

**YAZICILAR HOLDİNG ANONİM ŐİRKETİ**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED CONDENSED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2010  
TOGETHER WITH AUDITOR'S REVIEW REPORT**

**(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF  
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

To the Board of Directors of Yazıcılar Holding A.Ş.

*Introduction*

1. We have reviewed the accompanying consolidated condensed interim balance sheet of Yazıcılar Holding A.Ş., its subsidiaries and joint ventures (the "Group") as of 30 June 2010, and the related consolidated condensed statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. The Group management is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with the financial reporting standards endorsed by the Capital Markets Board of Turkey. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review. The consolidated financial statements of the Group as of 31 December 2009 and for the year then ended, prior to income statement reclassifications discussed in Note 2 which do not impact the reported operating profit and net income, were audited by another auditor whose audit report dated 2 April 2010 expressed an unqualified opinion on those statements. The consolidated condensed financial information of the Group as of 30 June 2009 and for the six-month period then ended, prior to income statement reclassifications discussed in Note 2 which do not impact the reported operating profit and net income, was reviewed by another auditor whose review report dated 27 August 2009 expressed an unmodified conclusion on those statements.

*Scope of Review*

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in "Section 34 of the Communiqué No:X-22 on the auditing standards issued by the Capital Markets Board". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards accepted by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

*Conclusion*

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with financial reporting standards endorsed by the Capital Markets Board (Note 2).

*Other Matter*

4. We have also reviewed the income statement reclassifications in the consolidated financial statements as of 31 December 2009, 30 June 2009 and for the six-month period then ended discussed in Note 2 which do not impact the reported operating profit and net income. Based on our review, nothing has come to our attention that causes us to believe that such income statement reclassifications are not in accordance with financial reporting standards endorsed by the Capital Markets Board.

*Additional Paragraph for Convenience Translation into English*

5. The accounting principles described in Note 2 to the consolidated condensed interim financial statements (defined as the "CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005 and presentation of basic financial statements and the notes to them. Accordingly, the accompanying consolidated condensed interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

Burak Özpoyraz, SMMM  
Partner

Istanbul, 27 August 2010

# YAZICILAR HOLDİNG ANONİM ŞİRKETİ

## Interim Condensed Consolidated Financial Statements as of June 30, 2010

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(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2010**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed June 30, 2010	Restated Audited December 31, 2009
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6	3.890.161	3.631.801
Financial Instruments	7	355.689	311.651
Reserve Deposits at Central Bank	41.1	245.607	303.638
Banking Loans (net)	41.2	90.961	69.942
Trade Receivables (net)	10.1	2.626.268	2.420.744
Financial Lease Receivables (net)	12.1	208.262	143.914
Derivative Financial Instruments	41.5	127.399	139.148
Due From Related Parties (net)	37.2	8.503	7.237
Other Receivables (net)	11.1	17.314	11.812
Biological Assets (net)	14	41.182	46.109
Inventories (net)	13	9.767	9.453
Receivables from Construction Contracts in Progress (net)	15	104.984	123.023
Other Current Assets	26.1	-	-
		54.225	45.130
<b>Non-Current Assets</b>			
Financial Instruments	7	2.310.430	2.153.546
Banking Loans (net)	41.2	241.438	237.685
Trade Receivables (net)	10.1	353.814	295.835
Financial Lease Receivables (net)	12.1	-	-
Derivative Financial Instruments	41.5	121.545	113.177
Due from Related Parties (net)	37.2	-	-
Other Receivables (net)	11.2	6.810	5.651
Investments Accounted Through Equity Method	16	14.265	10.682
Goodwill (net)	20	1.121.719	1.090.393
Assets Held For Sale (net)	34	35.344	35.344
Property, Plant and Equipment (net)	18	33.255	28.966
Intangible Assets (net)	19	302.095	276.293
Deferred Tax Assets	35.1	12.847	7.191
Other Non-Current Assets	26.2	32.117	29.500
		35.181	22.829
<b>TOTAL ASSETS</b>		<b>6.200.591</b>	<b>5.785.347</b>

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

(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2010**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed June 30, 2010	Restated Audited December 31, 2009
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>3.802.519</b>	3.479.480
Short-Term Borrowings (net)	8	184.753	216.276
Current Portion of Long-Term Borrowings (net)	8	50.225	50.796
Financial Lease Obligations (net)	12.2	-	-
Other Financial Liabilities (net)	9	-	-
Trade Payables (net)	10.2	111.341	46.316
Banking Customer Deposits	41.3	2.512.341	2.528.901
Funds Borrowed	41.4	721.748	460.320
Blocked Accounts		57.954	40.922
Due to Related Parties (net)	37.3	156	2.402
Other Payables	11.3	28.217	29.395
Deferred Income from Construction Contracts in progress (net)	15	-	-
Provisions	22	19.894	33.253
Income Tax Payable	35.3	6.761	2.544
Derivative Financial Instruments	41.5	9.809	8.687
Provisions for the Employee Benefits	24	17.286	12.932
Other Current Liabilities (net)	26.3	82.034	46.736
<b>Non-Current Liabilities</b>		<b>217.285</b>	232.664
Long-Term Borrowings (net)	8	38.828	24.521
Financial Lease Obligations (net)	12.2	-	-
Other Financial Liabilities (net)	9	-	-
Trade Payables (net)	10.2	-	-
Banking Customer Deposits	41.3	-	-
Funds Borrowed	41.4	148.993	180.736
Blocked Accounts		-	-
Due to Related Parties (net)	37.3	-	-
Other Payables	11.3	738	348
Provisions	22	-	-
Derivative Financial Instruments	41.5	-	-
Provisions for the Employee Benefits	24	14.654	14.012
Deferred Tax Liability	35.1	13.792	12.717
Other Liabilities (net)	26.3	280	330
<b>EQUITY</b>		<b>2.180.787</b>	2.073.203
<b>Equity Attributable to Equity Holders of the Parent</b>		<b>1.678.928</b>	1.597.438
Paid-in Share Capital	27	160.000	160.000
Adjustment to Share Capital and Equity Instruments	27	-	-
Share Premium		9.474	9.474
Revaluation Surplus	27	7.925	8.266
Restricted Reserves Allocated from Net Profit	27	16.063	14.080
Currency Translation Differences		(6.602)	(6.292)
Other Reserves		(1.861)	-
Net Income		119.164	230.336
Retained Earnings	27	1.374.765	1.181.574
<b>Minority Interest</b>		<b>501.859</b>	475.765
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6.200.591</b>	5.785.347

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

(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2010**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed		Restated	
		01.01.2010 – 30.06.2010	01.04.2010 – 30.06.2010	01.01.2009– 30.06.2009	01.04.2009 – 30.06.2009
<b>CONTINUING OPERATIONS</b>					
Revenue (net)	28	528.023	283.750	523.225	291.480
Cost of Sales (-)	28	(434.085)	(231.034)	(425.156)	(236.766)
Service Income (net)	28	20.428	10.837	20.000	10.639
<b>Gross Profit from Trading Operations</b>		<b>114.366</b>	<b>63.553</b>	118.069	65.353
Interest and Other Income	28	195.648	90.411	288.999	120.372
Interest and Other Expense (-)	28	(84.334)	(40.489)	(131.813)	(54.239)
<b>Gross Profit from Financial Operations</b>		<b>111.314</b>	<b>49.922</b>	157.186	66.133
<b>GROSS PROFIT</b>		<b>225.680</b>	<b>113.475</b>	275.255	131.486
Marketing, Selling and Distribution Expenses (-)	29	(32.583)	(20.709)	(34.404)	(18.619)
General Administrative Expenses (-)	29	(120.844)	(72.216)	(134.210)	(62.523)
Research and Development Expenses (-)	29	(315)	(159)	(241)	(70)
Other Operating Income	30	8.207	4.494	21.416	1.482
Other Operating Expense (-)	31	(10.591)	(6.439)	(7.204)	(3.736)
<b>OPERATING INCOME</b>		<b>69.554</b>	<b>18.446</b>	120.612	48.020
Gain/(Loss) from Investments Accounted Through					
Equity Method	16	97.052	71.989	78.079	94.311
Financial Income	32	39.354	21.122	57.774	16.664
Financial Expense (-)	33	(38.198)	(19.534)	(71.066)	(17.925)
<b>INCOME BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>167.762</b>	<b>92.023</b>	185.399	141.070
Tax Income/(Expense) from Continuing Operations		(12.293)	(2.734)	(16.287)	(7.353)
- Current Period Tax Expense (-)	35.2	(13.763)	(6.889)	(17.913)	(10.125)
- Deferred Tax Income/(Expense)	35.2	1.470	4.155	1.626	2.772
<b>NET INCOME FOR THE PERIOD FOR CONTINUING OPERATIONS</b>		<b>155.469</b>	<b>89.289</b>	169.112	133.717
<b>Attributable to:</b>					
- Minority Interests		36.305	13.979	46.932	27.575
- Equity Holders of the Parent		119.164	75.310	122.180	106.142
Earnings per share (full TRL)	36	0,74	0,47	0,76	0,66

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

(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE SIX MONTHS  
PERIOD ENDED JUNE 30, 2010**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	<b>Reviewed</b>		<b>Restated Reviewed</b>	
	<b>01.01.2010 – 30.06.2010</b>	<b>01.04.2010 – 30.06.2010</b>	<b>01.01.2009 – 30.06.2009</b>	<b>01.04.2009 – 30.06.2009</b>
<b>Net Income from Continuing Operations</b>	<b>155.469</b>	<b>89.289</b>	169.112	133.717
Change in revaluation surplus of available for sale financial assets, net of tax	(278)	8	(5.074)	136
Currency translation difference	(541)	(270)	4	(158)
Group's share in other comprehensive income of investments accounted through equity method, net of tax	(129)	(12.147)	(8.025)	(19.805)
<b>Other Comprehensive Income/(Loss), (net of tax)</b>	<b>(948)</b>	<b>(12.409)</b>	(13.095)	(19.827)
<b>Total Comprehensive Income</b>	<b>154.521</b>	<b>76.880</b>	156.017	113.890
<b>Attributable to:</b>				
Minority interests	36.008	13.110	45.499	26.428
Equity holders of the parent	118.513	63.770	110.518	87.462

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



(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**REVIEWED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2010**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Paid-in Share Capital	Share Premium	Revaluation Surplus	Restricted Reserves Allocated from Net Profit	Currency Translation Differences	Other Reserves	Net Income	Retained Earnings	Attributable to Equity Holders of the Parent	Minority Interest	Total Equity
As of January 1, 2009	160.000	9.474	4.940	12.110	7.368	-	159.833	1.057.499	1.411.224	392.448	1.803.672
Transfer of net income to the retained earnings	-	-	-	1.970	-	-	(159.833)	157.863	-	-	-
Dividend paid	-	-	-	-	-	-	-	(34.000)	(34.000)	(4.925)	(38.925)
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	-	211	211	(352)	(141)
Other comprehensive income/(expense)	-	-	698	-	(12.360)	-	-	-	(11.662)	(1.433)	(13.095)
Net income	-	-	-	-	-	-	122.180	-	122.180	46.932	169.112
Total comprehensive income/(expense)	-	-	698	-	(12.360)	-	122.180	-	110.518	45.499	156.017
As of June 30, 2009	160.000	9.474	5.638	14.080	(4.992)	-	122.180	1.181.573	1.487.953	432.670	1.920.623
<b>As of January 1, 2010</b>	<b>160.000</b>	<b>9.474</b>	<b>8.266</b>	<b>14.080</b>	<b>(6.292)</b>	<b>-</b>	<b>230.336</b>	<b>1.181.574</b>	<b>1.597.438</b>	<b>475.765</b>	<b>2.073.203</b>
Transfer of net income to the retained earnings	-	-	-	1.983	-	-	(230.336)	228.353	-	-	-
Dividend paid	-	-	-	-	-	-	-	(35.200)	(35.200)	(9.805)	(45.005)
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	-	38	38	20	58
Minority share purchase of investments accounted through equity method (Note 3)	-	-	-	-	-	(1.861)	-	-	(1.861)	(129)	(1.990)
Other comprehensive income/(expense)	-	-	(341)	-	(310)	-	-	-	(651)	(297)	(948)
Net income	-	-	-	-	-	-	119.164	-	119.164	36.305	155.469
Total comprehensive income/(expense)	-	-	(341)	-	(310)	-	119.164	-	118.513	36.008	154.521
<b>As of June 30, 2010</b>	<b>160.000</b>	<b>9.474</b>	<b>7.925</b>	<b>16.063</b>	<b>(6.602)</b>	<b>(1.861)</b>	<b>119.164</b>	<b>1.374.765</b>	<b>1.678.928</b>	<b>501.859</b>	<b>2.180.787</b>

