000)	(11,696,000)
Net (increase)/decrease in banking loans		(294,842,248)	(500,181,113)
Net increase in trade and other receivables and due from related parties		(85,748,199)	(91,416,516)
Net (decrease)/increase in derivative financial instruments – assets		1,549,000	(16,322,000)
Net (increase)/decrease in inventories		30,610,670	18,394,977
Net changes in other assets		(18,385,833)	(18,114,161)
Net (decrease)/increase in trade and other payables and due to related parties		14,327,519	16,580,684
Net increase/(decrease) in banking customer deposits		6,765,043	156,936,834
Net increase in blocked accounts		17,520,000	20,755,391
Net increase in derivative financial instruments – liabilities		20,141,000	4,480,000
Retirement pay liability paid		(646,252)	(458,649)
Taxes paid		(2,063,572)	(7,106,230)
Net cash (used in) /provided by operating activities		(218,418,810)	26,959,573
Cash flows from investing activities			
Purchase of property, plant and equipment, investment property, intangible asset		(70,960,410)	(20,503,000)
Proceeds from sale of property, plant and equipment, and intangible asset		13,558,439	409,342
Proceeds from sale of investment		(25,544,226)	-
Purchase of investments		(1,065,827)	(40,910,350)
Capital increase of subsidiaries from minority shareholders		44,506,504	15,156,618
Sale of investment property		(8,313,000)	-
Net cash (used in) / provided by investing activities		(47,818,520)	(45,847,390)
Cash flows from financing activities			
Dividends from equity participations		47,778,923	46,630,242
Dividends paid		(21,000,000)	(26,000,000)
Addition to borrowings from banks and other institutions		278,388,650	234,657,193
Repayments of borrowings from banks and other institutions		(270,233,816)	(162,612,048)
Interest paid		(12,307,068)	(7,058,516)
Net cash (used in) / provided by financing activities		22,626,689	85,616,871
Currency translation on cash and cash transaction		2,448,104	516,462
Net (decrease) /increase in cash and cash equivalents		(241,162,537)	67,245,516
Cash and cash equivalent at the beginning of period	4	494,708,615	141,862,819
Total cash and cash equivalent at the end of period		253,546,078	209,108,335

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2007**

(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 12, 2007. General Assembly and other regulatory institutions have the right to change the financial statements after the financial statements are issued.

Activities of the Company / Group

The Company and its subsidiaries, joint ventures and associates 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 segments: automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts); financial services (including banking, leasing, brokerage and portfolio management in capital markets); writing instruments and stationery; food (chain restaurant management and food) and other (tourism, trade, information technologies, consumer durables, asset management).

The average number of personnel of the Group is 4,800 (December 31, 2006: 4,469).

List of Shareholders

As of June 30, 2007 and December 31, 2006 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	June 30, 2007		December 31, 2006	
	Paid-in Capital	%	Paid-in Capital	%
Yazıcı Families	66,688,128	41.68	16,689,532	41.72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	53,599,952	33.50	13,399,988	33.50
Publicly traded	39,711,920	24.82	9,910,480	24.78
Historical share capital	160,000,000	100.00	40,000,000	100.00

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2007

(Currency – TRY unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES (cont'd)

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at June 30, 2007 and December 31, 2006 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			June 30, 2007	December 31, 2006
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	67.91	67.91
Alternatifbank A.Ş. (ABank) (*)	Turkey	Banking services	61.54	61.48
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	61.54	61.48
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	64.43	64.43
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (*) (***)	Turkey	Investment company	24.99	27.45
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles and operating lease	67.91	67.91
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines	67.86	67.73
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada and Kia motor vehicles	67.30	67.28
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	34.61	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	49.69	49.69
Ana Gıda Otomotiv 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, and automotive trading	67.91	67.91
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities of the Group	51.53	51.53
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	64.96	64.96
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	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.

List of Associates

The associates included in consolidation and their shareholding percentages at June 30, 2007 and December 31, 2006 are as follows:

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			June 30, 2007	December 31, 2006
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	36.23	36.23

Investments in Joint Venture

The investment in joint venture included in consolidation and their shareholding percentages at June 30, 2007 and December 31, 2006 are as follows:

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			June 30, 2007	December 31, 2006
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing of Isuzu brand commercial vehicles	37.32	36.99

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2007**

(Currency – TRY unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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.

Capital Market Board (CMB) issued Decree No XI-25 “Capital Markets Accounting Standards” that provides a detailed accounting principals set. This Decree became effective for periods after January 1, 2005. Article 5 of Decree No XI-27, which amends the mentioned Decree, declares that the entities applying International Financial Reporting Standards (IFRS) are accepted as applying the preparation and disclosure requirements of Decree No XI-25. Accompanying financial statements were prepared in accordance with IFRS, within the framework of alternative treatment allowed by CMB as mentioned above and comply with CMB’s decree announced on December 20, 2004 regarding the format of the financial statements and disclosure.

Functional and Reporting Currency

The functional and presentation currency of the Company in Turkey is TRY.

In accordance with CMB announcement No.11/367 dated March 17, 2005; since the objective conditions for the application of restatement is no longer available and since CMB foresees that the probability of the re-occurrence of the conditions is remote, lastly the financial statements as of December 31, 2004 have been subject to the restatement per IAS 29 (Financial Reporting in Hyperinflationary Economies). Therefore, the non-monetary assets, liabilities and shareholders’ equity including share capital reported in the balance sheet as of June 30, 2007 and December 31, 2006 are derived by indexing the additions occurred until December 31, 2004. The additions after December 31, 2004 are carried with their nominal amounts.

Functional and Reporting Currencies of Foreign Subsidiaries

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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2007**

(Currency – TRY unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Functional and Reporting Currencies of Foreign Subsidiaries (cont'd)

		June 30, 2007	December 31, 2006
	Local Currency	Functional Currency	Functional Currency
AEH und Co.	EUR	EUR	EUR
Oyex	EUR	EUR	EUR

Foreign subsidiaries are established as foreign corporate entities.

Changes in Accounting Policies

Group has applied accounting policies in consistent with previous year except expressions below.

Group has analyzed the new and amended International Financial Reporting Standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards (IAS) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee (IASC).

Application of New and Revised International Financial Reporting Standards

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements– Capital Disclosures

IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

IFRIC 8, Scope of IFRS 2

IFRIC 9, Reassessment of Embedded Derivatives

IFRIC 10, Interim Financial Reporting and Impairment

Adoption of these Standards and Interpretations in future periods has no material impact on the financial statements of the Group, except for the additional disclosure requirements of IFRS 7.

Standards Issued but not Effective as of June 30,2007 and Interpretations

The interpretations on existing standards and issued but not effective standards as of June 30, 2007 which the Company analyses the effects of; are presented below.

IFRS 8, Operating Segments (effective for financial years beginning on or after January 1, 2009)

IAS 23, Amendment – Borrowing Costs (effective for financial years beginning on or after January 1, 2009)

IFRIC 11, IFRS 2-Group and Treasury Share Transactions

IFRIC 12, Service Concession Arrangements (effective for financial years beginning on or after January 1, 2009)

IFRIC 13, Customer Loyalty Programmes (effective for financial years beginning on or after January 1, 2008)

Group has not early adopted standarts stated up here, but it is predicted that the changes at IFRS 8 and IAS 23 will effect the Group's consolidated financial statements and disclosures.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

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, 2007.

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 subsidiaries under its control. 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 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. These 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 inter-company 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.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised International Financial Reporting Standards

Group's consolidated interim financial statements are presented in comparison with previous year's financial statements in order to give an understanding about the financial position and performance trends. When the financial statements items are recalculated or reclassified, previous year's financial statements are also represented accordingly.

As explained in detail in Note 34 and Note 35; on November 23, 2006, a share purchase agreement (STA) was signed among AEH, Çelik Motor, Anadolu Motor, Efes Pazarlama ve Dağıtım Ticaret A.Ş. and Greece-based Alpha Bank, covering the establishment of a new company in which both sides would have equal representation of control with 50% shareholding each. As the STA set forth 50% effective shareholding and governing rights in ABank, ALease and subsidiaries of ABank for both sides, through the application of IFRS 5, namely "Non-Current Assets Held for Sale and Discontinued Operations", the Company classified the related financial statement items as "held for sale operations" in the financial statements as of December 31, 2006. However, on August 7, 2007, Banking Regulation and Supervision Agency, announced that it did not approve the mentioned share transfers. Accordingly, the financial statement items created for held for sale and discontinued operations, were represented to make the presentation consistent with current year financial statements. This restatement is summarized below:

	December 31, 2006	December 31, 2006	
	Previously reported	Represented	Difference
ASSETS			
Current Assets	2,332,168,489	2,095,088,739	
Cash and Cash Equivalents	302,635,514	494,708,615	192,073,101
Marketable Securities (net)	17,693,987	30,949,731	13,255,744
Reserve Deposits at Central Bank	30,644,000	61,288,000	30,644,000
Banking Loans (net)	577,363,396	1,154,726,791	577,363,395
Trade Receivables (net)	58,873,500	58,873,300	(200)
Lease Receivables (net)	45,207,287	90,414,573	45,207,286
Derivative Financial Instruments – Assets	1,844,500	3,689,000	1,844,500
Due From Related Parties (net)	13,614,303	12,809,069	(805,234)
Other Receivables (net)	23,894,986	23,894,986	-
Biological Assets (net)	5,446,816	5,446,816	-
Inventories (net)	129,819,946	129,819,946	-
Receivables from Construction Contracts in Progress (net)	-	-	-
Deferred Tax Assets	-	-	-
Other Current Assets	25,445,093	28,467,912	3,022,819
Assets Related to Held for Sale Operations	1,099,685,161	-	(1,099,685,161)
Non-Current Assets	1,121,762,318	1,358,842,068	
Marketable Securities (net)	54,814,500	105,190,756	50,376,256
Banking Loans (net)	95,023,961	190,047,923	95,023,962
Trade Receivables (net)	36,438	36,438	-
Lease Receivables (net)	45,953,484	91,907,692	45,954,208
Derivative Financial Instruments – Assets	1,515,500	3,031,000	1,515,500
Due from Related Parties (net)	-	-	-
Other Receivables (net)	-	-	-
Investments (net)	759,608,855	759,608,855	-
Positive/Negative Goodwill (net)	17,672,128	35,344,256	17,672,128
Investment Property (net)	5,109,000	10,218,000	5,109,000
Property, Plant and Equipment (net)	119,386,873	129,881,566	10,494,693
Intangible Assets (net)	10,118,899	10,550,902	432,003
Deferred Tax Assets	4,035,282	8,044,282	4,009,000
Other Non-Current Assets	8,487,398	14,980,398	6,493,000
TOTAL ASSETS	3,453,930,807	3,453,930,807	-

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Adoption of New and Revised International Financial Reporting Standards (cont'd)