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

(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

**INTERIM CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2010**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

	Notes	Reviewed June 30, 2010	Restated Reviewed June 30, 2009
<b>Cash flow from operating activities</b>			
Income before tax from continuing operations		167.762	185.399
<b>Adjustments for:</b>			
(Gain)/loss from disposal of property, plant and equipment, and intangible assets		(184)	(4.952)
Depreciation and amortization	18, 19	20.457	17.995
Provision for possible loan losses and impairment in receivables	10.1, 12.1, 41.2	15.350	41.884
Provision for warranty	22	(2.492)	(1.281)
Provision for label	22	(10.041)	694
Provision for vacation pay liability	24	1.497	888
Provision for employee termination benefits	24	2.881	2.413
Provision for bonus	24	2.375	5.453
Other provisions		2.361	2.592
Provision for inventories/(reversal)	13	697	(279)
Foreign exchange loss/(gain)		(20.680)	(268)
Interest expenses		8.115	36.368
Gain from investments accounted through equity method		(97.052)	(78.079)
Gain on sale of share in subsidiary	30	-	(11.811)
Net decrease/(increase) in derivative financial instruments – assets	41.5	(1.266)	9.522
Net (decrease)/increase in derivative financial instruments – liabilities	41.5	1.122	(19.777)
Other non-cash income		(9)	(858)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>90.893</b>	<b>185.903</b>
Net (increase)/decrease in financial assets		54.000	(222.365)
Net decrease/(increase) in reserve deposits at Central Bank	41.1	(21.019)	21.718
Net (increase)/(decrease) in banking loans		(276.259)	(62.404)
Net decrease/(increase) in trade and other receivables and due from related parties		(70.222)	(46.015)
Net decrease/(increase) in inventories		17.028	34.900
Net decrease/(increase) in other assets		(20.103)	8.554
Net (decrease)/increase in trade and other payables and due to related parties		94.003	(13.605)
Net (decrease)/increase in banking customer deposits		(16.560)	(130.567)
Net increase/(decrease) in blocked accounts		17.082	(6.956)
Net increase/(decrease) in assets held for sale		(4.289)	(12.897)
Employee termination benefits paid	24	(1.757)	(1.474)
Taxes paid	35.3	(9.546)	(8.747)
<b>Net cash (used in)/ provided by operating activities</b>		<b>(146.749)</b>	<b>(253.955)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment, investment property and intangible asset	18, 19	(63.910)	(18.830)
Proceeds from sale of property, plant and equipment, and intangible asset		12.132	8.889
Purchase of financial assets and participation in capital increase		(1.572)	(15.586)
<b>Net cash used in investing activities</b>		<b>(53.350)</b>	<b>(25.527)</b>
<b>Cash flows (used in)/provided by financing activities</b>			
Dividends and other cash flows from equity participations		65.180	51.627
Dividends paid to minority interests		(9.805)	(4.927)
Dividends paid		(35.200)	(34.000)
Proceeds from borrowings from banks and other institutions		633.186	554.094
Repayments of borrowings and interest from banks and other institutions		(404.651)	(791.683)
Interest paid (-)		(4.079)	(30.880)
<b>Net cash (used in)/provided by financing activities</b>		<b>244.631</b>	<b>(255.769)</b>
Currency translation on cash and cash transaction		(494)	5
Net (decrease)/increase in cash and cash equivalents		44.038	(535.246)
Cash and cash equivalent at the beginning of the period	6	311.651	925.410
<b>Total cash and cash equivalent at the end of the period</b>		<b>355.689</b>	<b>390.164</b>
Interest income		3.769	3.858
Dividend income		160	82

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

(Convenience Translation into English of Financial Statements Originally Issued in Turkish)

## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### 1. ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in Istanbul, Turkey ( “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 68.00% stake. Certain shares of the Company are listed on the Istanbul Stock Exchange (ISE). The Company was incorporated in 1976.

The registered office address of the Company is Umut Sokak No:12, İçerenköy, Ataşehir, İstanbul, Turkey.

The interim consolidated financial statements as of June 30, 2010 are authorized for issue by the Board of Directors on August 27, 2010, and are approved by the Chairman of the Board of Directors and the Finance Manager on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the financial statements after the consolidated financial statements are issued.

#### Activities of the Group

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

The Group is organized and primarily managed in four principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, consumer durables); financial services (including banking, leasing, brokerage and investment banking services); retailing (stationery, chain restaurant management, food, information technologies and tourism) and other (trade, asset management, energy).

The average number of personnel of the Group is 6.072 (December 31, 2009: 6.007).

#### List of Shareholders

As of June 30, 2010 and December 31, 2009 the composition of shareholders and their respective percentage of shareholding rates can be summarized as follows:

	June 30, 2010		December 31, 2009	
	Amount	%	Amount	%
Yazıcı Families	62.567	39,10	62.567	39,10
Kamil Yazıcı Yönetim ve Danışma A.Ş.	53.600	33,50	53.600	33,50
Publicly traded (*)	43.833	27,40	43.833	27,40
<b>Paid-in share capital</b>	<b>160.000</b>	<b>100,00</b>	<b>160.000</b>	<b>100,00</b>

(\*) TRL 2.906 of the publicly traded portion, which is 1,816% of the paid-in share capital, is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

(Currency – Thousands of Turkish Lira (TRL) 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, 2010 and December 31, 2009 are as follows:

	Place of Incorporation	Principal Activities	Segment	Effective shareholding and voting rights %	
				June 30, 2010	December 31, 2009
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	Other	<b>68,00</b>	68,00
Alternatifbank A.Ş. (ABank) (1)	Turkey	Banking services	Finance	<b>61,75</b>	61,75
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	Finance	<b>61,75</b>	61,75
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	Finance	<b>64,94</b>	64,94
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (1) (3)	Turkey	Investment company	Finance	<b>32,48</b>	32,48
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles and operating lease	Automotive	<b>68,00</b>	68,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines, sale of tractors	Automotive	<b>67,93</b>	67,93
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Kia and Lada motor vehicles	Automotive	<b>67,38</b>	67,38
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) (4)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	Automotive	<b>34,65</b>	34,65
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) (2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	Retailing	<b>38,68</b>	38,68
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (2)	Turkey	Distribution of the products of Adel, and other imported stationery products	Retailing	<b>49,76</b>	49,76
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities of the Group	Retailing	<b>51,60</b>	51,60
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	Retailing	<b>65,53</b>	65,53
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	Other	<b>67,32</b>	67,32
Anadolu Endüstri Holding A.S. und Co. KG (AEH und Co.)	Germany	Provides necessary market research of products abroad	Other	<b>67,32</b>	67,32
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management, ranch management	Retailing	<b>68,00</b>	68,00
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	Retailing	<b>68,00</b>	68,00
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık)	Turkey	Asset management	Other	<b>67,99</b>	67,99
Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt)	Turkey	Industrial and commercial operations in automotive sector	Other	<b>68,00</b>	68,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of Geely motor vehicles	Automotive	<b>68,00</b>	68,00
Anadolu Termik Santralleri A.Ş. (Anadolu Termik)	Turkey	Production of electricity (Investment in progress)	Other	<b>68,00</b>	68,00
AES Toptan Elektrik Tic. A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity (Investment in progress)	Other	<b>68,00</b>	68,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	Other	<b>68,00</b>	68,00
Anatolia Energy B.V. (Anatolia Energy)	Netherlands	Inactive	Other	<b>68,00</b>	68,00
Anelsan Anadolu Elektronik Sanayi ve Ticaret A.Ş. (Anelsan) (5)	Turkey	Inactive	Retailing	<b>48,94</b>	48,94
Anadolu Kafkasya Enerji Yatırımları A.Ş. (Anadolu Kafkasya)	Turkey	Production and transmission of electricity, and establishment and operation of distribution facilities (Investment in progress)	Other	<b>68,00</b>	67,94
Antek Teknoloji Ürünleri Pazarlama ve Ticaret A.Ş. (Antek Teknoloji) (6)	Turkey	Whole sale and retail sale of electronic devices	Automotive	<b>68,00</b>	-
Georgian Urban Energy LLC (GUE) (7)	Georgia	Production and sale of electricity (Investment in progress)	Other	<b>68,00</b>	-

(1) Shares of ABank, Adel and AYO are quoted on the Istanbul Stock Exchange (ISE).

(2) 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 Holding A.Ş.

(3) Shareholding rate changes in ABank's effective consolidation rate of AYO.

(4) Anadolu Motor and AEH have 50,00% and 1,00% shareholding at Anadolu Elektronik, respectively. As a result, Anadolu Elektronik is controlled by Yazıcılar.

(5) Ülkü controls Anelsan through its shareholding of 96,50%. As a result, Anelsan is controlled by Yazıcılar.

(6) AEH has 99,99% shareholding rate at Antek Teknoloji established on March 5, 2010. The indirect shareholding rate of Yazıcılar is 68,00%.

(7) Anadolu Kafkasya has 100,00% shareholding rate at GUE acquired on March 4, 2010. The indirect shareholding rate of Yazıcılar is 68,00%.

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

##### Investment in Associate

The associate included in consolidation by equity method and its shareholding percentages at June 30, 2010 and December 31, 2009 are as follows:

	Country of incorporation	Main activities	Effective shareholding and voting rights %	
			June 30, 2010	December 31, 2009
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	36,27	36,27

##### Joint Ventures

The investments in joint ventures included in consolidation by equity method and their shareholding percentages at June 30, 2010 and December 31, 2009 are as follows:

	Country of incorporation	Main activities	Effective shareholding and voting rights %	
			June 30, 2010	December 31, 2009
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing and selling of Isuzu brand commercial vehicles	37,56	37,56
Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of olive oil under Kırlangıç, Komili and Madra brands	37,57	37,57
Aslancık Elektrik Üretim ve Tic. Ltd. Şti. (Aslancık)	Turkey	Electricity production (Investment in progress)	22,67	17,00
D Tes Elektrik Enerjisi Toptan Satış A.Ş. (D Tes)	Turkey	Electricity wholesale (Investment in progress)	17,00	17,00

#### 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

##### Basis of Preparation of Financial Statements

The Company and its subsidiaries incorporated in Turkey maintains its books of account and prepares its statutory financial statements in Turkish Lira (TRL) in accordance with Turkish Commercial Code and Banking Legislation, Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. The consolidated financial statements have been prepared from the statutory financial statements of the Company's subsidiaries' in accordance with Turkish Capital Market Board (CMB) Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation.

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## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

##### **Basis of Preparation of Financial Statements (cont'd)**

The financial statements of the Company and its subsidiaries until 31 December 2007 have been prepared in accordance with the Communiqué No: XI-25 'Communiqué on Accounting Standards in Capital Markets'. In this Communiqué is stated that alternatively, the application of accounting standards prescribed by the International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be also considered to be compliant with the CMB Accounting Standards. Accordingly, the consolidated financial statements of the Company until 31 December 2007 had been prepared in accordance with the alternative methods allowed by the CMB.

In accordance with the CMB's "Communiqué on Financial Reporting in Capital Market" No: XI-29, published in the Official Gazette dated 9 April 2008, effective 1 January 2008, listed companies are required to prepare their financial statements in conformity with International Accounting/Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB Communiqué. Since, there are not any difference between the accounting policies of the alternative method of Communiqué No: XI-25 (previously applied) and the Communiqué Serial No: XI-29, there is no change in the accounting policies applied in preparation of the financial statements of the current and prior period.

The interim consolidated financial statements at June 30, 2010 have been prepared in accordance with compulsory reporting formats of CMB's. The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2009.

In accordance with the Communiqué No: XI-29, the entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, "Interim Financial Reporting". In this respect, the Group has elected to prepare condensed consolidated interim financial statements at and for the interim period ended 30 June 2010 and prepared these condensed consolidated interim financial statements in compliance with CMB Financial Reporting Standards. Additionally, in accordance with the communiqué and the announcements explaining the communiqué, foreign currency risk table, total import and total export amounts and the amount of hedging total currency liability are presented in notes to the condensed financial statements (Note 38/39).

##### **Convenience Translation into English of Consolidated Financial Statements**

The accounting principles described in Note 2 to the condensed consolidated interim financial statements ("CMB Financial Reporting Standards") differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005 as described in detailed in Note 2. Accordingly, the accompanying condensed interim financial statements are not intended to present the financial position and the results of operations and cash flows of the Group in accordance with IFRS.

##### **Functional and Presentation Currency**

The functional and presentation currency of the Company and subsidiaries, joint ventures and associates incorporated in Turkey is TRL.

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.

##### **Functional and Local 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.

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

The incomes and expenses of the foreign subsidiaries are translated into Turkish Lira using average exchange rate for the period. Exchange differences arising from using year-end and average exchange rates are included in the shareholders' equity as currency translation differences. Functional and local currency of foreign subsidiaries are as follows:

		June 30, 2010	December 31, 2009
	Local Currency	Functional Currency	Functional Currency
AEH und Co.	EUR	EUR	EUR
Oyex	EUR	EUR	EUR
Anatolia Energy	EUR	EUR	EUR
GUE	Georgian Lari (GEL)	GEL	-

Foreign subsidiaries are established as foreign corporate entities.

#### Restatements on Prior Period Financial Statements

Coca-Cola İçecek A.Ş.(CCİ) has completed 26,25% share purchase of Türkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) and purchase of certain real estates, movables, licenses and other assets related to the water business of Sandras in first half of 2009. Goodwill accounting of these transactions was provisionally recorded to June 30, 2009 interim financial statements to Anadolu Efes , an associate of the Company, in accordance with IFRS 3. Since fair value accounting of these transactions was reflected to the financial statements as of December 31, 2009, consolidated interim income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow of Anadolu Efes as of June 30, 2009 are restated and accounting of these transactions was recorded by the Group to the financial statements.

Accordingly, fair value increase amounting to TRL 1.784 occurred from the fair value financial statements of Turkmenistan CC which was reflected to books for the 33,25% shares formerly owned by CCİ is recorded by the Group as "share in other comprehensive income of investments accounted through equity method" to interim consolidated comprehensive income statement and statement of changes in equity (Note 3). Additionally, "gain from investments accounted through equity method" gained from Anadolu Efes amounts to TRL 89.767 by increasing TRL 2.020

#### Reclassification Made to 2009 Consolidated Financial Statements

In order to be consistent with the current period's presentation,the reclassifications has been made in the consolidated balance sheet as of December 31,2009 and interim consolidated income statement as of June 30, 2009 are as follows;

- Real estates amounting to TRL 28.966 in "Banking loans" account has been classified into "Assets held for sale" account.
- Real estates amounting to TRL 12.355 in "Investment properties" account has been classified into "Other non-current assets account".
- Loan loss provision (net) for non-cash loans amounting to TRL 10.906 in "Banking loans" account has been classified into "Provisions" account.
- Personnel loans amounting to TRL 286 in "Other current assets" account and amounting to TRL 276 in "Other non-current assets" account has been classified into "Banking loans" account.

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

- e) Sales bonus amounting to TRL 17.978 in “Marketing, Selling and Distribution Expenses” account has been classified into “Revenue” account.
- f) Expenses related to operational fleet leasing business amounting to TRL 27.856 in “Marketing, selling and distribution expenses” account has been classified into “Cost of sales” account.
- g) Gain on sale of property, plant and equipment related to operational fleet leasing business amounting to TRL 4.837 in “Revenue” account has been classified into “Cost of sales” account.
- h) Foreign exchange gain related to financial lease receivables amounting to TRL 1.754 in “Interest and other income” account has been classified as “Financial income”.

#### Changes in Accounting Policies

##### New standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements as at June 30, 2010 are consistent with those followed in the preparation of the consolidated financial statements of the prior year and for the year ended 31 December 2009, except for the adoption of new standards and IFRIC interpretations summarized below.

##### **The new standards, amendments and interpretations which are effective for the year end and interim periods after January 1, 2010 (These standards have an affect on the Group’s financial statements and adopted by the Group):**

- IAS 27 (Revised), “Consolidated and separate financial statements” (Effective for annual periods beginning on or after July 1, 2009)
- IFRS 3 (Revised), “Business combinations” (Effective for annual periods beginning on or after July 1, 2009)
- IAS 38 (Revised), “Intangible asset” (Effective for annual periods beginning on or after July 1, 2009)
- IFRS 5 (Revised), “Assets held for sale or discontinued operations” (Effective for annual periods beginning on or after January 1, 2010)
- IAS 1 (Revised), “Presentation of financial statements” (Effective for annual periods beginning on or after January 1, 2010)
- IFRS 2 (Revised), “Share based payments” (Effective for annual periods beginning on or after January 1, 2010)
- Improvements to IFRS 2009

##### **The new standards, amendments and interpretations which are effective for the year end and interim periods after January 1, 2010 (These standards do not have an affect on the Group’s financial statements):**

- IFRIC 17, “Distribution of non-cash assets owners ” (Effective for annual periods beginning on or after July 1, 2009)
- IFRS Yorum 18, “Transfer of assets from customers” (Effective for annual periods beginning on or after July 1, 2009)



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## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

**The new standards which are not issued as of the authorization date of the interim consolidated financial statement and not early adopted by the Group:**

- IFRS 9 “Financial Instruments” (Effective for annual periods beginning on or after January 1, 2013)
- IAS 24 (Revised), “Related Party Disclosures” (Effective for annual periods beginning on or after January 1, 2013)
- IAS 32 (Revised) “Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements” (Effective for annual periods beginning on or after February 1, 2010)
- UFRYK 14 (Revised), “The limit on a defined benefit asset, minimum funding requirements and their interaction” (Effective for annual periods beginning on or after January 1, 2011)
- Improvements to IFRS 2010

#### **Basis of Consolidation**

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

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.

Minority interests in the net assets of the subsidiaries included in consolidation, appears as a separate item in Group's equity. Minority interest consists of minority's amount that already exists as of the first acquisition date and the amounts take place during the changes in the parent company's equity related to minority interest after the first acquisition date. Losses exceeding the shares belonging to minority interest are distributed to the shares of the Group, unless there is a mandatory obligation to compensate the recognized losses and an opportunity to make additional investments to cover the stated losses of the minority interest. 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.

#### **Investments in Associates**

The Group's investments in associates are accounted under the equity method of accounting. Investments in associates are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or 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.

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## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

The Group's investments in associates which the Group has direct interest or indirect interest by its subsidiaries are accounted under the equity method of accounting considering direct or indirect shareholding rate in total. Minority interest is calculated regarding the effective shareholding rate through its subsidiaries.

The investments valued accounted through equity method 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 consolidated income statement reflects the Group's share of the results of operations of the associates. The effect of the amounts that has not reflected to the profit or loss of the associate on the equity of the associate, may require an adjustment on the book value of the associate. Group's share in these changes is directly being recorded in Group's equity.

Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

#### **Joint Ventures**

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Group and its subsidiaries together with one or more other parties. The Group's interest in joint ventures are accounted for under the equity method of accounting.

#### **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.

#### **Use of Estimates and Assumptions**

The preparation of the consolidated 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, impairment of assets and useful lives of tangibles and intangibles. These estimates and assumptions are explained at related disclosure in detail.

#### *Provision for doubtful receivables*

Allowance for doubtful receivables reflect the future loss that the Group anticipates to incur from the trade receivables as of the balance sheet date which are subject to collection risk considering the current economical conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements; and also the renegotiation conditions with these debtors are considered. The provision for doubtful receivables are followed in the Note 10.1.

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## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

##### *Provision for inventories*

During the assessment of the provision for inventory the following are considered; analyzing the inventories physically and historically, considering the employment and usefulness of the inventories respecting to the technical personnel view. Sales prices listed, average discount rates given for sale and expected cost incurred to sell are used to determine the net realizable value of the inventories. As a result of this, the inventories with the net realizable values below the costs are written down in the Note 13.

##### *Impairment of goodwill*

According to the determined accounting policies, the Group performs impairment test for goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2009, impairment test for goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is determined taking the value in use calculation as basis.

##### *Employee termination benefit*

Discount rates are determined using actuarial valuations which involve making assumptions about future salary increases and employee turnover rates. The details related with the defined benefit plans are stated in Note 24.

##### *Warranty provision*

Group has determined the warranty provision by considering the realized warranty expense per vehicle in previous years for each vehicle model and the warranty period left per each vehicle.

#### **Summary of Significant Accounting Policies**

##### **2.1 Revenue Recognition**

###### ***Non-Banking***

Revenue is recognized on accrual basis 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 deducting sales returns and sales discounts.

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.

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### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

##### **Summary of Significant Accounting Policies (cont'd)**

Service income is recorded as revenue according to it's completed portion when it is calculated reliably. When it is not calculated reliably, the revenue is recognized only to the extent of the associated expenses that are recoverable.

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 expense are recognized in the income statement in fair value for all interest bearing instruments on an accrual basis using the effective interest method (a method of calculating the amortized cost of a financial asset or a financial liability to reach net present value).

According to the related regulations, the interest accrual and discount of non-performing loans and other receivables are not considered and included in interest income till they are collected.

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Commission and fees arising from cash and non-cash loans re recognized as revenue in the related period by discounting using the effective interest method.

Fees and commission expense related with financial borrowings and paid to third parties are recognized as prepaid expenses in the balance sheet. Commission and fees are recognized as expense in the related period by discounting using the effective interest method.

#### **2.2 Inventories**

Inventories are valued at the lower of cost and net realizable value after provision for obsolete and slow moving. 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 for other companies. Finished goods and work in progress include cost of direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs incurred in order to realize sale.

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## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

### **Summary of Significant Accounting Policies (cont'd)**

#### **2.3 Property, Plant and Equipment**

Property, plant and equipment 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 estimated useful lives of 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	Lease 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 or 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.

#### **2.4 Intangible 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. The carrying values of goodwill is annually reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. 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.

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### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

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

##### **Summary of Significant Accounting Policies (cont'd)**

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, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the period in which it is incurred.

Useful lives of intangible assets are determined as either finite or infinite.

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.

#### **2.5 Impairment of Assets**

All assets other than goodwill are tested whether 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 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.

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.

Impairment of goodwill is not reversed.

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### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

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

##### **Summary of Significant Accounting Policies (cont'd)**

##### **2.6 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Capitalisation of borrowing costs shall cease when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. All other borrowing costs shall be recognised as an expense when incurred.

##### **2.7 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 of Turkey, 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.