	December 31, 2006 Previously reported	December 31, 2006 Represented	Difference
Current Liabilities	1,967,120,477	1,826,885,017	
Short-Term Borrowings (net)	63,597,333	63,103,553	(493,780)
Current Portion of Long-Term Borrowings (net)	42,027,104	41,106,279	(920,825)
Lease Obligations (net)	3,039,133	3,039,133	-
Other Financial Liabilities (net)	-	-	-
Trade Payables (net)	47,043,493	48,791,993	1,748,500
Deposits	551,412,102	1,102,824,202	551,412,100
Funds Borrowed	230,363,001	460,726,001	230,363,000
Blocked Accounts	19,826,000	39,652,000	19,826,000
Due to Related Parties (net)	490,314	486,633	(3,681)
Advances Received	2,291,152	2,291,152	-
Deferred Income from Construction Contracts in progress (net)	-	-	-
Provisions	313,699	524,699	211,000
Derivative Financial Instruments – Liabilities	6,029,500	12,059,000	6,029,500
Deferred Tax Liability	-	-	-
Other Liabilities (net)	39,655,303	52,280,372	12,625,069
Liabilities Related to Held for Sale Operations	961,032,343	-	(961,032,343)
Non-Current Liabilities	180,944,344	321,179,804	
Long-Term Borrowings (net)	24,490,792	22,911,754	(1,579,038)
Lease Obligations (net)	780,138	780,138	-
Other Financial Liabilities (net)	-	-	-
Trade Payables (net)	-	-	-
Deposits	8,500	17,000	8,500
Funds Borrowed	136,734,001	273,467,999	136,733,998
Blocked Accounts	-	-	-
Due to Related Parties (net)	-	-	-
Advances Received	2,319,040	2,319,040	-
Provisions	11,579,182	15,102,682	3,523,500
Deferred Tax Liability	3,447,753	3,447,753	-
Other Liabilities (net)	1,584,938	3,133,438	1,548,500
TOTAL LIABILITIES	2,148,064,821	2,148,064,821	-

To be consistent with current period presentation, operational rent income, stated as “other operating income and gain” in the consolidated income statement as of June 30, 2006, is now stated as “sales income” amounting TRY 2,227,473.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated financial statements 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 assets and settle the liabilities simultaneously.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (cont'd)

Use of Estimates and Assumptions

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

The source of the risk carrying estimates, assumptions and calculation indefinities which may cause to significant adjustments at assets and liabilities at following periods as of balance sheet date are; actuarial assumptions used for employee termination benefits and useful lives of tangibles and intangibles. These estimates and assumptions are explained at related disclosure in detail.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Non-Banking

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

Sale of goods

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

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

Interest income is recorded on the basis of effective interest rate method and dividend income is recorded when the right of dividend income emerges.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 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, labour 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.

3.3 Tangible Fixed Assets

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

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

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Intangible Fixed Assets

(i) Goodwill and amortization

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 until December 31, 2004. 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. 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.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

ii) Other intangible assets

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.5 Impairment of Assets

All assets other than deferred tax assets and goodwill are tested to see if there is an indication of impairment of asset or not for each periods of the balance sheet. If such an indication exists, recoverable amount of that asset is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.6 Borrowing Costs

Borrowing costs are recorded in the income statement in the period in which they are incurred.

3.7 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.

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, which 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Financial Instruments (cont'd)

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Financial Instruments (cont'd)

Available-for-Sale Securities

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.

Interest earned on available-for-sale securities is included in 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 and Payables

Trade receivables from the supply of products and services to a buyer, are carried at net of deferred finance income. Trade receivables net of deferred finance income, which are initially recorded at original invoice amounts, are measured at amortized cost of the amounts that will be collected in the subsequent periods with the effective interest rate. Short term trade receivables which do not have a determined interest rate, when the interest accrual effect is immaterial, are measured at the original invoice values.

The Group provides allowance for doubtful receivables when there is an indication that the collections are not probable. Related provision amount is the difference between the book value of the receivable and the probable collection amount. The probable collection amount is the cash flows, including collections from guarantees, which are discounted at the effective interest rate of the original receivable.

Subsequent to provide allowance for doubtful receivable, when all or a portion of the doubtful receivable is collected, the collection is deducted from the allowance and recorded as other income.

Book values of trade payables balances are estimated to be their fair values.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.7 Financial Instruments (cont'd)

Borrowings and Customer Deposits

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.

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

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.

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. Any gains or losses arising from changes in fair value of foreign currency futures contracts are recognized in the current year income statement.

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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Foreign Currency Transactions

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

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

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

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

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

3.9 Earnings per Share

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

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.10 Subsequent Events

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

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

3.11 Provisions, Contingent Liabilities, Contingent Assets

If the Group has liabilities from previous events, probably sells its economically beneficial assets to pay these liabilities and estimates the cost of the liabilities and this estimation is reliable; provision is provided for the related liabilities and the provision is displayed on the financial statements. Contingent liabilities are revaluated continuously to determine sales probability of economically beneficial assets. If economically beneficial assets are going to be sold certainly in the future for the payment of the items that are displayed as contingent liabilities, provision is provided and displayed on the financial statements for related contingent liabilities except reliable value estimation of the economically beneficial assets can not be performed at the time when sales probability of economically beneficial assets turns into certainty.

Although the payment of the contingent liabilities is certain and value estimation of the economically beneficial assets is not reliable, the Group displays related liabilities in the disclosures.

Assets that result from previous events, can not be controlled fully by the company and dependent to realization of one or more uncertain events, is considered as a contingent asset. Economically beneficial assets' affects that are expected to be a part of the company resources with high probability, are disclosed in the disclosures.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.12 Changes in Accounting Policies, Accounting Estimates and Errors

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 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.

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 cancellable 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.14 Related Parties

Parties are considered related to the Company if;

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the Company that gives it significant influence over the Company; or
 - (iii) has joint control over the Company;
- (b) the party is an associate of the Company;
- (c) the party is a joint venture in which the Company is a venturer;
- (d) the party is member of the key management personnel of the Company or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
- (g) the party has a defined benefit plan for the employees of the Company or a related party of the Company.

Related party transactions are transfer of resources or obligations between related parties, regardless of whether a price is charged.

3.15 Segmental Information

An entity shall report separately information about a geographical or industrial segment that meets any of the following quantitative thresholds; Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments, or the absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of the combined reported profit of all operating segments that did not report a loss and the combined reported loss of all operating segments that reported a loss, or its assets are 10 per cent or more of the combined assets of all operating segments.

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 five major segments.

3.16 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 as 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.17 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 life 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.

3.18 Taxation and Deferred Tax

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

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

Current Tax

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

Deferred Tax

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

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

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Taxation and Deferred Tax (cont'd)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3.19 Employee Termination Benefits

a) Defined Benefit Plan

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

In the consolidated financial statements the Group has reflected a liability using the Projected Unit Credit Method and based upon estimated inflation rates and factors derived using the Group's experience of personnel terminating their services and being eligible to receive such benefits and discounted by using the current market yield at the balance sheet date on government bonds.

b) Defined Contribution Plan

The Group pays contributions 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 paid.

3.20 Statement of Cash Flows

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

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

3.21 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.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.21 Provisions for Possible Loan Losses and Lease Receivable Losses (cont'd)

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.

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.

3.22 Biological Assets

Cattle are classified under biological assets and reflected at fair value as of balance sheet dates. The fair values are determined with to the expected market rate according to IAS 41.

4. CASH AND CASH EQUIVALENTS

	June 30, 2007	December 31, 2006
Non-Banking	121,129,731	65,431,168
Banking	132,416,347	429,277,447
Cash and cash equivalents in the consolidated statement of cash flows	253,546,078	494,708,615

Non-Banking

The details of cash and cash equivalents are as follows:

	June 30, 2007	December 31, 2006
Cash on hand	1,530,099	1,926,480
Cash in banks	118,456,478	60,722,450
Other	1,143,154	2,782,238
Total	121,129,731	65,431,168

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4. CASH AND CASH EQUIVALENTS (cont'd)

Non-Banking (cont'd)

	June 30, 2007			December 31, 2006		
	Amount	Maturity	Interest rate	Amount	Maturity	Interest rate
Cash in banks						
Demand	8,916,667			7,628,336		
-EUR	146,313	-	-	2,347,914	-	-
-USD	344,684	-	-	815,761	-	-
-TRY	8,410,348	-	-	4,381,449	-	-
-Other	15,322	-	-	83,212	-	-
Time	109,539,811			53,094,114		
-EUR	48,383,412	2 – 30 days	3.50% - 4.20%	2,236,230	4 - 29 days	3.80% - 3.95%
-USD	9,986,611	2 – 64 days	5.10% - 6.40%	8,922,995	4 - 61 days	5.00% - 6.35%
-TRY	51,169,788	2 – 31 days	17.00% - 19.50%	41,934,889	4 - 29 days	17.00% - 21.20%
Total	118,456,478			60,722,450		

Banking

	June 30, 2007	December 31, 2006
Cash on hand	12,940,000	17,380,000
Balances with the Central Bank	56,056,000	68,257,000
Cash and balances with the Central Bank	68,996,000	85,637,000
Deposits with banks and other financial institutions	61,071,940	322,512,333
Reverse repurchase agreements	-	15,023,000
Interbank placements	635,000	4,507,000
Cheques given to collection	1,713,407	1,598,114
Other money market placements	2,348,407	21,128,114
Total	132,416,347	429,277,447

As of June 30, 2007 and December 31, 2006 the interest rate range of deposits and placements are as follows:

	June 30, 2007				December 31, 2006			
	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	28,203,000	27,853,000	-	-	45,350,000	22,907,000	-	-
Deposits with banks and other financial institutions	27,099,000	33,972,940	17.82%	3.40%	23,651,232	298,861,101	14.33%	4.84%
Reverse repurchase agreements	-	-	-	-	15,023,000	-	17.86%	-
Interbank placements	635,000	-	17.60%	-	4,507,000	-	15.18%	-
Total	55,937,000	61,825,940			88,531,232	321,768,101		

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5. MARKETABLE SECURITIES

	June 30, 2007	December 31, 2006
Non-Banking	10,358,662	8,876,487
Banking	159,468,000	127,264,000
Total	169,826,662	136,140,487

Non-Banking

As of June 30, 2007 and December 31, 2006 marketable securities consist of investment funds.

Banking

Trading Securities

	June 30, 2007		December 31, 2006	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments – TRY				
Turkish government bonds	5,706,000	18.36%	8,000,000	19.85%
Turkish treasury bills	11,000	17.03%	100,000	19.09%
Debt instruments – FX				
Eurobonds issued by the Turkish government	34,000	5.25%	-	-
Total	5,751,000		8,100,000	
Others				
Equity securities – listed in ISE (*)	21,863,000	-	13,791,000	-
Total	21,863,000		13,791,000	
Total trading securities	27,614,000		21,891,000	

(*) Equity securities include Alternatif Yatırım Ortaklığı A.Ş. shares actively traded in ISE and amounting to TRY 14,658,062 (December 31, 2006: TRY 12,460,430).

Investment Securities

	June 30, 2007		December 31, 2006	
	Amount	Effective interest rate	Amount	Effective interest rate
Available-for-sale securities at fair value-TRY				
Turkish treasury bills	88,000	19.33%	-	-
Turkish government bonds	38,037,000	20.90%	69,764,000	18.54%
Available-for-sale securities at fair value-FX				
Eurobonds issued by the Turkish government	26,897,000	6.00%	-	-
Total available-for-sale securities at fair value	65,022,000		69,764,000	
Debt Instruments-TRY				
Turkish government bonds	3,126,000	18.54%	25,312,000	22.92%
Debt Instruments – FX				
Eurobonds issued by the Turkish government				
Total investment securities	68,148,000		95,076,000	

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5. MARKETABLE SECURITIES (cont'd)

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

	June 30, 2007	December 31, 2006
Trading securities	14,449,000	240,000
Available for sale securities	26,857,000	10,057,000
Held to maturity securities	22,400,000	-
Carrying value of securities given as collateral under repurchase agreement	63,706,000	10,297,000
Related repurchase liability	44,083,000	9,581,000

As of June 30, 2007, 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 7,024,398 and TRY 11,925,000 respectively (December 31, 2006: TRY 12,464,000 and TRY 11,925,000).