##### ***Repurchase (repo) and Resale (reverse repo) Transactions***

The Group enters into sales of securities under agreements to repurchase such securities at a fixed price at a fixed future date. Such securities, which have been sold subject to a repurchase agreement ('repos'), are recognized in the balance sheet and are measured in accordance with the accounting policy of the security portfolio which they are part of. The difference between sale and repurchase price is treated as interest expense and accrued over the life of the repurchase agreement using the effective interest method. Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as loaned securities when the transferee has the right by contract or custom to sell or re-pledge the collateral. The counterparty liability for amounts received under these agreements is included in "Other Money Market Deposits".

Securities purchased with a corresponding commitment to resell at a fixed price at a specified future date ('reverse repos') are not recognized in the balance sheet, as the Group does not obtain control over the assets. Amounts paid under these agreements are included in other money market placements. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement using the effective interest method.

##### **Accounting as of Transaction and Delivery Dates**

All acquisitions and sales of financial assets are recorded in the transaction date, as of the date Group commits to perform the transaction. Regular acquisitions or sales are generally transactions which the delivery dates of assets are determined due to the legislations or arrangements in the market.

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

##### **Summary of Significant Accounting Policies (cont'd)**

###### **Financial assets**

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 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 financial assets portfolio, as follows:

###### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss 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, financial assets at fair value through profit or loss are remeasured at fair value based on quoted bid prices. All related realized and unrealized gains or losses are recognized in trading income/(loss).

###### ***Held-to-Maturity Financial Assets***

Financial assets 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 financial assets 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 financial assets is included in interest income.

###### ***Available-for-Sale Financial Assets***

After initial recognition, available-for-sale financial assets are remeasured 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 financial assets is included in interest income. Dividends received are included in dividend income.



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## **YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)**

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

##### **Summary of Significant Accounting Policies (cont'd)**

For financial assets at fair value through profit or loss or available-for-sale financial assets investments that are actively traded in organized financial markets, fair value is determined by reference to ISE quoted market bid prices at the close of business on the balance sheet date. For financial assets 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 can not 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.

##### **Banking Loans and Advances to Customers**

Loans and receivables are non-derivative financial assets whose payments are fixed and can be determined, are unquoted in an active market and held for purchase or sale, financial assets at the fair value through profit or loss or financial assets held for resale. Counterparty expenses such as legal fees and deductions are considered as the part of transaction cost.

Loans and advances are reflected in financial statements when amount in cash is given to the customers.

##### **Funds Borrowed, Banking Customer Deposits and Borrowings**

All deposits and borrowings are initially recognized at the fair value of consideration received less directly attributable transaction costs. After initial recognition interest-bearing deposits and borrowings are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

##### **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.

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

##### **Summary of Significant Accounting Policies (cont'd)**

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.

##### **2.8 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 TRL, which is the functional currency of the Group, 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 TRL (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. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period.

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 are recognized in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in TRL 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.

##### **2.9 Earnings per Share**

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

##### **2.10 Subsequent Events**

Subsequent events cover all events between the balance sheet date and authorization date of balance sheet for issue even if subsequent event has occurred after any announcement about the profit or any other selected financial information made public.

The Group; reflects the effect of such post-period-end adjusting events to the consolidated financial statements.

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

### **Summary of Significant Accounting Policies (cont'd)**

#### **2.11 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are assessed continuously to determine whether the possibility of an outflow of resources embodying economic benefits is probable. When the possibility of an outflow of resources embodying economic benefits is probable for the accounts classified as contingent liabilities, provision is provided in the financial statements for related contingent liabilities except for the situations there is not a reliable estimation.

The Group discloses the contingent liabilities that are probable but there is not a reliable estimation for the amount of resources embodying economic benefits.

Assets that result from previous events that can not be controlled fully by the Group and depend on the realization of one or more uncertain events, is considered as a contingent asset. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

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 certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **2.12 Changes in Accounting Policies, Accounting Estimates and Errors**

Changes in accounting policies or accounting errors are applied retrospectively and the consolidated financial statements of the comparative period are restated. 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.

#### **2.13 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 is fully depreciated over the shorter of the lease term and its useful life.

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

##### **Summary of Significant Accounting Policies (cont'd)**

###### *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 included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

###### *Operating Lease*

The Group presents assets subject to operating leases in the balance sheets according to their nature. 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. Operating leases are amortized based on their cost after deducting their residual values.

IAS 16 “Property, Plant and Equipment”, items of property, plant and equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases.

#### **2.14 Related Parties**

Parties are considered related to the Group 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 venture;
- (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.

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

##### **Summary of Significant Accounting Policies (cont'd)**

##### **2.15 Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group is organized and primarily managed in four principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, consumer durables); financial services (banking, leasing, brokerage and investment banking services); retailing (stationery, chain restaurant management, food and tourism) and other (trade, information technologies, asset management and energy).

##### **2.16 Government Incentives and Grants**

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.

##### **2.17 Taxes**

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes 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 current income tax payable is based on taxable profit for the period. 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.

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

##### **Summary of Significant Accounting Policies (cont'd)**

###### *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.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **2.18 Employee Termination Benefits**

##### **Defined Benefit Plan**

In accordance with existing social legislation in Turkey, the Group companies operating in Turkey are 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.

##### **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 accrued.

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

##### **Summary of Significant Accounting Policies (cont'd)**

##### **2.19 Cash Flow Statement**

Cash flows are classified according to operating, investing and financing activities in the statement of cash flow. Cash and cash equivalents are presented including interest accruals and acquisition costs.

Cash and cash equivalents comprise cash on hand, check, demand deposits, time deposit with original maturity less than three months and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are easily convertible into cash and are subject to an insignificant risk of changes in value.

##### **2.20 Provisions for Loans, Non-Performing Receivables and Lease Receivable**

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.

The Group reviews its individually significant loans and advances in each balance sheet date to assess whether an impairment loss should be recorded in the income statement. In particular, judgement of management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group makes judgements about the borrower's financial situation and the net realizable value of the collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

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.

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

### **Summary of Significant Accounting Policies (cont'd)**

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.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets are collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

### **2.21 Biological Assets**

Cattle grown up in farms belonging to McDonald's, are classified under biological assets and reflected at fair value as of balance sheet dates. The fair values are determined with the expected market rate according to IAS 41 "Biological Assets".

## **3. BUSINESS COMBINATIONS**

### **Transactions for period of June 30, 2010**

Anadolu Efes , an associate of the Company, acquired 11.187.288 GDRs of Efes Breweries International N.V. (EBI), a subsidiary of Anadolu Efes, representing approximately 26,46% of the issued share capital of EBI from a group of shareholders at a price of USD 17,00 per GDR (each GDR representing 5 shares) at a total consideration of TRL 289.679. According to IAS 27, difference amounting to TRL 1.861 between the net asset value of EBI and the acquisition cost has been reflected by the Group to other reserves under the equity attributable to equity holders of the parent.

Anadolu Kafkasya, a subsidiary of the Company, purchased 100% shares of Georgian Urban Energy LLC, which will perform the Paravani Hydroelectric Power Plant Project in Georgia, amounting to USD 3.500.000 from Energon International Ltd. (Energon) on March 4, 2010. Since GUE has not been operating at the acquisition date, the acquisition is not subject to IFRS 3 "Business Combinations". The acquired net assets except for electricity production license are accounted with their carrying values (Note 19).

### **Transactions for year of 2009**

In January 2009, Coca Cola İçecek A.Ş (CCI), has increased its existing shareholding in Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) with the acquisition of 13,75% shares of Turkmenistan CC which previously owned by The Coca-Cola Export Corporation (TCCEC) and 12,50% shares from Day Investments Ltd. which had 25% shares in total of Turkmenistan CC, for a cash consideration of TRL 7.026. Following the completion of the acquisitions, CC's share in Turkmenistan CC reached to 59,5% and it is included in consolidation by using the full consolidation method. In accordance with the change in the scope of consolidation and in conformity with IFRS 3, TRL 1.784 fair value difference occurred from the financial statements of Turkmenistan CC prepared according to fair value basis was recorded by the Group as "Group's share in other comprehensive income of investments accounted through equity method" in consolidated comprehensive income statement.



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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 4. JOINT VENTURES

##### Joint Ventures

Entity	Principle activities	Country of business	June 30, 2010			December 31, 2009		
			Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)	Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	62.566	37,56	(1.898)	64.465	37,56	(7.347)
Ana Gıda	Production and marketing of olive oil under Kirlangıç, Komili and Madra Brands, sunflower and corn oil	Turkey	46.774	37,57	(598)	47.372	37,57	(4.963)
Aslancık	Production of electricity	Turkey	5.933	22,67	(305)	4.328	17,00	286
D Tes	Wholesale of electricity	Turkey	-	17,00	(13)	-	17,00	(56)
			<b>115.273</b>		<b>(2.814)</b>	116.165		(12.080)

(\*) Shares of Anadolu Isuzu are quoted on the ISE.

AEH, a subsidiary of the Company, purchased 96.000 Aslancık shares at a nominal value of TRL 0,025 amounting to TRL 1.105 from Unit Investment N.V. As a consequence of this transaction, the shareholding rate of the Group in Aslancık has increased to 22,67% by increasing 5.67 point.

Summary financial information of the Group's investment in joint venture Anadolu Isuzu are as follows:

	June 30, 2010	December 31, 2009
<b>Anadolu Isuzu</b>		
Total assets	285.145	279.292
Total liabilities	123.737	112.940
Net assets	161.408	166.352
<b>Group's interest in net assets</b>	<b>62.566</b>	64.465

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Anadolu Isuzu</b>				
Revenues	140.822	68.056	98.735	70.726
Net loss for the period	(4.940)	143	(19.435)	(4.462)
<b>Group's share in net income/(loss) of the joint venture</b>	<b>(1.898)</b>	<b>55</b>	(7.467)	(1.713)

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#### 4. JOINT VENTURES (cont'd)

##### Joint Ventures (cont'd)

Summary financial information of the Group's investment in other joint ventures are as follows:

	June 30, 2010	December 31, 2009
<b>Other joint ventures</b>		
Total assets	148.416	156.200
Total liabilities	38.502	45.639
Net assets	109.914	110.561
<b>Group's interest in net assets</b>	52.707	51.700

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Other joint ventures</b>				
Revenues	67.361	20.830	111.299	49.795
Net income/(loss) for the period	(2.048)	(434)	(9.053)	(4.776)
<b>Group's share in net income/(loss) of the joint ventures</b>	(916)	(195)	(4.221)	(2.434)

#### 5. SEGMENT REPORTING

The Group is organized and primarily managed in four principal segments: Automotive (including passenger vehicles, commercial vehicles, generators, spare and component parts, consumer durables); financial services (including banking, leasing, brokerage and investment banking services); retailing (stationery, chain restaurant management, food and tourism) and other (trade, information technologies, asset management, energy).

Since segment reporting and information used in the Group management reporting is consistent with interim consolidated balance sheet and interim consolidated income statement the Group does not need to perform reconciliation between the interim consolidated income statement, interim consolidated balance sheet and the segment reporting disclosure.

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**5. SEGMENT REPORTING (cont'd)**

<b>June 30, 2010</b>	<b>Financial institutions</b>	<b>Automotive</b>	<b>Retailing</b>	<b>Other</b>	<b>Unallocated</b>	<b>Consolidated</b>
Sales	195.647	299.224	222.309	26.919	-	744.099
Inter-segment sales	479	1.770	3.373	4.826	(10.448)	-
<b>Total Sales</b>	<b>196.126</b>	<b>300.994</b>	<b>225.682</b>	<b>31.745</b>	<b>(10.448)</b>	<b>744.099</b>
<b>GROSS PROFIT</b>	<b>110.403</b>	<b>53.715</b>	<b>51.499</b>	<b>16.267</b>	<b>(6.204)</b>	<b>225.680</b>
Marketing, selling, and distribution expenses (-)	-	(16.479)	(16.897)	(17)	810	(32.583)
General administrative expenses (-)	(73.175)	(21.420)	(15.651)	(20.305)	9.707	(120.844)
Research and development expenses (-)	-	(318)	-	-	3	(315)
Other operating income	2.450	8.465	445	77.482	(80.635)	8.207
Other operating expense (-)	(5.598)	(1.125)	(2.431)	(525)	(912)	(10.591)
<b>OPERATING INCOME</b>	<b>34.080</b>	<b>22.838</b>	<b>16.965</b>	<b>72.902</b>	<b>(77.231)</b>	<b>69.554</b>
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	97.052	97.052
Financial income	15.951	11.036	1.645	12.111	(1.389)	39.354
Financial expense (-)	(19.348)	(9.339)	(1.193)	(8.813)	495	(38.198)
<b>INCOME BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>30.683</b>	<b>24.535</b>	<b>17.417</b>	<b>76.200</b>	<b>18.927</b>	<b>167.762</b>
<b>Tax Income/(Expense) from Continuing Operations</b>	<b>(4.753)</b>	<b>(3.242)</b>	<b>(3.386)</b>	<b>(911)</b>	<b>(1)</b>	<b>(12.293)</b>
- Current period tax expense (-)	(5.521)	(2.680)	(5.209)	(353)	-	(13.763)
- Deferred tax income / (expense)	768	(562)	1.823	(558)	(1)	1.470
<b>NET INCOME FOR THE PERIOD</b>	<b>25.930</b>	<b>21.293</b>	<b>14.031</b>	<b>75.289</b>	<b>18.926</b>	<b>155.469</b>
<b>Attributable to:</b>						
- Minority interest	1.403	2.134	-	-	32.768	36.305
- Equity holders of the parent	24.527	19.159	14.031	75.289	(13.842)	119.164
<b>Total Assets (**)</b>	<b>4.158.986</b>	<b>467.336</b>	<b>300.582</b>	<b>1.573.183</b>	<b>(299.496)</b>	<b>6.200.591</b>
Investments accounted through equity method	-	-	-	-	1.121.719	1.121.719
<b>Total Liabilities</b>	<b>3.604.238</b>	<b>251.054</b>	<b>109.168</b>	<b>124.202</b>	<b>(68.858)</b>	<b>4.019.804</b>
Property, plant and equipment and intangible asset purchases	1.599	40.304	14.844	7.163	-	63.910
Depreciation and amortization	3.177	11.447	5.509	446	(122)	20.457

(\*) Income recognized from Anadolu Efes amounting to TRL 99.866 and expense recognized from Anadolu Isuzu, Anagıda, Aslancık and D Tes amounting to TRL 2.814 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

(\*\*) Unallocated segment includes goodwill amounting to TRL 35.344 (Note 20).

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**5. SEGMENT REPORTING (cont'd)**

<b>April 1 - June 30, 2010</b>	<b>Financial institutions</b>	<b>Automotive</b>	<b>Retailing</b>	<b>Other</b>	<b>Unallocated</b>	<b>Consolidated</b>
Sales	90.410	161.775	119.396	13.417	-	384.998
Inter-segment sales	297	887	1.890	2.415	(5.489)	-
<b>Total Sales</b>	<b>90.707</b>	<b>162.662</b>	<b>121.286</b>	<b>15.832</b>	<b>(5.489)</b>	<b>384.998</b>
<b>GROSS PROFIT</b>	<b>49.497</b>	<b>30.297</b>	<b>29.004</b>	<b>7.944</b>	<b>(3.267)</b>	<b>113.475</b>
Marketing, selling, and distribution expenses (-)	-	(12.679)	(8.378)	(11)	359	(20.709)
General administrative expenses (-)	(46.216)	(11.420)	(8.072)	(11.371)	4.863	(72.216)
Research and development expenses (-)	-	(160)	-	-	1	(159)
Other operating income	1.210	6.339	379	76.327	(79.761)	4.494
Other operating expense (-)	(3.020)	(655)	(1.308)	(302)	(1.154)	(6.439)
<b>OPERATING INCOME</b>	<b>1.471</b>	<b>11.722</b>	<b>11.625</b>	<b>72.587</b>	<b>(78.959)</b>	<b>18.446</b>
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	71.989	71.989
Financial income	7.201	6.060	777	7.807	(723)	21.122
Financial expense (-)	(9.210)	(4.856)	(834)	(4.932)	298	(19.534)
<b>INCOME BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(538)</b>	<b>12.926</b>	<b>11.568</b>	<b>75.462</b>	<b>(7.395)</b>	<b>92.023</b>
<b>Tax Income/(Expense) from Continuing Operations</b>	<b>137</b>	<b>(2.264)</b>	<b>43</b>	<b>(649)</b>	<b>(1)</b>	<b>(2.734)</b>
- Current period tax expense (-)	(3.133)	(1.232)	(2.402)	(122)	-	(6.889)
- Deferred tax income / (expense)	3.270	(1.032)	2.445	(527)	(1)	4.155
<b>NET INCOME FOR THE PERIOD</b>	<b>(401)</b>	<b>10.662</b>	<b>11.611</b>	<b>74.813</b>	<b>(7.396)</b>	<b>89.289</b>
<b>Attributable to:</b>						
- Minority interest	303	482	-	-	13.194	13.979
- Equity holders of the parent	(704)	10.180	11.611	74.813	(20.590)	75.310
Property, plant and equipment and intangible asset purchases	711	26.544	11.299	511	-	39.065
Depreciation and amortization	1.596	5.974	2.926	210	(61)	10.645

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**5. SEGMENT REPORTING (cont'd)**

June 30, 2009	Financial institutions	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	288.999	310.061	189.734	43.430	-	832.224
Inter-segment sales	2.148	1.636	2.266	3.540	(9.590)	-
Total Sales	291.147	311.697	192.000	46.970	(9.590)	832.224
GROSS PROFIT	154.769	54.023	48.061	19.850	(1.448)	275.255
Marketing, selling, and distribution expenses (-)	-	(18.999)	(14.723)	(1.092)	410	(34.404)
General administrative expenses (-)	(94.130)	(18.106)	(12.001)	(19.382)	9.409	(134.210)
Research and development expenses (-)	-	(244)	-	-	3	(241)
Other operating income	1.220	7.546	729	56.355	(44.434)	21.416
Other operating expense (-)	(3.969)	(1.427)	(1.274)	(220)	(314)	(7.204)
OPERATING INCOME	57.890	22.793	20.792	55.511	(36.374)	120.612
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	78.079	78.079
Financial income	35.404	13.641	1.680	11.614	(4.565)	57.774
Financial expense (-)	(39.651)	(24.818)	(1.171)	(7.602)	2.176	(71.066)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	53.643	11.616	21.301	59.523	39.316	185.399
Tax Income/(Expense) from Continuing Operations	(8.769)	(1.603)	(4.237)	(55)	(1.623)	(16.287)
- Current period tax expense (-)	(8.959)	(3.788)	(4.112)	(1.054)	-	(17.913)
- Deferred tax income / (expense)	190	2.185	(125)	999	(1.623)	1.626
NET INCOME FOR THE PERIOD	44.874	10.013	17.064	59.468	37.693	169.112
Attributable to:						
- Minority interest	2.734	4.701	-	-	39.497	46.932
- Equity holders of the parent	42.140	5.312	17.064	59.468	(1.804)	122.180
Total Assets (**)	3.753.345	411.733	247.984	1.481.123	(421.812)	5.472.373
Investments accounted through equity method	-	-	-	-	1.013.553	1.013.553
Total Liabilities	3.262.220	228.380	81.054	91.589	(111.491)	3.551.752
Property, plant and equipment and intangible asset purchases	574	18.379	6.716	2.428	-	28.097
Depreciation and amortization	2.989	9.896	4.660	709	(259)	17.995

(\*) Income recognized from Anadolu Efes and Aslancik amounting to TRL 90.217 and expense recognized from Anadolu Isuzu, Anagıda, and D Tes amounting to TRL 12.138 recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

(\*\*) Unallocated segment includes goodwill amounting to TRL 35.344.

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**5. SEGMENT REPORTING (cont'd)**

April 1 - June 30, 2009	Financial institutions	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	120.372	178.753	93.614	29.752	-	422.491
Inter-segment sales	1.204	839	2.119	585	(4.747)	-
Total Sales	121.576	179.592	95.733	30.337	(4.747)	422.491
GROSS PROFIT	65.456	27.816	27.330	12.082	(1.198)	131.486
Marketing, selling, and distribution expenses (-)	-	(9.141)	(8.630)	(1.087)	239	(18.619)
General administrative expenses (-)	(42.852)	(9.132)	(5.417)	(10.130)	5.008	(62.523)
Research and development expenses (-)	-	(114)	43	-	1	(70)
Other operating income	928	2.029	567	54.089	(56.131)	1.482
Other operating expense (-)	(1.784)	(1.101)	(467)	(168)	(216)	(3.736)
OPERATING INCOME	21.748	10.357	13.426	54.786	(52.297)	48.020
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	94.311	94.311
Financial income	9.133	4.531	(13)	4.894	(1.881)	16.664
Financial expense (-)	(10.977)	(8.609)	(466)	42	2.085	(17.925)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	19.904	6.279	12.947	59.722	42.218	141.070
Tax Income/(Expense) from Continuing Operations	(2.484)	(744)	(3.503)	1.001	(1.623)	(7.353)
- Current period tax expense (-)	(5.105)	(2.613)	(1.965)	(442)	-	(10.125)
- Deferred tax income / (expense)	2.621	1.869	(1.538)	1.443	(1.623)	2.772
NET INCOME FOR THE PERIOD	17.420	5.535	9.444	60.723	40.595	133.717
Attributable to:						
- Minority interest	2.162	4.219	-	-	21.194	27.575
- Equity holders of the parent	15.258	1.316	9.444	60.723	19.401	106.142
Property, plant and equipment and intangible asset purchases	470	13.695	1.204	2.105	-	17.474
Depreciation and amortization	1.494	5.209	1.997	591	(259)	9.032

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#### 5. SEGMENT REPORTING (cont'd)

Substantially all of the consolidated revenues are obtained from operations located in Turkey.

Associate: The Group's effective shareholding rate for Anadolu Efes is 36,27% (December 31, 2009: 36,27%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, as of June 30, 2010 and June 30, 2009 are reflected in "gain/loss from the investments accounted through equity method" line of the interim consolidated income statement as gain amounting to TRL 99.866 and gain amounting to TRL 89.767 respectively.