As of June 30, 2007, current marketable securities amounts to TRY 48,836,662 (December 31, 2006: TRY 30,949,731) and non-current marketable securities amounts to TRY 120,990,000 (December 31, 2006: TRY 105,190,756).

6. FINANCIAL BORROWINGS

	June 30, 2007	December 31, 2006
Bank borrowings	108,990,102	63,103,553
Current portion of long term borrowings	38,479,909	41,106,279
Short term borrowings	147,470,011	104,209,832
Bank borrowings	22,189,309	22,911,754
Long term borrowings	22,89,309	22,911,754
Total borrowings	169,659,320	127,121,586

As of June 30, 2007, Group does not have any secured bank borrowings (December 31, 2006: None).

Bank borrowings	June 30, 2007		December 31, 2006	
	Amount	Interest rate	Amount	Interest rate
<i>Long Term</i>	22,189,309		22,911,754	
USD	1,891,391	5.5% - 7.7%	-	
EUR	20,297,918	4.1% - 7.2%	22,911,754	4.1% - 5.1%
<i>Short Term</i>	147,470,011		104,209,832	
USD	29,668,965	4.6% - 7.5%	31,867,975	5.2% - 6.8%
EUR	46,468,294	4.1% - 7.1%	39,788,214	4.0% - 5.1%
TRY	71,332,752	15.2% - 21.7%	32,553,643	12.0%- 19.8%

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6. FINANCIAL BORROWINGS (cont'd)

Long-term borrowings have payment periods of one and six months. Repayments schedules of long-term borrowings are as follows (excluding finance lease payables):

	June 30, 2007	December 31, 2006
2008	2,307,156	5,095,180
2009	13,319,029	17,816,574
2010	6,563,124	-
Total	22,189,309	22,911,754

7. TRADE RECEIVABLES AND TRADE PAYABLES

7.1 TRADE RECEIVABLES

Non-Banking

	June 30, 2007	December 31, 2006
Trade receivable (*)	61,633,328	42,697,637
Notes receivable and post-dated cheques	65,084,734	18,067,594
Less: Provision for doubtful trade receivables	(1,885,492)	(1,891,931)
Total	124,832,570	58,873,300

(*) As of June 30, 2007, discount amount in trade receivables is TRY 3,390,727 (December 31, 2006: TRY 909,616).

Movement of provision for doubtful trade receivables is as follows:

	June 30, 2007	June 30, 2006
January 1,	1,891,931	1,404,739
Provisions	32,778	14,120
Collections	(39,217)	(4,801)
Total	1,885,492	1,414,058

As of June 30, 2007, Group has TRY 61,589 of long term trade receivables (December 31, 2006: TRY 36,438).

7.2 TRADE PAYABLES

	June 30, 2007	December 31, 2006
Non-Banking (*)	54,424,234	45,478,993
Banking	3,311,000	3,313,000
Total	57,735,234	48,791,993

(*) As of June 30, 2007, discount amount in trade payables is TRY 377,774 (December 31, 2006: TRY 177,606).

As of June 30, 2007, Group does not have any long term trade payables (December 31, 2006: None).

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8. LEASE RECEIVABLES AND OBLIGATIONS

8.1 LEASE CONTRACTS RECEIVABLE

Gross investments in finance leases receivables are as follows:

	June 30, 2007	December 31, 2006
Within 1 year	122,378,086	111,184,003
1 – 5 years	110,185,971	103,546,861
Minimum financial lease receivables, gross	232,564,057	214,730,864
Less: Unearned interest income	(32,440,605)	(30,381,139)
Net investment in finance leases	200,123,452	184,349,725
Less: Reserve for doubtful financial lease receivables	(2,515,000)	(2,027,460)
Minimum financial lease receivables, net	197,608,452	182,322,265

Maturities of net investment in finance leases:

	June 30, 2007	December 31, 2006
Within 1 year	99,979,281	90,414,573
1 - 5 years	97,629,171	91,907,692
Total	197,608,452	182,322,265

	June 30, 2007		December 31, 2006	
	Amount	Interest rate	Amount	Interest rate
TRY	44,281,260	16.62% - 36.85%	39,117,724	16.42% - 45.41%
USD	57,168,348	7.89% - 18.26%	56,752,517	7.89% - 18.26%
EUR	96,158,844	7.12% - 22.03%	86,452,024	7.53% - 20.65%
Total	197,608,452		182,322,265	

As of June 30, 2007, collaterals obtained by the Company from certain lease customers in relation to minimum lease payments receivables amount to TRY 56,191,000, USD 35,034,062 and EUR 31,101,234 (December 31, 2006: TRY 45,584,000, USD 31,729,796, EUR 24,268,046). These collaterals consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

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8. LEASE RECEIVABLES AND OBLIGATIONS (cont'd)

8.1 LEASE CONTRACTS RECEIVABLE (cont'd)

Movement of provision for doubtful financial lease receivables is as follows:

	June 30, 2007	June 30, 2006
Provision at beginning of period	2,027,460	865,000
Provision	1,002,000	527,000
Collections	(514,460)	(364,000)
Reserve at the end of period	2,515,000	1,028,000

8.2 FINANCE LEASE LIABILITIES

	June 30, 2007	December 31, 2006
Current	-	3,039,133
Non-Current	-	780,138
Total	-	3,819,271
USD – TRY equivalent	-	3,750,077
EUR – TRY equivalent	-	69,194

As of June 30, 2007, the effective interest rates are 4.5% - 11.3%.

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

	June 30, 2007	December 31, 2006
Within 1 year	-	3,253,253
1 - 5 years	-	796,366
Total minimum lease obligations	-	4,049,619
Net minimum obligations	-	4,049,619
Unearned interest income (-)	-	(230,348)
Present value of minimum obligations	-	3,819,271

Group paid all the financial lease obligations as of June 30, 2007 before the maturity dates.

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9. RELATED PARTY BALANCES AND TRANSACTIONS

9.1 DUE FROM RELATED PARTIES

	June 30, 2007	December 31, 2006
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	1,416	2,577
Anadolu Efes (1)	1,319,892	2,740,643
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	954,431	1,231,981
Tarbes Tarım Ürünleri ve Besicilik San.Tic.A.Ş. (Tarbes) (3)	27,187	58,275
Anadolu Isuzu (2)	934,817	1,282,174
Efes Holland Technical Management Consultancy (3)	2,298	1,713,912
ZAO Moscow Efes Brewery (Efes Moskow) (3)	2,589,748	1,453,761
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	1,546,887	447,106
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	961,158	560,500
OAÖ Amstar (3)	8,822	205,702
Efes Weifert Brewery d.o.o (Efes Weifert) (3)	312,945	804,082
Efes Zajecar Brewery d.o.o (Efes Zajecar) (3)	193,356	792,625
Krasny Vostok Group (3)	505,085	450,100
Efes Vitanta (3)	234,365	11
JSC Amstar (3)	788,381	84,049
Efes Invest Holland B.V. (Efes Holland) (3)	401,370	-
Other	824,829	981,571
Total	11,606,987	12,809,069

As of June 30, 2007 and December 31, 2006, loans given to related parties, which are included under “Banking Loans” in the financial statements, are TRY 19,805 and TRY 434,738 respectively. As of June 30, 2007, 3,497,539 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2006: TRY 1,868,674).

- (1) An associate
- (2) A joint venture
- (3) A Company controlled by an associate
- (4) Shareholder of the Company
- (5) Investment

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9. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

9.2 DUE TO RELATED PARTIES

	June 30, 2007	December 31, 2006
Anadolu Isuzu (2)	759,771	133,560
Anelsan (3)	233,104	264,060
Dividends payable	15,558	12,134
Other	11,991	76,879
Total	1,020,424	486,633

As of June 30, 2007 and December 31, 2006, related party deposits, which are included under “Deposits” in the financial statements, are TRY 89,431,455 and TRY 103,675,602 respectively.

- (1) An associate
- (2) A joint venture
- (3) A Company controlled by an associate
- (4) Shareholder of the Company
- (5) Investment

9.3 TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the six month periods ended June 30, 2007 and June 30, 2006 are as follows:

	June 30, 2007	June 30, 2006
Sales of goods and services, net		
Anadolu Efes (1)	7,040,823	5,337,362
Efpa (3)	4,878,540	4,818,300
Tarbes (3)	872,226	1,077,020
Anadolu Isuzu (2)	4,037,689	4,277,364
Efes Holland Technical Management Consultancy (3)	14,684	952,503
Efes Breweries International B.V. (3)	6,532,678	4,107,626
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (5)	-	318,567
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem) (1)	113,531	178,408
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	429,055	120,072
Coca Cola Satış ve Dağıtım A.Ş. (3)	465,340	11,946
Efes Vitanta Moldova Brewery SA (3)	544,658	-
Other	675,166	883,836
Total	25,604,390	22,083,004

	June 30, 2007	June 30, 2006
Purchases of goods and other charges		
Anadolu Isuzu (2)	2,481,374	2,062,099
Anelsan (3)	-	318,690
Efpa (3)	123,892	16,694
Other	74,482	166,240
Total	2,679,748	2,563,723

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9. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

	June 30, 2007	June 30, 2006
Interest and other financial income (included banking revenues and foreign exchange losses)		
Anadolu Efes (1)	61,645	237,095
Coca Cola İçecek Üretim A.Ş. (3)	64,031	109,264
Anadolu Isuzu (2)	78,358	56,265
Anadolu Cetelem (1)	-	210,243
Other	90,786	89,223
Total	294,820	702,090

	June 30, 2007	June 30, 2006
Interest and other financial expense (included banking direct cost and foreign exchange losses) paid to		
Anadolu Efes (1) (*)	8,646,254	5,329,777
Anadolu Isuzu (2)	259,682	201,432
Efpa (3)	119,705	198,246
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	101,401	26,608
Tarbes (3)	38,441	41,938
Efes Pilsen Spor Kulübü	722,737	439,070
Özilhan Sınai Yatırım A.Ş.	734,189	421,710
Other	102,292	187,849
Total	10,724,701	6,846,630

(*) Interest rates for TRY deposits are between 17.0% - 19.5% and for USD deposits are between 5.0% - 5.5%.

	June 30, 2007	June 30, 2006
Interest and other financial expense (included financial income / expense and foreign exchange losses) paid to		
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	51,382	44,750
Anelsan (3)	18,691	-
Total	70,073	44,750

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9. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

	June 30, 2007	June 30, 2006
Miscellaneous sales included in other income (including dividend received)		
Anadolu Efes (1)	139,096	218,500
Polinas (5)	10,750	9,558
Coca Cola İçecek (3)	3,707	5,344
Efpa (3) (*)	1,137,432	730,259
Anadolu Isuzu (2)	64,640	192,406
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	-	8,497
Other	17,499	205,976
Total	1,373,124	1,370,540

(*) Sales to Efpa include TRY 1,101,289 of car rental and car maintenance revenues (June 30, 2006: TRY 707,061).