#### 6. CASH AND CASH EQUIVALENTS

	June 30, 2010	December 31, 2009
Non-Banking	164.953	87.284
Banking	190.736	224.367
<b>Cash and cash equivalents in the consolidated cash flow statement</b>	<b>355.689</b>	<b>311.651</b>

##### Non-Banking

The details of cash and cash equivalents are as follows:

	June 30, 2010	December 31, 2009
Cash on hand	1.556	1.294
Cash in banks	161.944	84.676
Other	1.453	1.314
	<b>164.953</b>	<b>87.284</b>

	June 30, 2010			December 31, 2009		
	Amount	Maturity	Interest rate %	Amount	Maturity	Interest rate %
<b>Cash in banks</b>						
<b>Demand deposit</b>	11.994	-	-	10.190	-	-
-EUR	1.056	-	-	1.396	-	-
-USD	106	-	-	77	-	-
-GBP	95	-	-	8.627	-	-
-TRL	10.737	-	-	90	-	-
<b>Time deposit</b>	149.950			74.486		
-EUR	11.781	1 – 19 days	3,70	22.926	1 – 12 days	3,10
-USD	24.063	1- 12 days	3,70 – 4,00	768	7 days	4,00
-TRL	114.106	1 – 43 days	7,00 – 10,30	50.792	5 – 42 days	7,00 – 10,75
	<b>161.944</b>			<b>84.676</b>		

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 6. CASH AND CASH EQUIVALENTS (cont'd)

##### Banking

	June 30, 2010	December 31, 2009
Cash on hand	22.743	30.394
Balances with the Central Bank	69.814	113.371
<b>Cash and balances with the Central Bank</b>	<b>92.557</b>	<b>143.765</b>
<b>Deposits with banks and other financial institutions</b>	<b>84.208</b>	<b>63.218</b>
Funds lent under reverse repurchase agreements	13.971	17.384
<b>Other money market placements</b>	<b>13.971</b>	<b>17.384</b>
	<b>190.736</b>	<b>224.367</b>

As of June 30, 2010 and December 31, 2009 the interest rate range of deposits and placements are as follows:

	June 30, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Balances with the Central Bank	27.690	42.124	-	-	79.269	34.102	-	-
Deposits with banks and other financial institutions	446	83.762	1,32	0,29	8.493	54.725	6,50	0,20
Funds lent under reverse repurchase agreements	13.971	-	6,60	-	17.384	-	6,66	-
	<b>42.107</b>	<b>125.886</b>			<b>105.146</b>	<b>88.827</b>		

#### 7. FINANCIAL INSTRUMENTS

	June 30, 2010	December 31, 2009
Non-Banking	7.070	7.146
Banking	479.975	534.177
	<b>487.045</b>	<b>541.323</b>



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#### 7. FINANCIAL INSTRUMENTS (cont'd)

##### Non-Banking

	June 30, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Investment funds	611	-	687	-
Non-current financial assets	6.459		6.459	
- Polinas Plastik ve Ticaret A.Ş. (Polinas)	6.276	10,57	6.276	10,57
- Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	95	0,48	95	0,48
- Other	88		88	
	7.070		7.146	

##### Banking

	June 30, 2010	December 31, 2009
Financial assets at fair value through profit and loss	50.288	27.235
Available for sale financial assets	9.661	31.605
Held to maturity financial assets	420.026	475.337
	479.975	534.177

##### **Financial assets at fair value through profit and loss**

	June 30, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
<b>Financial assets at fair value through profit and loss</b>				
Debt instruments – TRL				
-Turkish government bonds	30.171	8,59	2.671	7,82
-Turkish treasury bills	400	7,28	75	7,39
Debt instruments – foreign currency				
-Eurobonds	29	6,75	-	-
	30.600		2.746	
Equity securities				
Listed on the ISE	19.582	-	18.981	-
	19.582		18.981	
<b>Total financial assets at fair value through profit and loss</b>	<b>50.182</b>		<b>21.727</b>	

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

(Currency – Thousands of Turkish Lira (TRL) unless otherwise indicated)

#### 7. FINANCIAL INSTRUMENTS (cont'd)

##### Banking (cont'd)

##### Available for sale financial assets

	June 30, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Available-for-sale financial assets at fair value-TRL				
Turkish government bonds	9.661	8,20	31.605	11,82
<b>Total available-for-sale financial assets</b>	<b>9.661</b>		<b>31.605</b>	

##### Held to maturity financial assets

	June 30, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Held to maturity financial assets				
Debt instruments-TRL				
Turkish government bonds	286.583	9,17	375.324	10,43
Turkish treasury bills	74.306	7,18	-	-
<b>Total held to maturity financial assets</b>	<b>360.889</b>		<b>375.324</b>	

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

	June 30, 2010	December 31, 2009
Financial assets at fair value through profit or loss	106	5.508
Held to maturity financial assets	59.137	100.013
<b>Carrying value of financial assets given as collateral under repurchase agreement</b>	<b>59.243</b>	<b>105.521</b>
<b>Related liability</b>	<b>105.747</b>	<b>93.818</b>

As of June 30, 2010, the carrying value of government securities kept in the Central Bank of Turkey and in ISE Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRL 59.242 and the cost of it is TRL 56.130 (December 31, 2009: TRL 49.180 and TRL 46.004).

Current financial assets is TRL 245.607 (December 31, 2009: TRL 303.638) and non-current financial assets is TRL 241.438 (December 31, 2009: TRL 237.685).

#### 8. BORROWINGS

	June 30, 2010	December 31, 2009
Bank borrowings	184.753	216.276
Current portion of long term borrowings	50.225	50.796
<b>Short term borrowings</b>	<b>234.978</b>	<b>267.072</b>
Bank borrowings	38.828	24.521
<b>Long term borrowings</b>	<b>38.828</b>	<b>24.521</b>
<b>Total borrowings</b>	<b>273.806</b>	<b>291.593</b>

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**8. BORROWINGS (cont'd)**

As of June 30, 2010, the Group does not have any secured bank borrowings (December 31, 2009: None).

Short term	June 30, 2010			December 31, 2009		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	147.098	7,15% - 12,0 %	-	139.481	6,85% - 12,50 %	-
Borrowing in foreign currency (EUR)	69.645	3,1% - 5,9%	Euribor + (1,3%)	94.637	3,1% - 11,0%	Euribor + (0,9% - 1,3%)
Borrowing in foreign currency (USD)	18.235	3,11% - 3,95 %	-	32.954	6,75% - 8,51%	-
	<b>234.978</b>			<b>267.072</b>		
Long term		Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in foreign currency (EUR)	12.845	2,63% - 3,35%	-	24.521	3,3% - 3,5%	Euribor + (1,3%)
Borrowing in foreign currency (USD)	25.983	-	Libor + (2,3% - 3,6%)	-	-	-
	<b>38.828</b>			<b>24.521</b>		
	<b>273.806</b>			<b>291.593</b>		

Repayments schedules of long-term borrowings are as follows :

	June 30, 2010	December 31, 2009
2011	17.471	24.521
2012	15.747	-
2013	5.610	-
	<b>38.828</b>	24.521

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 9. OTHER FINANCIAL LIABILITIES

None (December 31, 2009: None).

#### 10. TRADE RECEIVABLES AND TRADE PAYABLES

##### 10.1 Trade Receivables

	June 30, 2010	December 31, 2009
Trade receivables, net	63.344	112.025
Notes receivable and post-dated cheques, net	146.288	33.232
Less: provision for doubtful trade receivables	(1.370)	(1.343)
	<b>208.262</b>	143.914

As of June 30, 2010, the Group has no long term trade receivables (December 31, 2009: None).

Movement of provision for doubtful trade receivables is as follows:

	June 30, 2010	June 30, 2009
Balance at January 1	1.343	4.612
Provisions	258	215
Reversal of provision (collections)	(231)	(186)
Change in scope of consolidation (*)	-	(3.393)
<b>Balance at the end of the period</b>	<b>1.370</b>	1.248

(\*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the prior year (Note 3).

##### 10.2 Trade Payables

	June 30, 2010	December 31, 2009
Non-Banking	108.172	44.770
Banking	3.169	1.546
	<b>111.341</b>	46.316

As of June 30, 2010, the Group has no long term trade payables (December 31, 2009: None).

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 11. OTHER RECEIVABLES AND PAYABLES

##### 11.1 Other Short Term Receivables

	June 30, 2010	December 31, 2009
Non-Banking	41.182	46.109
-Receivables from loans (*)	37.387	42.903
-Other	3.795	3.206
	41.182	46.109

(\*) Receivables from loans consists of the loans carried at ABank that are transferred to Anadolu Varlık, a subsidiary. The amount of provision for the related receivable at the end of period is TRL 5.601 (December 31, 2009: TRL 5.902).

##### 11.2 Other Long Term Receivables

	June 30, 2010	December 31, 2009
Non-Banking	2.356	2.369
Banking		
-Collaterals given for derivatives and financial assets	11.909	8.313
	14.265	10.682

##### 11.3 Other Short Term Payables

	June 30, 2010	December 31, 2009
Non-Banking	13.859	15.006
Banking	14.358	14.389
	28.217	29.395

##### Non-Banking

	June 30, 2010	December 31, 2009
Taxes payable	11.088	12.262
Due to personnel	1.765	1.487
Deposits and collaterals taken	942	1.112
Other	64	145
	13.859	15.006

##### Banking

	June 30, 2010	December 31, 2009
Taxes payable	7.809	8.534
Collaterals given for financial assets	6.549	5.855
	14.358	14.389

As of June 30, 2010 the non-current portion of other liabilities is amounting to TRL 738 (December 31, 2009: TRL 348).

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 12. FINANCIAL LEASE RECEIVABLES AND OBLIGATIONS

##### 12.1 Financial Lease Receivables

Gross investments in finance lease receivables are as follows:

	June 30, 2010	December 31, 2009
Not later than one year	162.926	173.468
Later than one year and not later than five years	145.812	137.565
<b>Minimum lease payment receivables, gross</b>	<b>308.738</b>	<b>311.033</b>
Less: Unearned interest income	(46.238)	(46.610)
<b>Net investment in finance leases</b>	<b>262.500</b>	<b>264.423</b>
Less: Reserve for doubtful financial lease receivables	(13.556)	(12.098)
<b>Minimum lease payment receivables, net</b>	<b>248.944</b>	<b>252.325</b>

Maturities of net investment in finance leases:

	June 30, 2010	December 31, 2009
Not later than one year	127.399	139.148
Later than one year and not later than five years	121.545	113.177
	<b>248.944</b>	<b>252.325</b>

	June 30, 2010		December 31, 2009	
	Amount	Interest rate %	Amount	Interest rate %
EUR	125.270	7,80 – 13,60	151.030	7,05 – 23,13
USD	74.440	5,84 – 14,96	60.511	7,36 – 21,37
TRL	49.234	13,68 – 23,07	40.784	17,80 – 36,39
	<b>248.944</b>		<b>252.325</b>	

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

	June 30, 2010	June 30, 2009
Balance at January 1	12.098	5.447
Provision	4.681	2.452
Collections (-)	(878)	(298)
Write-off (-)	(2.345)	-
<b>Balance at the end of the period</b>	<b>13.556</b>	<b>7.601</b>

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 12. FINANCIAL LEASE RECEIVABLES AND OBLIGATIONS (cont'd)

##### 12.2 Financial Lease Obligations

None (December 31, 2009: None).

#### 13. INVENTORIES

	June 30, 2010	December 31, 2009
Raw materials	16.475	14.870
Work-in-progress	3.612	3.487
Finished goods	10.065	13.253
Merchandise	54.908	57.735
Goods in transit	16.936	31.062
Others	4.491	3.422
Provision for inventories (-)	(1.503)	(806)
	<b>104.984</b>	<b>123.023</b>

The movement of provision for inventories is as follows:

	June 30, 2010	June 30, 2009
Balance at January 1	806	2.403
Provision	700	548
Reversal (-)	(3)	(827)
Change in scope of consolidation (*)	-	(169)
<b>Balance at the end of the period</b>	<b>1.503</b>	<b>1.955</b>

(\*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the prior year (Note 3).

Provision for inventories amount has been recorded in cost of sales account.

#### 14. BIOLOGICAL ASSETS

Biological assets amounting to TRL 9.767 (December 31, 2009: TRL 9.453) consist of cattles in the farm carried out at fair value. For the period ended as of June 30, 2010, cattle additions and disposals are 2.653 units and 3.114 units, respectively (June 30, 2009: additions 3.495 units , disposal 2.828 units).

#### 15. RECEIVABLES AND DEFERRED INCOME FROM CONSTRUCTION CONTRACTS IN PROGRESS

None (December 31, 2009 : None).