	June 30, 2007	June 30, 2006
Interest and other financial income (included in financial income/expense and foreign exchange losses) received from		
Kamil Yazıcı Yönetim ve Danışma (4)	19,144	350,963
Efes Sınai (5)	-	18,340
Other	2,298	6,632
Total	21,442	375,935

- (1) An associate
- (2) A joint venture
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- (5) Investment

Compensation of Key Management Personnel of the Group.

As of June 30, 2007, members of the top management received remuneration and fees amounting to TRY 10,181,290 (June 30, 2006: TRY 9,194,488).

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9. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

Other

The Company and its subsidiaries with the exception 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 Yardım Vakfı before corporate tax and such fiscal obligations as stated in the entities' foundation agreements as long as these donations are exempt from tax.

The Company and its subsidiaries with the exception of McDonald's, Hamburger, ABank, AYO, Anadolu Motor, A Yatırım and Ülkü, 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, 2007	December 31, 2006
Non-Banking	23,536,276	23,894,986
Banking	-	-
Total	23,536,276	23,894,986

10. OTHER RECEIVABLES AND PAYABLES (cont'd)

10.1 OTHER RECEIVABLES (cont'd)

Non-Banking

	June 30, 2007	December 31, 2006
Receivables from loans given	21,998,596	23,091,590
Other	1,537,680	803,396
Total	23,536,276	23,894,986

11. BIOLOGICAL ASSETS

Biological assets having a worth of TRY 5,747,778 (December 31, 2006: TRY 5,446,816) consist of cattle in the farm.

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12. INVENTORIES

	June 30, 2007	December 31, 2006
Raw materials	18,327,271	15,928,754
Work-in-progress	6,073,181	6,373,829
Finished goods	11,510,532	14,590,305
Merchandise	39,841,052	48,906,198
Supplies and others	1,262,980	1,732,498
Advances given (*)	21,893,298	42,288,362
Reserve for obsolescence (-)	(242,025)	-
Total	98,666,289	129,819,946

(*) Consists of advances given by Çelik Motor, Anadolu Motor and Anadolu Elektronik in order to engage in import activities.

Movements of reserve for obsolescence during the period are as follows:

	June 30, 2007	June 30, 2006
Provision at beginning of period	-	-
Provision	242,025	-
Reserve at the end of period	242,025	-

**13. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION
CONTRACTS**

None (December 31, 2006: None).

14. DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities are as follows:

	June 30, 2007	December 31, 2006
Deferred tax assets	87,546	8,044,282
Deferred tax liabilities (-)	(6,709,760)	(3,447,753)
Net deferred tax assets	(6,622,214)	4,596,529

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14. DEFERRED TAX ASSETS AND LIABILITIES cont'd)

Movements in deferred tax during the period are as follows:

	Balance January 1, 2007	Credited/(charged) to income statement	Balance June 30, 2007
Fixed assets	(3,259,282)	(2,010,077)	(5,269,359)
Inventory	22,097	(21,287)	810
Carry forward tax loss (**)	6,077,000	(4,952,518)	1,124,482
Allowance for retirement pay liability	1,501,511	(414,014)	1,087,497
Financial leases	1,736,591	(1,730,259)	6,332
Investment incentive	22,176,517	620,441	22,796,958
Other	2,850,312	(3,683,507)	(833,195)
Net deferred tax (liability)/asset	31,104,746	(12,191,221)	18,913,525
Reclassification to special reserves (Note 2)	-	284,351	-
Allowance for deferred tax (*)	(26,508,217)	972,478	(25,535,739)
Total	4,596,529	(10,934,392)	(6,622,214)

	Balance January 1, 2006	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)	-
Carry forward 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
Reclassification to special reserves (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, 2007, the Group management decided not to recognize a portion of deferred tax assets in the future based on future business plans of ALease. For this reason, TRY 25,535,739 of deferred tax assets has not been recognized in the consolidated financial statements (June 30, 2006: TRY 31,889,441).

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14. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

(**) Maturity years of carry forward tax losses are as follows:

	June 30, 2007	June 30, 2006
2006	-	46,847,400
2007	1,748,274	75,036,918
2008	2,000,000	3,475,840
Total	3,748,274	125,360,158
Tax Rate	30%	20%
Deferred Tax Assets	1,124,482	25,072,032

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

15.1 OTHER CURRENT ASSETS

	June 30, 2007	December 31, 2006
Non-Banking	23,003,713	22,422,274
Banking	7,918,083	6,045,638
Total	30,921,796	28,467,912

Non-Banking

	June 30, 2007	December 31, 2006
Prepaid taxes	1,045,784	3,277,506
Prepaid expenses	18,220,646	11,647,956
VAT receivable	2,679,022	7,047,545
Other current assets	1,058,261	449,267
Total	23,003,713	22,422,274

Banking

	June 30, 2007	December 31, 2006
Prepaid expenses and transitory accounts	4,162,083	2,629,638
Prepaid taxes	12,000	13,000
VAT of leased assets	2,619,000	2,134,000
Receivables from insurance policies	938,000	797,000
Receivables from sale of investments	187,000	472,000
Total	7,918,083	6,045,638

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**15. OTHER CURRENT / NON-CURRENT ASSETS AND OTHER CURRENT / NON-CURRENT
LIABILITIES (cont'd)**

15.2 OTHER NON-CURRENT ASSETS

	June 30, 2007	December 31, 2006
Non-Banking	1,936,057	1,994,398
Banking	29,335,000	12,986,000
- Transitory accounts and prepaid expenses	21,444,000	5,434,000
- Equipment to be leased	3,626,000	1,735,000
- Other	4,265,000	5,817,000
Total	31,271,057	14,980,398

15.3 OTHER CURRENT LIABILITIES

	June 30, 2007	December 31, 2006
Non-Banking	32,177,158	27,030,232
Banking	23,533,088	25,250,140
Total	55,710,246	52,280,372

Non-Banking

	June 30, 2007	December 31, 2006
Taxes payable other than income tax	9,078,521	10,349,923
Salaries and wages payable	966,563	1,399,559
Accrued expenses	20,254,240	14,050,371
Deferred income	272,933	364,539
Other payables and liabilities	1,604,901	865,840
Total	32,177,158	27,030,232

The details of the accrued expenses are as follows:

Accrued expenses	June 30, 2007	December 31, 2006
Warranty provisions (*)	6,329,067	10,228,479
Premium provisions	4,786,295	4,042
Label provisions	2,665,622	1,791,260
Dealer sales premium provision	1,939,858	68,261
Unused vacation provision	2,573,423	1,038,032
Other provisions	1,959,975	920,297
Total	20,254,240	14,050,371

As of June 30, 2007, other long term liability amounts to TRY 1,479,589 (December 31, 2006: TRY 3,133,438) is presented in the financial statements.

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15. OTHER CURRENT / NON-CURRENT ASSETS AND OTHER CURRENT / NON-CURRENT
LIABILITIES (cont'd)

15.3 OTHER CURRENT LIABILITIES (cont'd)

Banking

	June 30, 2007	December 31, 2006
Payment orders	8,694,000	10,248,000
Taxes payable (excluding income tax)	7,523,000	7,749,000
Transitory accounts	1,127,000	1,616,000
Advances from customers	4,275,567	3,781,000
Others	1,913,521	1,856,140
Total	23,533,088	25,250,140

16. FINANCIAL ASSETS

	June 30, 2007	December 31, 2006
Financial assets, available-for-sale	6,498,492	6,889,899
Investments	695,112,693	681,325,556
Joint ventures	70,490,450	71,393,400
Total	772,101,635	759,608,855

16.1 FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Ownership (%)	June 30, 2007	Ownership (%)	December 31, 2006
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
Coca Cola İçecek A.Ş.	18.21	31,339	18.21	31,339
Syrian Soft Drinks (*)	-	-	33.96	411,708
Other		96,876		76,575
Available for sale investments – non-current		6,498,492		6,889,899

(*) Syrian Soft Drinks was established with 50% participation of AEH on June 22, 2006. AEH has sold all of its shares in Syrian Soft Drinks to Efes Invest Holland B.V. at cost on April 25, 2007. No gain/loss was recognized from this transaction.

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16.2 INVESTMENTS IN ASSOCIATES

Entity	Principle Activities	Country of business	June 30, 2007			December 31, 2006		
			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	695,112,693	36.23	76,019,168	680,539,937	36.23	102,996,380
Anadolu Cetelem	Provides consumer finance services	Turkey	-	-	-	785,619	33.95	471,153
TOTAL			695,112,693		76,019,168	681,325,556		103,467,533

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

(**) The conditions set forth in the related share purchase agreement signed between the Company, Özilhan Sinai Yatırım A.Ş., AEH and TEB Mali Yatırımlar A.Ş., regarding the transfer of shares in Anadolu Cetelem, have been fulfilled and the necessary approvals from the Banking Regulation and Supervisory Agency and the Competition Board were received. The Company, Ozilhan Sinai Yatırım A.Ş and AEH transferred the 10,813,000,000 number of shares (50% of total capital) of Anadolu Cetelem to TEB Mali Yatırımlar A.Ş. as of June 1, 2007 (Note 32).

Summary financial statements of associates are as follows:

Anadolu Efes (Thousand TRY)	June 30, 2007	December 31, 2006
Total Assets	4,132,853	3,961,147
Total Liabilities	2,421,637	2,287,539
Net Assets	1,711,216	1,673,608
Group's interest in net assets	695,113	680,540
Revenues	1,464,213	2,594,045
Net Income	196,179	269,020
Group's share in net income	76,019	102,996

Anadolu Cetelem (Thousand TRY)	June 30, 2007	December 31, 2006
Total Assets	-	103,214
Total Liabilities	-	101,643
Net Assets	-	1,571
Group's interest in net assets	-	786
Revenues	-	25,816
Net Income	-	942
Group's share in net income	-	471

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16. INVESTMENTS (cont'd)

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, 2007			December 31, 2006		
			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 vehicles	Turkey	70,490,450	37.32	3,534,518	71,393,400	36.99	8,767,265
TOTAL			70,490,450		3,534,518	71,393,400		8,767,265

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

AEH, subsidiary of the Company, purchased 93,887 shares of Anadolu Isuzu in consideration of between TRY 8.35-13.20 price from ISE in January, March, May and June, 2007. As a result, Group's effective Anadolu Isuzu participation rate is increased by 0.33 points. The Group's share in goodwill arising from this acquisition based on the consolidated financials of Anadolu Isuzu is TRY 338,674. This amount is followed under the carrying value of Anadolu Isuzu.

Summary financial statements of associates are as follows:

Anadolu Isuzu (Thousand TRY)	June 30, 2007	December 31, 2006
Total Assets	289,053	290,248
Total Liabilities	105,342	100,887
Net Assets	183,711	189,361
Group's interest in net assets	70,490	71,393
Revenues	205,239	401,502
Net Income	9,285	23,532
Group's share in net income	3,534	8,767

17. POSITIVE/NEGATIVE GOODWILL

	June 30, 2007	December 31, 2006
Cost	138,103,926	138,103,926
Accumulated depreciation	(102,759,670)	(102,759,670)
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.

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18. INVESTMENT PROPERTIES

	June 30, 2007	December 31, 2006
January 1	10,218,000	4,332,000
Disposal of investment property	(8,313,000)	(1,128,000)
Additions to investment properties	2,027,000	7,055,000
Provision for impairment	(41,000)	(41,000)
Total	3,891,000	10,218,000

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 6,943,967 as of June 30, 2007 (December 31, 2006, TRY 12,635,868).

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19. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment during the period ended as of June 30, 2007 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, 2007	7,116,921	59,285,886	156,986,481	29,841,365	29,778,332	13,271,646	49,203,056	752,113	346,235,800
Additions	34,587,939	22,459	3,699,785	16,893,995	1,131,008	160,716	2,632,796	17,738,150	76,866,848
Disposals	-	-	(272,154)	(1,900,261)	(151,115)	-	(519,109)	(2,332,346)	(5,174,985)
June 30, 2007	41,704,860	59,308,345	160,414,112	44,835,099	30,758,225	13,432,362	51,316,743	16,157,917	417,927,663
Accumulated depreciation									
January 1, 2007	1,309,539	13,518,873	126,285,260	7,466,162	23,988,053	12,132,232	31,654,115	-	216,354,234
Depreciation charge for the period	46,142	554,123	3,323,996	3,147,207	856,072	67,606	1,537,389	-	9,532,535
Disposals	-	-	(221,931)	(848,201)	(122,062)	-	(370,404)	-	(1,562,598)
June 30, 2007	1,355,681	14,072,996	129,387,325	9,765,168	24,722,063	12,199,838	32,821,100	-	224,324,171
Net carrying amount	40,349,179	45,235,349	31,026,787	35,069,931	6,036,162	1,232,524	18,495,643	16,157,917	193,603,492

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at June 30, 2007 is TRY 26,052,671. Tangible assets under financial lease are pledged against the related financial liabilities.

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19. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Movements of property, plant and equipment during the period ended as of June 30, 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 period	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.

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20. INTANGIBLE ASSETS

The intangible asset movement chart as of June 30, 2007 is as follows:

Cost	Rights	Patents and licenses	Franchise	Other intangible assets	Total
January 1, 2007	40,171,296	10,677,061	1,051,246	612,102	52,511,705
Additions	136,969	-	-	283,597	420,566
Disposals	-	(5,148,051)	-	-	(5,148,051)
June 30, 2007	40,308,265	5,529,010	1,051,246	895,699	47,784,220
Accumulated amortization					
January 1, 2007	32,736,034	8,841,654	99,843	283,275	41,960,806
Amortization charge for the period	551,822	-	65,281	35,926	653,029
Disposals	-	(3,461,474)	-	-	(3,461,474)
June 30, 2007	33,287,856	5,380,180	165,124	319,201	39,152,361
Net carrying amount	7,020,409	148,830	886,122	576,498	8,631,859

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	-	-	-	-	-
December 31, 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 period	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

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21. ADVANCES TAKEN

	June 30, 2007	December 31, 2006
Short term	10,834,804	2,291,152
Long term	3,053,719	2,319,040
Total	13,888,523	4,610,192

22. PENSION PLANS

None (December 31, 2006: None).

23. PROVISIONS

	June 30, 2007	December 31, 2006
Short term		
Income tax provision	1,918,783	102,699
Other	1,018,000	422,000
Total short term	2,936,783	524,699
Long term		
Provision for retirement pay	10,632,206	9,988,682
Other	1,673,000	5,114,000
Total long term	12,305,206	15,102,682
Total	15,241,989	15,627,381

Provision for Employee Termination Benefit

In accordance with the existing labour 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 1.960,69 at June 30, 2007 and TRY 1,857.44 December 31, 2006, 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, 2007 and December 31, 2006, financial statements reflect a liability calculated using the Projected Unit 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 on government bonds at the balance sheet date.

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

	June 30, 2007	December 31, 2006
Discount rate	11%	11%
Expected rates of salary/limit increases(inflation rate)	5.71%	5.71%

In addition, as of June 30, 2007 retirement pay liability provision was calculated as actuarial assumption considering the increase of maximum liability of TRY 1,960.69 for the related year in accordance with the inflation rate.

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23. PROVISIONS (cont'd)

Retirement pay liability provision movements are as follows:

	June 30, 2007
January 1, 2007	9,988,682
Interest cost	549,377
Charge for the period	740,399
Retirement pay paid	(646,252)
June 30, 2007	10,632,206
	June 30, 2006
January 1, 2006	13,472,300
Interest cost	808,768
Charge for the period	1,099,236
Paid	(458,649)
June 30, 2006	14,921,655

24. MINORITY INTEREST

Minority interest is separately classified in the financial statements.

25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION

	June 30, 2007		December 31, 2006	
	Paid-in capital	%	Paid-in capital	%
Yazıcı Families	66,688,128	41.68	16,689,532	41.72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	53,599,952	33.50	13,399,988	33.50
Publicly traded	39,711,920	24.82	9,910,480	24.78
Historical share capital	160,000,000	100.00	40,000,000	100.00
Restatement effect	-		68,908,781	
Total restated share capital	160,000,000		108,908,781	

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25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION (cont'd)

Movement of paid in capital as at June 30, 2007 and December 31, 2006 is as follows (historical amounts in TRY):

	June 30, 2007		December 31, 2006	
	Share	Amount	Share	Amount
Beginning (January 1)	40,000,000	40,000,000	40,000,000	40,000,000
Issued shares				
-Inflation restatement of shareholders' equity	120,000,000	120,000,000	-	-
-Extraordinary reserves	-	-	-	-
-Income from sale of treasury stocks	-	-	-	-
Ending	160,000,000	160,000,000	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) which it owns, it is entitled to appoint four of the six directors to the Company's board of directors.

Yazıcılar's common shares are divided into four classes, with each class of shares having identical voting rights on all matters except for the election of directors. Classes B, C and D consist of registered shares and are owned by the members of the three Yazıcı Families. Class A shares are all bearer type shares; shares belonging to two Yazıcı Families and publicly traded shares are included in Class A.

Class	Number of shares	% of capital	Number of members on board
A (Bearer)	87,818,036	54.89	1
B (Registered)	31,999,964	20.00	3
C (Registered)	19,235,048	12.02	1
D (Registered)	20,946,952	13.09	1
Total	160,000,000	100.00	6

26. CAPITAL RESERVES

As of June 30, 2007 and December 31, 2006, restated values of capital reserves which are included in equity and their restatement differences are as follows:

Share Premiums	Historical amount	Equity restatement differences	Restated amount
June 30, 2007	9,467,709	-	9,467,709
December 31, 2006	9,467,525	-	9,467,525

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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 paid-in 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.

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

Based on the CMB Decree 7/242, dated February 25, 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit the whole amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the whole amount of the statutory net distributable profit should be accordance with CMB regulations or in the statutory financial statements.

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. In addition, at capital increases from internal sources, lower of CMB accounting principals applicated amount and the amount at statutory books calculated according to Turkish Commercial Code is considered.

Based on the CMB Decree 2/53 dated January 18, 2007, in accordance with Communiqué No: XI/25, for the dividend distribution over the 2006 profit, the quoted companies are required to distribute a minimum of 20% (30% for the 2005 profits) of their distributable profits over financial statements prepared in accordance with CMB Accounting Standards. This distributable may be made by either as cash or bonus shares or as a combination of both over the minimum limit of 20% depending on the decisions of the General Assemblies of the companies.

The profits of subsidiaries, joint ventures and associates, that are included in the consolidated financial statements of the parent, are not considered in the calculation of the distributable profits, if the decision on profit distribution has not been taken in the general assemblies of the related subsidiaries, joint ventures and associates.

Inflation adjustment to shareholders' equity can only be netted-off against prior years' losses and used as an internal source in capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders.

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27. PROFIT RESERVES (cont'd)

June 30, 2007	Historical amount	Equity restatement differences	Restated amount
Legal reserves	23,764,819	7,959,930	31,724,749
Statutory reserves	42,856	356,718	399,574
Extraordinary reserves	190,041,771	96,852,186	286,893,957
Special reserves	15,470,321	16,556	15,486,877

December 31, 2006	Historical 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	14,893,130	16,556	14,909,686

28. ACCUMULATED PROFITS

Accumulated profits are separately classified in the financial statements.

29. FOREIGN CURRENCY POSITION

Net foreign currency position for the Group (excluding bank) as of June 30, 2007 is approximately TRY 56,684,656 (December 31, 2006: TRY 87,205,575). Net foreign currency accounts, currency units and TRY equivalents are shown below. Net foreign currency of banking group is disclosed in Note 44.6.

June 30, 2007	USD	EUR	Other	Total
Cash and cash equivalents	10,331,295	48,529,725	15,322	58,876,342
Trade receivables	1,951,718	2,136,477	434	4,088,629
Other non-current assets	12,181	-	-	12,181
Trade payables	(13,023,236)	(7,111,961)	(1,200,043)	(21,335,240)
Financial borrowings	(31,560,356)	(66,766,212)	-	(98,326,568)
Net Foreign Currency Position	(32,288,398)	(23,211,971)	(1,184,287)	(56,684,656)

December 31, 2006	USD	EUR	Other	Total
Cash and cash equivalents	9,738,756	4,584,144	83,212	14,406,112
Trade receivables	3,703,897	530,615	5,145	4,239,657
Other non-current assets	203,804	11,909	-	215,713
Trade payables	(6,359,464)	(810,497)	(509,882)	(7,679,843)
Financial borrowings	(31,867,975)	(62,699,968)	-	(94,567,943)
Finance lease payables	(3,750,077)	(69,194)	-	(3,819,271)
Net Foreign Currency Position	(28,331,059)	(58,452,991)	(421,525)	(87,205,575)

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30. GOVERNMENT INCENTIVES AND GRANTS

None

31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Non-Banking

Letters of guarantee given to suppliers, and custom offices are TRY 8,773,130 (December 31, 2006: TRY 7,712,287).

Collaterals given to banks for the loans of associates and other related parties are TRY 6,539,112 (December 31, 2006: TRY 7,044,112).

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRY 7,999,606 (December 31, 2006: TRY 7,540,266).

Total letter of credits amount to TRY 2,500,874 (December 31, 2006: TRY 1,194,366).

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 47,383,885, TRY 1,656,384, TRY 12,573,318 and TRY 859,410 respectively (December 31, 2006: TRY 46,498,597, TRY 1,604,621, TRY 11,525,618 ve TRY 275,150).

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

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, 2007	December 31, 2006
Letters of guarantees		
- issued by ABank	922,484,000	755,310,000
Letters of credit	196,673,000	159,917,000
Acceptance credits	35,558,000	19,342,000
Other	5,883,000	9,567,000
Total non-cash loans	1,160,598,000	944,136,000
Other commitments (*)	498,650,000	400,180,000
Total	1,659,248,000	1,344,316,000

(*) Other commitments include derivative purchase commitments and loan granting commitments.

As of June 30, 2006 and December 31, 2006, ALease has no letters of guarantees given for funds borrowed from banks and various leasing transactions.

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31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

Banking (cont'd)

Blocked Assets

As of June 30, 2007, the nominal values of the TRY denominated assets held by the Group in fiduciary, agency or custodian capacities amounted to TRY 335,162,000 (December 31, 2006: TRY 231,299,000) and foreign currency denominated assets amounted to TRY 41,919,000 (December 31, 2006: TRY 41,084,000).

Litigation

Damages claimed in the suits filed against the Group amount to TRY 608,000 (December 31, 2006: TRY 119,000), as of June 30, 2007. These mainly include matters relating to personal claims of customers and former 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 provided for.