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
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**16. INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD**

	June 30, 2010	December 31, 2009
Investment in associate	1.006.446	974.228
Interest in joint ventures (Note 4)	115.273	116.165
	<b>1.121.719</b>	<b>1.090.393</b>

**16.1 Associate**

Entity	Principle Activities	Country of business	June 30, 2010			December 31, 2009		
			Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)	Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)
Anadolu Efes (*)	Production of beer	Turkey	1.006.446	36,27	99.866	974.228	36,27	163.880
			<b>1.006.446</b>		<b>99.866</b>	974.228		163.880

(\*) Shares of Anadolu Efes are currently quoted on the ISE.

Summary financial information of associate is as follows:

	June 30, 2010		December 31, 2009	
<b>Anadolu Efes</b>				
Total assets	5.668.449		5.430.041	
Total liabilities	3.116.195		2.695.863	
Net assets	2.552.254		2.734.178	
<b>Group's interest in net assets</b>	<b>1.006.446</b>		<b>974.228</b>	
	January 1 – June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Anadolu Efes</b>				
Revenues	2.037.562	1.283.892	1.960.249	1.196.405
Net income for the period	257.520	185.996	231.476	253.891
<b>Group's share in net income of the associate</b>	<b>99.866</b>	<b>72.129</b>	<b>89.767</b>	<b>98.458</b>
- Minority Interests	6.461	4.667	5.807	6.369
- Equity Holders of the Parent	93.405	67.462	83.960	92.089



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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 16. INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD (cont'd)

##### 16.1 Associate (cont'd)

The movement of carrying value of the associate in the interim consolidated financial statements as of June 30, 2010 and June 30, 2009 is as follows:

	June 30, 2010	June 30, 2009
Balance at January 1	974.228	866.748
Additions	-	1.693
Gain from investments accounted through equity method	99.866	89.767
Currency translation differences	62	(13.224)
Revaluation surplus	(191)	5.199
Other reserves	(1.990)	-
Dividend received	(65.529)	(51.754)
<b>Dönem sonu bakiyesi</b>	<b>1.006.446</b>	<b>898.429</b>

##### 16.2 Joint Ventures

Entity	Principle activities	Country of business	June 30, 2010			December 31, 2009		
			Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)	Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	62.566	37,56	(1.898)	64.465	37,56	(7.347)
Ana Gıda	Production and marketing of olive, sun flower and corn oils under Kirlangıç, Komili and Madra brands	Turkey	46.774	37,57	(598)	47.372	37,57	(4.963)
Aslancık	Production of electricity	Turkey	5.933	22,67	(305)	4.328	17,00	286
D Tes	Wholesale of electricity	Turkey	-	17,00	(13)	-	17,00	(56)
			<b>115.273</b>		<b>(2.814)</b>	<b>116.165</b>		<b>(12.080)</b>

(\*) Shares of Anadolu Isuzu are quoted on the ISE.

#### 17. INVESTMENT PROPERTY

None (December 31, 2009: None).

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**18. PROPERTY, PLANT AND EQUIPMENT (PP&E)**

Movements of property, plant and equipment during the six months period ended on June 30, 2010 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
<b>Cost</b>									
At January 1, 2010	43.591	76.509	188.631	105.301	38.713	14.506	82.120	2.417	551.788
Additions	572	6	3.774	39.703	1.552	69	364	11.230	57.270
Disposals (-)	-	(2.676)	(3.096)	(16.288)	(61)	(34)	(25)	(228)	(22.408)
Currency translation differences	(16)	-	-	(3)	(1)	-	-	(27)	(47)
Transfers	44	563	2.158	85	113	249	867	(4.079)	-
<b>June 30, 2010</b>	<b>44.191</b>	<b>74.402</b>	<b>191.467</b>	<b>128.798</b>	<b>40.316</b>	<b>14.790</b>	<b>83.326</b>	<b>9.313</b>	<b>586.603</b>
<b>Accumulated depreciation</b>									
At January 1, 2010	1.853	17.422	145.230	26.466	26.767	12.655	45.102	-	275.495
Depreciation charge for the period	114	735	4.183	9.128	1.806	126	3.381	-	19.473
Disposals (-)	-	(345)	(2.988)	(7.045)	(60)	(21)	(1)	-	(10.460)
<b>June 30, 2010</b>	<b>1.967</b>	<b>17.812</b>	<b>146.425</b>	<b>28.549</b>	<b>28.513</b>	<b>12.760</b>	<b>48.482</b>	<b>-</b>	<b>284.508</b>
<b>Net carrying amount</b>	<b>42.224</b>	<b>56.590</b>	<b>45.042</b>	<b>100.249</b>	<b>11.803</b>	<b>2.030</b>	<b>34.844</b>	<b>9.313</b>	<b>302.095</b>

(\*) The carrying amount of motor vehicles in operational fleet leasing business at June 30, 2010 is TRL 98.667.

**Property, Plant and Equipment (PP&E) held under finance lease**

The carrying amount of PP&E held under finance leases at June 30, 2010 is TRL 24.080 According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as collaterals by the finance lease company.

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**18. PROPERTY, PLANT AND EQUIPMENT (PP&E) (cont'd)**

Movements of property, plant and equipment during the six months period ended on June 30, 2009 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
<b>Cost</b>									
January 1, 2009	43.112	77.074	178.664	80.139	34.758	14.450	75.686	5.535	509.418
Additions	46	-	1.432	17.400	1.119	114	137	6.815	27.063
Disposals (-)	-	-	(231)	(8.479)	(11)	-	(194)	(3)	(8.918)
Change in scope of consolidation (**)	(323)	-	(815)	(140)	(297)	(22)	(854)	(4.033)	(6.484)
Transfers	-	-	1.660	-	-	-	1.079	(2.820)	(81)
<b>June 30, 2009</b>	<b>42.835</b>	<b>77.074</b>	<b>180.710</b>	<b>88.920</b>	<b>35.569</b>	<b>14.542</b>	<b>75.854</b>	<b>5.494</b>	<b>520.998</b>
<b>Accumulated depreciation</b>									
January 1, 2009	1.631	15.617	139.044	20.293	24.042	12.453	39.099	-	252.179
Depreciation charge for the period	111	459	3.781	8.009	1.326	113	3.377	-	17.176
Disposals (-)	-	-	(231)	(4.557)	(1)	-	(194)	-	(4.983)
Change in scope of consolidation (**)	-	-	(692)	(121)	(210)	(15)	(230)	-	(1.268)
<b>June 30, 2009</b>	<b>1.742</b>	<b>16.076</b>	<b>141.902</b>	<b>23.624</b>	<b>25.157</b>	<b>12.551</b>	<b>42.052</b>	<b>-</b>	<b>263.104</b>
<b>Net carrying amount</b>	<b>41.093</b>	<b>60.998</b>	<b>38.808</b>	<b>65.296</b>	<b>10.412</b>	<b>1.991</b>	<b>33.802</b>	<b>5.494</b>	<b>257.894</b>

(\*) The carrying amount of motor vehicles in operational fleet leasing business at June 30, 2009 is TRL 57.842.

(\*\*) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the prior year (Note 3).

**Property, plant and equipment held under finance lease**

The carrying amount of PP&E held under finance leases at June 30, 2009 is TRL 25.670. According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as collaterals by the finance lease company.

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**19. INTANGIBLE ASSETS**

Movements of intangible assets during the six months period ended on June 30, 2010 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
<b>Cost</b>					
January 1, 2010	41.821	5.529	1.051	1.380	49.781
Additions (*)	6.603	-	-	37	6.640
<b>June 30, 2010</b>	<b>48.424</b>	<b>5.529</b>	<b>1.051</b>	<b>1.417</b>	<b>56.421</b>
<b>Accumulated amortization</b>					
January 1, 2010	36.126	5.380	617	467	42.590
Amortization charge for the period	840	-	120	24	984
<b>June 30, 2010</b>	<b>36.966</b>	<b>5.380</b>	<b>737</b>	<b>491</b>	<b>43.574</b>
<b>Net carrying amount</b>	<b>11.458</b>	<b>149</b>	<b>314</b>	<b>926</b>	<b>12.847</b>

(\*) Related with the acquisition of GUE realised by Anadolu Kafkasya, one of the subsidiaries of the Company, TRL 6.138 is associated with electricity production license and accounted for as intangible assets for the difference between the acquisition cost and the net book value of the acquired net assets.

Movements of intangible assets during the six months period ended on June 30, 2009 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
<b>Cost</b>					
January 1, 2009	76.226	10.677	1.051	1.381	89.335
Additions	1.034	-	-	-	1.034
Disposals	(2)	-	-	-	(2)
Change in scope of consolidation (**)	(36.844)	(5.148)	-	(85)	(42.077)
Transfers	81	-	-	-	81
<b>June 30, 2009</b>	<b>40.495</b>	<b>5.529</b>	<b>1.051</b>	<b>1.296</b>	<b>48.371</b>
<b>Accumulated amortization</b>					
January 1, 2009	35.291	9.307	378	496	45.472
Amortization charge for the period	679	-	119	21	819
Disposals	-	-	-	-	-
Change in scope of consolidation (**)	(603)	(3.927)	-	(74)	(4.604)
<b>June 30, 2009</b>	<b>35.367</b>	<b>5.380</b>	<b>497</b>	<b>443</b>	<b>41.687</b>
<b>Net carrying amount</b>	<b>5.128</b>	<b>149</b>	<b>554</b>	<b>853</b>	<b>6.684</b>

(\*\*) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the prior year (Note 3).

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#### 20. GOODWILL

As of June 30, 2010, the goodwill amount of the Group is TRL 35.344 (December 31, 2009: TRL 35.344).

#### 21. GOVERNMENT INCENTIVES AND GRANTS

As of June 30, 2010, research, development and support premiums received from Tübitak amounting to TRL 47 are accounted under other expenses (June 30, 2009: None). As of June 30, 2010, the Group has investment incentives amounting to TRL 111.802 (December 31, 2009: TRL 106.540).

#### 22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The provisions as of June 30, 2010 and December 31, 2009 are as follows:

	June 30, 2010	December 31, 2009
Non-Banking	8.582	20.765
Banking	11.312	12.488
	<b>19.894</b>	<b>33.253</b>

##### Non-Banking

	June 30, 2010	December 31, 2009
Warranty provisions (*)	6.280	8.772
Provision for litigations	1.226	876
Label provisions (**)	467	10.508
Other provisions	609	609
	<b>8.582</b>	<b>20.765</b>

(\*) Result from sales including warranty provisions of Çelik Motor, Anadolu Motor and Anadolu Elektronik which are subsidiaries of the Company.

(\*\*) Consist of tax stamp provisions of Anadolu Elektronik and Antek Teknoloji, a subsidiary of the Company. These provisions which are resulted from television import will be paid to Turkish National Broadcasting Corporation.

##### Banking

	June 30, 2010	December 31, 2009
Loan loss provision	10.348	10.906
Provision for litigations	519	519
Others	445	1.063
	<b>11.312</b>	<b>12.488</b>

As of June 30, 2010, the Group has no long term provisions (December 31, 2009: None ).

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#### 23. COMMITMENTS

##### Non-Banking

Letters of guarantee given to banks, suppliers, Energy Market Regulatory Authority and custom offices are TRL 48.711 (December 31, 2009: TRL 52.655).

Collaterals given to banks for the loans of associates and other related parties are TRL 959 (December 31, 2009: TRL 940).

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRL 40.830 (December 31, 2009: TRL 48.884).

Letter of credits amount to TRL 775 (December 31, 2009: TRL 3.043).

The breakdown of guarantee/pledge/mortgage (GPM) position of the Company as of June 30, 2010 and December 31, 2009 is as follows:

	June 30, 2010	December 31, 2009
Guarantee pledge and mortgages provided by the Company		
A. Total amount of GPMs given on behalf of the Company's legal personality	-	-
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	-	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-
D. Total amount of other GPM's	490	469
i. Total amount of GPMs given in favor of the parent Company	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	490	469
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-
	490	469

As of June 30, 2010, the ratio of other GPMs over the Company's equity is 0%. (December 31, 2009: 0%).