Other

The Group 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

The Group has sold its total shares in Anadolu Cetelem, amounting to 50% of capital, for a cash consideration of TRY 23,962,986 on June 1, 2007 and therefore recognized a profit amounting to TRY 18,962,278, which was classified as "other income" in the consolidated income statement. (Note 16.2).

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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 five major operating segments.

Thousand TRY June 30, 2007	Financial institutions	Automotive	Writing materials and stationery	Food	Other	Unallocated	Elimination	Consolidated
Sales to third-parties	78,991	227,163	46,276	132,085	22,593	4,799	-	511,907
Inter-segment sales	(1,262)	13,769	544	6	3,181	2,894	(19,132)	-
Total Sales	77,729	240,932	46,820	132,091	25,774	7,693	(19,132)	511,907
Gross Operating Income	77,729	62,605	24,120	18,216	4,276	7,693	(3,408)	191,231
Net Operating Income	49,667	22,766	15,424	73	1,464	(3,135)	(3,408)	82,851
Other income (*)	15,046	15,702	1836	3,448	485	107,659	-	144,176
Other expense	(3,972)	(5,920)	(4,509)	(3,506)	(455)	(5,105)	-	(23,467)
Finance expense	(6,567)	(6,436)	(961)	(777)	(125)	(1,163)	-	(16,029)
Income tax expense	(8,068)	(3,816)	(2,015)	-	(410)	(505)	-	(14,814)
Minority expense	(2,996)	(1,358)	-	-	-	(40,858)	-	(45,212)
Net Period Income	43,110	20,938	9,775	(762)	959	56,893	(3,408)	127,505
Total Assets	2,249,072	291,665	87,255	153,343	6,828	1,457,869	(573,942)	3,672,090
Total Liabilities	1,947,267	156,313	43,354	34,406	10,514	43,902	-	2,235,756
Fixed asset purchases	3,178	30,052	666	7,929	1,143	34,319	-	77,287
Depreciation and amortization	1,117	4,578	785	2,926	245	534	-	10,185

(*) Income recognized due to equity pick up adjustment from Anadolu Efes and Anadolu Isuzu that amounts for KTRY 79,553 recorded to other income in unallocated segment.

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33. SEGMENTAL INFORMATION (cont'd)

Thousand TRY June 30, 2006	Financial institutions	Automotive	Writing materials and stationery	Food	Other	Unallocated	Elimination	Consolidated
Sales to third-parties	72,774	312,388	35,854	102,778	17,181	5,347	-	546,322
Inter-segment sales	(1,041)	26,576	3,300	2	2,086	1,245	(32,168)	-
Total Sales	71,733	338,964	39,154	102,780	19,267	6,592	(32,168)	546,322
Gross Operating Income	71,733	70,115	18,939	3,623	6,594	11,426	(7,427)	175,003
Net Operating Income	51,104	24,616	14,560	3,798	(1,527)	(5,605)	(7,427)	79,519
Other income (*)	6,285	11,405	929	(3,513)	62,038	2,598	-	79,742
Other expense	(8,607)	(4,676)	(1,990)	(31)	(740)	(1,515)	-	(17,559)
Finance expense	(26,702)	(12,844)	(1,710)	(749)	(7,707)	-	-	(49,712)
Income tax expense	(3,435)	(2,924)	(411)	(222)	(1,587)	-	-	(8,579)
Minority expense	1,524	1,210	-	-	(19,459)	-	-	(16,725)
Net Period Income	20,169	16,787	11,378	(717)	31,018	(4,522)	(7,427)	66,686
Total Assets	1,916,300	220,952	66,090	116,993	39,680	1,342,493	(561,808)	3,140,700
Total Liabilities	1,687,793	94,194	26,937	40,493	27,271	47,312	-	1,924,000
Fixed asset purchases	666	4,570	3,259	5,434	129	82	-	14,140
Depreciation and amortization	1,030	4,043	784	3,160	96	417	-	9,530

(*) Income recognized due to equity pick up adjustment from Anadolu Efes, Anadolu Isuzu and Anadolu Cetelem that amounts for KTRY 47,012 recorded to other income in unallocated segment.

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33. SEGMENTAL INFORMATION (cont'd)

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 36.23% (December 31, 2006: 36.23%). 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, 2007 and June 30, 2006 are reflected in "other income and expenses" line of the consolidated income statement as TRY 76,019,168 and TRY 41,201,755 respectively.

34. SUBSEQUENT EVENTS

On November 23, 2006, a share purchase agreement was signed between AEH, Çelik Motor, Anadolu Motor, Efes Pazarlama ve Dağıtım Ticaret A.Ş. and Greece-based Alpha Bank, covering the establishment of a new company in which both sides would have equal representation of control with 50% shareholding each and the transfer of 94.04% shares of ABank and held by these four companies and 94.88% shares of ALease held by AEH to the company to be established. Upon its evaluation, the Banking Regulation and Supervisory Agency informed the public of its decision dated August 7, 2007 and numbered 2273, that the above-mentioned share transfers in ABank and ALease were not approved.

The Board of Directors of AEH, agreed to acquire the 25% shares of D Tes Elektrik Enerjisi Toptan Satış A.Ş. for a total cash consideration of TRY 128,404.35 from Doğan Şirketler Grubu Holding A.Ş. by decision dated July 4, 2007.

The Board of Directors of AEH, agreed to acquire the 25% shares of Aslancık Elektrik Üretim ve Ticaret Limited Şirketi for a cash consideration of TRY 35,432 from Doğu Holding A.Ş. by decision dated July 2, 2007

Kamil Yazıcı Yönetim Danışma A.Ş., the major shareholder of the Company, purchased total of 455,359 shares of Yazıcılar for varying per share prices between TRY 8.30-8.90 from the ISE between August 17, 2007 and September 4, 2007. Accordingly, Kamil Yazıcı Yönetim ve Danışma A.Ş.'s share in Yazıcılar increased from 33.50% to 33.78%.

35. DISCONTINUED OPERATIONS

Upon disapproval of Banking Regulation and Supervision Agency, regarding the transfer 50% shares of ALease, ABank and its subsidiaries to Alpha Bank, the financial statement items stated as "held-for-sale operations" in consolidated financial statements as of December 31, 2006, are represented (Note 2).

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36. OPERATING INCOME

	June 30, 2007	June 30, 2006
GROSS OPERATING PROFIT		
Non-banking		
Revenue net off cost of sales	99,051,889	91,284,053
Service Income (*)	13,189,281	10,945,003
Banking – net interest and banking service income	78,990,639	72,773,835
Total	191,231,809	175,002,891

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

The breakdown of depreciation and amortization of fixed assets recorded to income statement is as follow;

	June 30, 2007	June 30, 2006
Depreciation of tangibles and amortization of intangibles		
Cost of sales	3,234,508	3,286,792
General administrative expenses	6,320,749	5,937,737
Selling and marketing expenses	630,307	305,222
Total	10,185,564	9,529,751

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

	June 30, 2007	June 30, 2006
Personnel expenses		
Cost of sales	20,063,192	18,154,079
General administrative expenses	45,746,159	37,665,998
Selling and marketing expenses	5,305,471	4,170,717
Total	71,114,822	59,990,794

37. OPERATING EXPENSES

	June 30, 2007	June 30, 2006
Non-banking	78,105,585	74,964,022
Banking	30,274,660	20,519,941
Total	108,380,245	95,483,963

Non-Banking

	June 30, 2007	June 30, 2006
General administrative expenses	38,783,288	35,024,426
Selling and marketing expenses	39,148,914	39,848,138
Research and development expenses	173,383	91,458
Total	78,105,585	74,964,022

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37. OPERATING EXPENSES (cont'd)

Banking

	June 30, 2007	June 30, 2006
General administrative expenses	22,379,660	6,264,941
Foreign currency losses, net	7,895,000	14,255,000
Total	30,274,660	20,519,941

38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS

38.1 OTHER OPERATING INCOME AND GAIN

	June 30, 2007	June 30, 2006
Income from associates	79,553,686	47,011,661
Gain on sale of investment in associate (*)	18,962,278	-
Gains from capital market transactions	1,971,000	-
Foreign exchange gain	19,248,812	7,970,429
Dividend income	921	34,125
Interest income	5,367,600	6,477,139
Gain on sale of property, plant and equipment	811,267	216,053
Reversal of provision for loan and other losses	3,956,498	6,053,948
Transportation income	721,988	1,161,740
Rent income	269,035	239,882
Insurance damage income	580,250	1,045,412
After sales service income	2,173,209	2,236,399
Commission income	1,853,756	1,284,372
Distributor contribution share	1,119,023	1,007,404
Other	7,587,431	5,004,077
Total	144,176,754	79,742,641

(*) The conditions set forth in the related share purchase agreement signed between the Company, Özilhan Sınai Yatırım A.Ş., AEH and TEB Mali Yatırımlar A.Ş., regarding the transfer of shares in Anadolu Cetelem, have been fulfilled and the necessary approvals from the Banking Regulation and Supervisory Agency and the Competition Board were received. The Company, Ozilhan Sınai Yatırım A.Ş and AEH transferred the 10,813,000,000 number of shares (50% of total capital) of Anadolu Cetelem to TEB Mali Yatırımlar A.Ş. as of June 1, 2007 (Note 32).

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38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS (cont'd)

38.2 OTHER OPERATING EXPENSE AND LOSS

	June 30, 2007	June 30, 2006
Foreign exchange loss	9,322,139	4,127,739
Donation	550,000	1,224,122
Losses from capital market transactions	-	7,297,000
Discount interest expense	3,642,895	1,990,135
Losses on sale of property, plant and equipment	2,255,793	414,825
Other	7,696,785	2,505,645
Total	23,467,612	17,559,466

39. FINANCE EXPENSES

	June 30, 2007	June 30, 2006
Interest expenses	14,864,609	7,982,936
Foreign exchange loss	412,270	40,140,295
Other	752,754	1,589,165
Total	16,029,633	49,712,396

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 periods ended June 30, 2007 and June 30, 2006.

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41. TAXATION

	June 30, 2007	June 30, 2006
Current tax expense	3,879,656	8,550,340
Effect of the change of tax rate	-	5,841,849
Deferred tax expense	10,934,392	(5,813,611)
Total	14,814,048	8,578,578

The Group is subject to taxation in accordance with the tax procedures and the legislation effective in the countries in which the Group companies operate.

The corporation tax rate for the fiscal year is 20% in Turkey (2006 - 20%). Corporate tax returns are required to be filed until the fifteenth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2006 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

According to the Turkish Tax Law, corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

With the new law enacted, effective from January 1, 2006, Turkish government ceased to offer “Investment Incentives” for capital investments. Investment allowances provides a deduction from the corporate tax base of 40% of the purchase price of purchases of the brand-new fixed assets having economic useful life and directly related with the production of goods and services. According to the transitional provisions on the protection of acquired rights, expenditures on incomplete investments after December 31, 2005 and investment allowances which have been qualified in prior years but not used because of loss can be used as investment allowance until December 31, 2008. Unused investment allowances when vested between these years, can not be used once again. However, corporate tax rate will be 30% instead of 20% in the years in which investment allowance can be exercised.

In Turkey, the tax legislation does not permit to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis.

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41. TAXATION (cont'd)

The reconciliation of the total income tax to the theoretical amount that would arise using the tax rate of the home company of the Company is as follows:

	June 30, 2007	June 30, 2006
Consolidated profit before tax	142,319,307	75,264,853
Tax calculated at the parent company tax rate of 20%	28,463,859	15,052,971
Add non deductible expenses	10,720,726	3,853,970
Non-taxable income	(5,137,868)	(4,638,440)
Utilization of tax loss carryforward	(14,997,371)	1,258,239
Donations	(104,000)	(130,000)
Consolidation effect	(11,434,605)	(5,943,435)
Effect of change in tax rate	-	5,841,849
Permanent differences between CMB and statutory results	7,303,307	(6,716,576)
Tax charge	14,814,048	8,578,578

42. EARNING PER SHARE

	June 30, 2007	June 30, 2006
Net profit	127,505,259	66,686,275
Weighted average number of shares	160,000,000	160,000,000
Earnings per share	0.7969	0.4168

As explained in detail in Note 25, the Company's share capital has been increased by TRY 120,000,000 to TRY 160,000,000 from equity reserves. Therefore, increased number of shares has been taken into consideration in earnings per share calculation for the current period and prior period presented.

43. CASH FLOW STATEMENT

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

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44. OTHER ISSUES

44.1 RESERVE DEPOSITS AT CENTRAL BANK

	June 30, 2007	December 31, 2006
Reserve Deposits at Central Bank		
- New Turkish Lira	-	1,289,000
- Foreign Currency	74,132,000	59,999,000
Total	74,132,000	61,288,000

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, 2007 and December 31, 2006, reserve deposit rates applicable for the TRY and foreign currency deposits are 11.00% and 6.00% respectively.

As of June 30, 2007, the interest rates applied for TRY and foreign currency reserve deposits are 13.12% and 2.53% (December 31, 2006: 13.12% and 2.52%) respectively.

44.2 BANKING LOANS

	June 30, 2007				Effective interest rate		
	Amount			Total	TRY	Foreign currency	Foreign currency indexed
	TRY	Foreign currency	Foreign currency indexed				
Corporate loans (*)	944,801,000	285,538,662	378,855,000	1,609,194,662	24.08%	7.51%	8.18%
Consumer loans	15,379,000	-	583,000	15,962,000	21.47%	-	8.67%
Total performing loans	960,180,000	285,538,662	379,438,000	1,625,156,662			
Loans in arrears	52,482,000	-	-	52,482,000	-	-	-
Less: Reserve for possible loan losses	(46,137,000)	-	-	(46,137,000)	-	-	-
Total	966,525,000	285,538,662	379,438,000	1,631,501,662			
	December 31, 2006				Effective interest rate		
	Amount			Total	TRY	Foreign currency	Foreign currency indexed
	TRY	Foreign currency	Foreign currency indexed				
Corporate loans (*)	748,067,440	264,533,274	315,587,000	1,328,187,714	24.7%	7.7%	8.1%
Consumer loans	18,360,000	-	2,064,000	20,424,000	21.1%	-	7.6%
Total performing loans	766,427,440	264,533,274	317,651,000	1,348,611,714			
Loans in arrears	38,050,000	-	-	38,050,000	-	-	-
Less: Reserve for possible loan losses	(41,887,000)	-	-	(41,887,000)	-	-	-
Total	762,590,440	264,533,274	317,651,000	1,344,774,714			

(*) Corporate loans include restructured loans which amount to TRY 4,697,000 (December 31, 2006: TRY 6,474,000).

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44. OTHER ISSUES (cont'd)

44.2 BANKING LOANS cont'd)

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

	June 30, 2007	June 30, 2006
Reserve at beginning of year	41,887,000	31,387,000
Provision for possible loan losses	8,231,173	9,127,000
Collections	(3,865,126)	(9,542,000)
Loans written off and sold during the period	(116,047)	(182,000)
Reserve at the end of period	46,137,000	30,790,000

ABank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of June 30, 2007 interest accrued on the restructured loans amounted to TRY 1,664,000 (December 31, 2006: TRY 2,412,000).

Provision for doubtful loans includes TRY 11,154,000 (December 31, 2006: TRY 9,461,000) provided on a portfolio basis as of June 30, 2007.

As of June 30, 2007, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRY 52,482,000 (December 31, 2006: TRY 38,050,000).

The TRY 1,386,819,601 amount of 'Banking Loans' covers (December 31, 2006: TRY 1,154,726,791) current loans and TRY 244,682,061 amount covers (December 31, 2006: TRY 190,047,923) non-current loans.

44.3 DEPOSITS

Deposits from other banks

	June 30, 2007				December 31, 2006			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign Currency
Demand	46,000	6,211,000	-	-	50,000	33,000	-	-
Time	1,084,469	67,152,000	19.20%	5.14%	6,041,000	-	18.54%	-
Total	1,130,469	73,363,000			6,091,000	33,000		

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44. OTHER ISSUES (cont'd)

44.3 DEPOSITS (cont'd)

Customer deposits

	June 30, 2007				December 31, 2006			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign Currency
Saving Demand Time	9,794,000	19,795,000	-	-	8,716,000	22,174,000	-	-
	349,834,000	241,519,000	19.05%	%4.81	366,335,000	288,334,000	20.64%	5.20%
Total	359,628,000	261,314,000			375,051,000	310,508,000		
Commercial and other Demand Time	44,812,229	52,613,987	-	-	31,366,578	55,370,136	-	-
	134,028,152	125,369,408	17.93%	%4.53	168,727,822	132,010,666	18.89%	4.56%
Total	178,840,381	177,983,395			200,094,400	187,380,802		
Total	538,468,381	439,297,395			575,145,400	497,888,802		

Other money market deposits

	June 30, 2007				December 31, 2006			
	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	5,295,000	-	15.53%	-	9,281,000	-	16.73%	-
-Due to banks	38,788,000	-	17.43%	-	964,000	-	16.65%	-
	44,083,000	-			10,245,000	-		
Inter-bank deposits	13,264,000	-	17.93%	-	13,438,000	-	18.03%	-
Other money market deposits	-	-	-	-	-	-	-	-
Total	57,347,000	-			23,683,000	-		

The TRY 1,109,606,245 amount of 'Deposits' covers current loans (December 31, 2006: TRY 1,102,824,202) and there is not any long term loan (December 31, 2006: TRY 17,000).

44.4 FUNDS BORROWED

	June 30, 2007				December 31, 2006			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Short-term	56,230,321	382,826,666			46,421,747	414,304,254		
Fixed interest	56,230,321	164,376,009	15.49%-23.05%	4.82%-7.30%	46,421,747	208,775,496	13.72%-23.05%	4.82%-7.30%
Floating interest	-	218,450,657	-	5.16%-7.36%	-	205,528,758	-	4.93%-7.37%
Medium-long term	4,818,385	271,457,628			2,186,321	271,281,678		
Fixed interest	4,818,385	1,407,448	19.70%-23.80%	5.53%-5.89%	2,186,321	5,694,000	23.80%	6.51%
Floating interest	-	270,050,180	-	5.51%-7.58%	-	265,587,678	-	5.15%-7.91%
Total	61,048,706	654,284,294			48,608,068	685,585,932		
Total funds borrowed	715,333,000				734,194,000			

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44. OTHER ISSUES (cont'd)

44.4 FUNDS BORROWED (cont'd)

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

	June 30, 2007		December 31, 2006	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2007	-	1,088,000	1,383,000	-
2008	6,225,833	194,075,951	6,497,321	209,842,326
2009	-	12,187,636	-	6,423,122
2010	-	7,732,429	-	6,423,122
2011	-	5,045,864	-	3,597,408
2012	-	49,920,300	-	38,732,700
Later	-	-	-	569,000
Total	6,225,833	270,050,180	7,880,321	265,587,678

Letters of guarantee denominated in foreign currency, TRY equivalent of which amounts to TRY 3,562,699 (December 31, 2006: TRY 3,802,000) were given to the lending institutions as collateral against the loans obtained.

As of June 30, 2007 TRY 2,737,868 (December 31, 2006: None) is borrowed by issuing promissory note to the related bank.

TRY amount of 439,056,987 'Funds Borrowed' covers (December 31, 2006: TRY 460,726,001) current deposits and TRY 276,276,013 amount covers (December 31, 2006: TRY 273,467,999) non-current deposits.

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 favourable (assets) and unfavourable (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.

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44. OTHER ISSUES (cont'd)

44.5 DERIVATIVES (cont'd)

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, 2007									
	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	3,297,000	9,000	72,788,000	32,443,000	18,746,000	17,548,000	856,000	3,195,000	-
Forward sale contract	55,000	297,000	68,668,000	30,370,000	18,255,000	16,571,000	843,000	2,629,000	-
Currency swap purchase	58,000	292,000	485,120,000	320,782,000	98,603,000	-	65,735,000	-	-
Currency swap sale	-	30,205,000	524,039,000	331,968,000	114,671,000	-	77,400,000	-	-
Futures purchase	-	989,000	120,138,000	-	120,138,000	-	-	-	-
Futures sale	-	-	121,127,000	-	121,127,000	-	-	-	-
Futures interest purchase	-	-	-	-	-	-	-	-	-
Futures interest sale	-	-	-	-	-	-	-	-	-
Option purchase	112,000	374,000	31,452,000	13,769,000	1,425,000	11,000,000	-	5,258,000	-
Option sale	194,000	34,000	32,433,000	13,747,000	1,447,000	10,999,000	-	6,240,000	-
Interest Swap Purchase	176,000	-	26,294,000	13,147,000	13,147,000	-	-	-	-
Interest Swap Sale	1,279,000	-	26,380,000	13,240,000	13,140,000	-	-	-	-
Total	5,171,000	32,200,000	1,508,439,000	769,466,000	520,699,000	56,118,000	144,834,000	17,322,000	-

December 31, 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	2,420,000	36,000	72,585,000	17,245,000	28,190,000	17,356,000	9,794,000	-	-
Forward sale contract	-	180,000	67,900,000	16,486,000	26,293,000	16,035,000	9,086,000	-	-
Currency swap purchase	268,000	409,000	626,950,000	499,541,000	49,688,000	28,262,000	49,459,000	-	-
Currency swap sale	-	9,807,000	643,345,000	499,651,000	53,108,000	30,448,000	60,138,000	-	-
Futures purchase	-	551,000	18,220,000	-	18,220,000	-	-	-	-
Futures sale	-	-	18,771,000	-	18,771,000	-	-	-	-
Futures interest purchase	-	-	-	-	-	-	-	-	-
Futures interest sale	-	-	-	-	-	-	-	-	-
Option purchase	301,000	720,000	162,093,000	84,762,000	61,571,000	13,521,000	2,239,000	-	-
Option sale	699,000	356,000	162,594,000	85,245,000	61,584,000	13,526,000	2,239,000	-	-
Sswap purchase	149,000	-	28,262,000	-	-	-	-	28,262,000	-
Swap sale	2,883,000	-	26,380,000	-	-	-	-	26,380,000	-
Total	6,720,000	12,059,000	1,827,100,000	1,202,930,000	317,425,000	119,148,000	132,955,000	54,642,000	-

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44. OTHER ISSUES (cont'd)

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.

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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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.

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

	June 30, 2007		December 31, 2006	
	Cash	Non-cash	Cash	Non-cash
Automotive	52,195,000	53,278,000	54,687,870	61,202,000
Chemical	35,468,000	30,703,000	35,731,000	27,733,000
Construction	167,574,000	242,390,000	181,565,000	160,816,000
Electrics and electronics	23,556,000	49,778,000	11,978,000	10,032,000
Finance	74,717,000	86,000,000	64,430,000	90,820,000
Food and beverage	119,337,377	75,587,000	114,287,844	123,124,000
Forest products and agriculture	32,984,000	12,563,000	22,057,000	10,518,000
Iron and steel, non-metal	72,594,000	66,570,000	64,540,000	55,537,000
Machinery	54,881,000	35,946,000	48,222,000	24,410,000
Mining	25,726,000	18,083,000	18,960,000	6,867,000
Paper	11,975,000	8,025,000	8,543,000	6,353,000
Petroleum	9,744,000	4,169,000	4,496,000	4,573,000
Production	118,409,000	58,231,000	64,691,000	35,505,000
Textile	185,097,000	37,732,000	167,081,000	37,926,000
Tourism	41,720,285	13,102,000	30,901,000	7,942,000
Trade	384,468,000	261,261,000	261,325,000	195,811,000
Transportation	68,767,000	33,599,000	55,101,000	24,709,000
Others	112,647,000	73,581,000	98,021,000	60,258,000
Corporate loans	1,591,859,662	1,160,598,000	1,306,617,714	944,136,000
Consumer loans	15,919,000	-	20,340,000	-
Interest accruals	17,378,000	-	21,654,000	-
Loans in arrears	52,482,000	-	38,050,000	-
Provision for possible losses	(46,137,000)	-	(41,887,000)	-
Total	1,631,501,662	1,160,598,000	1,344,774,714	944,136,000

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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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.

The table below analyses assets and liabilities (in thousands of TRY) of ABank and ALease 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, 2007						
Assets						
Cash and balances with the Central Bank	84,297	-	-	-	-	84,297
Deposits with banks and other financial	47,484	-	-	-	-	47,484
Other money market placements	635	-	-	-	-	635
Reserve deposits at the Central Bank	74,132	-	-	-	-	74,132
Trading securities	36,318	33	1,080	238	4,394	42,063
Investment securities	208	96	-	505	116,767	117,576
Originated loans and advances	467,463	390,831	321,688	212,600	246,077	1,638,659
Leasing receivables	25,352	14,603	21,019	39,006	97,630	197,610
Derivative financial instruments	2,861	1,440	679	38	153	5,171
Associates	-	-	-	-	17	17
Assets held for resale	-	-	-	-	3,891	3,891
Tangible assets	-	-	-	-	6,387	6,387
Intangible assets	-	-	-	-	1,026	1,026
Deferred tax assets	-	-	-	-	54	54
Other assets	11,195	44	102	205	47,605	59,151
Total Assets	749,945	407,047	344,568	252,592	524,001	2,278,153
Liabilities						
Deposits from other banks	74,488	-	-	-	-	74,488
Customers' deposits	940,541	67,228	7,920	249	-	1,015,938
Other money market deposits	57,347	-	-	-	-	57,347
Funds borrowed	60,611	52,610	243,945	91,972	266,196	715,334
Derivative financial instruments	11,036	15,860	147	4,966	191	32,200
Other liabilities and provisions	113,220	-	-	-	588	113,808
Income taxes payable	-	-	-	-	-	-
Total Liabilities	1,257,243	135,698	252,012	97,187	266,975	2,009,115
Net liquidity gap	(507,298)	271,349	92,556	155,405	257,026	269,038
As at December 31, 2006						
Total assets	930,294	380,850	263,560	200,512	432,806	2,207,942
Total liabilities	1,147,014	148,726	68,264	338,994	279,384	1,982,382
Net liquidity gap	(216,720)	232,124	195,296	(138,482)	153,422	225,640

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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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.

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 ALease are as follows:

Thousands TRY	New Turkish Lira	US Dollars	EUR	Japanese Yen	Others	Total
As at June 30, 2007						
Assets						
Cash and balances with the Central Bank	39,590	39,339	5,240	-	128	84,297
Deposits with banks and other financial institutions	21,147	19,390	6,057	33	857	47,484
Other money market placements	635	-	-	-	-	635
Reserve deposits at the Central Bank	-	74,132	-	-	-	74,132
Trading securities	42,030	33	-	-	-	42,063
Investment securities	90,679	26,846	51	-	-	117,576
Originated loans and advances	970,032	297,609	371,013	-	5	1,638,659
Minimum lease payments receivable	44,281	57,170	96,159	-	-	197,610
Derivative financial instruments	5,171	-	-	-	-	5,171
Investments	17	-	-	-	-	17
Assets held for resale	3,891	-	-	-	-	3,891
Tangible assets	6,387	-	-	-	-	6,387
Intangible assets	1,026	-	-	-	-	1,026
Deferred tax assets	54	-	-	-	-	54
Other assets	30,732	15,873	12,546	-	-	59,151
Total assets	1,255,672	530,392	491,066	33	990	2,278,153
Liabilities						
Deposits from other banks	1,149	52,002	21,337	-	-	74,488
Customers' deposits	550,549	332,713	124,483	6,958	1,235	1,015,938
Other money market deposits	57,347	-	-	-	-	57,347
Funds borrowed	61,134	493,229	160,971	-	-	715,334
Derivative financial instruments	32,200	-	-	-	-	32,200
Other liabilities and provisions	67,729	34,551	10,603	-	925	113,808
Income taxes payable	-	-	-	-	-	-
Total liabilities	770,108	912,495	317,394	6,958	2,160	2,009,115
Net on-balance sheet position	485,564	(382,103)	173,672	(6,925)	(1,170)	269,038
Off-balance sheet position						
Net nominal amount of derivatives	(224,111)	419,380	(187,661)	-	8,066	15,674
Non- cash loans	523,944	406,540	221,796	-	8,318	1,160,598
As at December 31, 2006						
Total assets	1,078,408	716,758	411,712	-	1,144	2,208,022
Total liabilities	736,064	977,792	259,536	-	8,990	1,982,382
Net on balance sheet position	342,344	(261,034)	152,176	-	(7,846)	225,640

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Off-balance sheet position, net nominal amount	334,503	594,638	5,004	-	30,814	964,959
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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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 ALease's 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	Non interest bearing	Total
As at June 30, 2007							
Assets							
Cash and balances with the Central Bank	14,722	-	-	-	-	69,575	84,297
Deposits with banks and other financial institutions	36,786	-	-	-	-	10,698	47,484
Other money market placements	635	-	-	-	-	-	635
Reserve deposits at the Central Bank	74,132	-	-	-	-	-	74,132
Trading securities	14,476	75	1,080	239	4,331	21,862	42,063
Investment securities	21,059	43,299	-	505	52,543	170	117,576
Originated loans and advances	1,155,252	89,535	72,614	90,482	209,815	20,961	1,638,659
Minimum lease payments receivable	18,744	14,603	21,019	39,006	97,630	6,608	197,610
Derivative financial instruments	2,864	1,439	679	37	152	-	5,171
Associates	-	-	-	-	-	17	17
Tangible assets held for resale	-	-	-	-	-	3,891	3,891
Tangible assets	-	-	-	-	-	6,387	6,387
Intangible assets	-	-	-	-	-	1,026	1,026
Deferred tax asset	-	-	-	-	-	54	54
Other assets	3	8	48	126	190	58,776	59,151
Total Assets	1,338,673	148,959	95,440	130,395	364,661	200,025	2,278,153
Liabilities							
Deposits from other banks	68,234	-	-	-	-	6,254	74,488
Customers' deposits	809,579	67,228	7,920	249	-	130,962	1,015,938
Other money market deposits	57,347	-	-	-	-	-	57,347
Funds borrowed	110,941	71,512	413,361	55,809	63,711	-	715,334
Derivative financial instruments	11,036	15,860	147	4,966	191	-	32,200
Other liabilities and provisions	620	-	-	-	192	112,996	113,808
Income taxes payable	-	-	-	-	-	-	-
Total Liabilities	1,057,757	154,600	421,428	61,024	64,094	250,212	2,009,115
On balance sheet interest sensitivity gap	280,916	(5,641)	(325,988)	69,371	300,567	(50,187)	269,038
Off balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	280,916	(5,641)	(325,988)	69,371	300,567	(50,187)	269,038

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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

The table below summarizes ABank and ALease's 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	Non interest bearing	Total
As at December 31, 2006							
Assets	62,660	-	-	-	-	42,680	105,340
Cash and balances with the Central Bank	295,918	-	-	-	-	8,490	304,408
Deposits with banks and other financial institutions	19,530	-	-	-	-	-	19,530
Other money market placements	61,288	-	-	-	-	-	61,288
Reserve deposits at the Central Bank	316	220	404	3,104	4,302	13,786	22,132
Trading securities	21,238	58,582	-	-	25,312	-	105,132
Investment securities	977,356	65,100	68,532	91,990	147,780	-	1,350,758
Originated loans and advances	12,048	13,940	19,988	36,332	91,910	8,110	182,328
Minimum lease payments receivable	-	-	-	-	-	6,720	6,720
Derivative financial instruments	-	-	-	-	-	188	188
Tangible assets held for resale	-	-	-	-	-	10,218	10,218
Tangible assets	-	-	-	-	-	4,488	4,488
Intangible assets	-	-	-	-	-	864	864
Deferred tax liabilities	-	-	-	-	-	8,018	8,018
Other assets	-	-	-	-	-	26,610	26,610
Total assets	1,450,354	137,842	88,924	131,426	269,304	130,172	2,208,022
Liabilities							
Deposits from other banks	6,042	-	-	-	-	84	6,126
Customers' deposits	872,366	122,048	3,494	498	18	119,740	1,118,164
Other money market deposits	23,684	-	-	-	-	-	23,684
Funds borrowed	95,394	64,428	435,660	135,834	2,882	-	734,198
Derivative financial instruments	-	-	-	-	-	12,060	12,060
Other liabilities and provisions	8,212	104	124	218	1,014	78,478	88,150
Income tax payable	-	-	-	-	-	-	-
Total liabilities	1,005,698	186,580	439,278	136,550	3,914	210,362	1,982,382
On balance sheet interest sensitivity gap	444,656	(48,738)	(350,354)	(5,124)	265,390	(80,190)	225,640
Off balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	444,656	(48,738)	(350,354)	(5,124)	265,390	(80,190)	225,640

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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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.

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, 2007 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 13.04% (December 31, 2006: 13.05%).

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, 2007	Average exchange buying rate in the period	Exchange buying rate at June 30, 2007
TRY /USD	Turkey	1.4056	1.3679	1.3046
TRY /EUR	Turkey	1.8515	1.8175	1.7585
		Exchange selling rate at January 1, 2007	Average exchange selling rate in the period	Exchange selling rate at June 30, 2007
TRY /USD	Turkey	1.4124	1.3745	1.3109
TRY /EUR	Turkey	1.8604	1.8263	1.7670

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44. OTHER ISSUES (cont'd)

44.6 FINANCIAL INSTRUMENTS (cont'd)

1) Foreign currency risk (cont'd)

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.

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, 2007, overwhelming majority of the Group's (non-banking) long-term debt was at fixed rates.

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

Fixed rate bank loans	4.1% - 7.5%
Fixed rate financial lease payables	None

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44.6 FINANCIAL INSTRUMENTS (cont'd)

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.