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 TRL 71.773, TRL 2.314, TRL 10.172 and TRL 1.236, respectively (December 31, 2009: TRL 53.022, TRL 2.155, TRL 15.140 and TRL 1.256).

The tax authority and other authorities (Social Security Institution) can inspect tax returns and the related accounting records for a retrospective maximum period of five years. Group has not provided any tax provision regarding prior years.

AEH, one of the subsidiary of the Company, has undertaken the obligation of preserving the corporate presence of McDonald's within the period of its license contract and the obligation of supporting to fulfill the financial and fiscal liabilities.

Çelik Motor, the subsidiary, operates in the operational fleet leasing business for the rental periods changing between 1 to 3 years.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 23. COMMITMENTS (cont'd)

##### Non-Banking (cont'd)

Based on the Subscription and Shareholders Agreement, AEH, one of the subsidiary of the Company, has granted a put option to SEEF Foods regarding its joint venture in Ana Gıda which may be exercisable between 2012 and 2014. As it is granted to the other shareholder of the joint venture, such put option is considered as derivative instrument with respect to IAS 39.

##### Banking

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

	June 30, 2010	December 31, 2009
Letters of guarantees issued (by ABank)	1.334.867	1.197.207
Letters of credit	325.615	245.626
Acceptance credits	165.766	117.084
Other	19.504	13.227
<b>Total non-cash loans</b>	<b>1.845.752</b>	<b>1.573.144</b>
Other commitments (*)	760.100	999.010
	<b>2.605.852</b>	<b>2.572.154</b>

(\*) Other commitments include commitments for reserve deposits requirements, loan granting commitments and asset purchase and sale commitments.

As of June 30, 2010, ALease has no letters of guarantees given for funds borrowed from banks and various leasing transactions (December 31, 2009: None).

#### **Blocked Assets**

As of June 30, 2010, the fair values of the TRL denominated assets held by ABank in fiduciary, agency or custodian capacities amounted to TRL 968.997 (December 31, 2009: TRL 939.360) and foreign currency denominated assets amounted to TRL 95.759 (December 31, 2009: TRL 29.451).

#### **Litigation**

There were a number of legal proceedings outstanding against ABank as of June 30, 2010 amount to TRL 6.390 (December 31, 2009: TRL 6.333). 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, has provided provision amounting to TRL 519 (December 31, 2009: TRL 519).

#### **Other**

ABank manages six open-ended investment funds which were established under the regulations of the CMB of Turkey. 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.

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 24. PROVISIONS FOR THE EMPLOYEE BENEFITS

	June 30, 2010	December 31, 2009
<b>Short term</b>	<b>17.286</b>	12.932
Bonus provisions	11.172	8.797
Vacation pay liability	5.632	4.135
Employee termination benefits	482	-
<b>Long term</b>	<b>14.654</b>	14.012
Employee termination benefits	14.654	14.012
	<b>31.940</b>	26.944

#### Provision for Employee Termination Benefits

In accordance with the existing social legislation, the Group is 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 TRL 2,4270/year at June 30, 2010 and TRL 2,3652/year December 31, 2009, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements as of June 30, 2010 and December 31, 2009 the Group reflected 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 at the balance sheet date on government bonds.

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

	June 30, 2010	December 31, 2009
Discount rate	%11	%11
Expected rates of salary/limit increases (inflation rate)	%4,8	%4,8

In addition, the principal assumption that the maximum liability, TRL 2,4270, for each year of service will increase in line with inflation is taken into consideration in the calculation of retirement pay liability provision as of June 30, 2010.

The movement of provision for employee termination benefits is as follows:

	June 30, 2010	June 30, 2009
Balance at January 1	14.012	12.828
Interest cost	771	706
Charge for the period (net)	2.110	1.707
Paid (-)	(1.757)	(1.474)
Change in scope of consolidation (*)	-	(1.061)
<b>Balance at the end of the period</b>	<b>15.136</b>	12.706

(\*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the prior year (Note 3).



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**25. PENSION PLANS**

None (December 31, 2009 : None).

**26. OTHER ASSETS AND LIABILITIES**

**26.1 Other Current Assets**

	<b>June 30, 2010</b>	December 31, 2009
Non-Banking	<b>33.008</b>	30.875
Banking	<b>21.217</b>	14.255
	<b>54.225</b>	45.130

**Non-Banking**

	<b>June 30, 2010</b>	December 31, 2009
Prepaid expenses	<b>19.958</b>	20.280
VAT receivable	<b>7.567</b>	5.005
Advances given	<b>3.678</b>	1.401
Prepaid taxes	<b>565</b>	2.909
Other current assets	<b>1.240</b>	1.280
	<b>33.008</b>	30.875

**Banking**

	<b>June 30, 2010</b>	December 31, 2009
VAT receivable	<b>11.847</b>	8.655
Prepaid expenses and others	<b>7.441</b>	3.717
Receivables from insurance policies	<b>1.915</b>	1.873
Prepaid tax	<b>14</b>	10
	<b>21.217</b>	14.255

**26.2 Other Non-Current Assets**

	<b>June 30, 2010</b>	December 31, 2009
<u>Non-Banking</u>	<b>1.525</b>	1.090
VAT receivable	<b>416</b>	253
Other	<b>1.109</b>	837
<u>Banking</u>	<b>33.656</b>	21.739
Assets held for sale	<b>26.176</b>	12.355
Prepaid expenses	<b>7.034</b>	3.468
VAT receivable	<b>-</b>	2.892
Other	<b>446</b>	3.024
	<b>35.181</b>	22.829

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**26. OTHER ASSETS AND LIABILITIES (cont'd)**

**26.3 Other Current Liabilities**

	<b>June 30, 2010</b>	December 31, 2009
Non-Banking	<b>27.013</b>	6.773
Banking	<b>55.021</b>	39.963
	<b>82.034</b>	46.736

**Non-Banking**

	<b>June 30, 2010</b>	December 31, 2009
Advances taken	<b>25.822</b>	5.709
Deferred income	<b>1.151</b>	1.064
Other payables	<b>40</b>	-
	<b>27.013</b>	6.773

**Banking**

	<b>June 30, 2010</b>	December 31, 2009
Cheques in collection	<b>21.136</b>	16.502
Collections regarding assets held for sale	<b>14.911</b>	10.694
Advances taken from customers	<b>5.713</b>	3.392
Other	<b>13.261</b>	9.375
	<b>55.021</b>	39.963

As of June 30, 2010, other non-current liability amounts to TRL 280 (December 31, 2009: TRL 330).

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#### 27. EQUITY

##### Shared Capital / Adjustments to Share Capital and Equity Instruments

	June 30, 2010		December 31, 2009	
	Amount	%	Amount	%
Yazıcı Families	62.567	39,10	62.567	39,10
Kamil Yazıcı Yönetim ve Danışma A.Ş.	53.600	33,50	53.600	33,50
Publicly traded (*)	43.833	27,40	43.833	27,40
<b>Paid-in share capital - historical</b>	<b>160.000</b>	<b>100,00</b>	160.000	100,00
Inflation adjustment to share capital	-		-	
<b>Total share capital - historical</b>	<b>160.000</b>		160.000	

(\*) TRL 2.906 amount of the publicly traded portion, which is 1,816% of the paid-in capital is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

Movement of paid in share capital as at June 30, 2010 and December 31, 2009 is as follows (historical amounts):

	June 30, 2010		December 31, 2009	
	Number of shares	Amount	Number of shares	Amount
Balance at January 1	160.000.000	160.000	160.000.000	160.000
-Inflation adjustment to share capital	-	-	-	-
<b>Balance at the end of the period</b>	<b>160.000.000</b>	<b>160.000</b>	160.000.000	160.000

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. 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. Namely;

Yazıcılar's common shares are divided into four classes, with each class of shares having equal 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.

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#### 27. EQUITY (cont'd)

##### Shared Capital / Adjustments to Share Capital and Equity Instruments (cont'd)

Class	Number of shares	Percentage of capital %	Number of members on Board
A (Bearer)	87.818.037	54,89	1
B (Registered)	31.999.964	20,00	3
C (Registered)	19.235.049	12,02	1
D (Registered)	20.946.950	13,09	1
	<b>160.000.000</b>	<b>100,00</b>	<b>6</b>

##### Restricted Reserves Allocated from Net Profit, Revaluation Surplus

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory net income (inflation-restated income in accordance with CMB) at the rate of 5%, until the total reserve reaches a maximum of 20% of the Company's issued capital (inflation-restated issued capital in accordance with the communiqués and announcements of CMB). The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's issued capital (inflation-restated capital in accordance with CMB). In accordance with Turkish Commercial Code, the legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves can not be used.

In accordance with the Communiqué No. XI-25, items of statutory shareholders' equity such as "share capital, share premium, legal reserves, statutory reserves and extraordinary reserves", were presented at their historical amounts. The difference between the inflated and historical amounts of these items was presented in shareholders' equity as "adjustment to equity".

According to the CMB Communiqué No. XI-29, which is effective as of January 1, 2008 and explanatory announcements of CMB related with the communiqué, "paid in capital", "restricted reserves allocated from net profit" and "share premiums" have to be presented as the amounts in the statutory financial statements. The valuation differences appeared during the application of the communiqué (like the differences resulting from the inflation adjustments) are associated with the "adjustment to issued capital" which is presented after the "paid in capital", if they result from the "paid in capital" and have not been added to the capital yet; they are associated with the "retained earnings" if they result from the "restricted reserves allocated from net profit" and the "share premium" and have not been subject to dividend distribution or capital increase yet. Other equity items are presented with the amounts valued within the framework of CMB Financial Reporting Standards.

Quoted companies are subject to dividend requirements regulated by the CMB 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 distributed. There will be no profit distribution whether loss of the period is recognized either in the financial statements in accordance with CMB regulations or in the statutory financial statements.

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#### 27. EQUITY (cont'd)

##### Restricted Reserves Allocated from Net Profit, Revaluation Surplus (cont'd)

Based on the CMB Decree 1/6, dated January 9, 2009, the principles regarding to the distribution of the profit of 2008 operations of quoted companies subject to capital market is as follows: the minimum dividend distribution rate is 20% in accordance with the article 5 of Communiqué Serial: IV, No:27; the distribution may be made by either as cash or bonus shares to be issued to the shareholders by including the dividend in capital or a certain amount as cash and a certain amount as bonus shares in accordance with the resolution taken in general assembly meeting.

Also, in accordance with the above mentioned Decree, companies that take their consolidated financial statements as basis for their distributable profit, shall consider the profits of their subsidiaries, joint ventures and associates to the extent that such profits do not exceed the amount recorded in the statutory financial statements of these companies and without considering whether a profit distribution resolution is taken at their annual general meetings. Such profits as reported in the financial statement as per CMB Communiqué Serial XI, No: 29 “Financial Reporting Standards in Capital Market” shall be subject to distributable dividend computations.

As a result of the decision of CMB on January 27, 2010, there are no obligations for the minimum dividend payments subject to public incorporated companies whose shares are traded in the stock exchange.

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. Inflation adjustment to shareholders' equity, in the case of cash used for profit distribution will be subject to corporate income tax.

	June 30, 2010	December 31, 2009
Revaluation surplus	7.925	8.266
	June 30, 2010	December 31, 2009
Restricted reserves allocated from net profit	16.063	14.080

##### Retained Earnings

As of June 30, 2010 and December 31, 2009 the summary of equity reserves, extraordinary reserves, other profit reserves, and retained earnings are as follows:

	June 30, 2010	December 31, 2009
Equity reserves	1.166	1.166
Extraordinary reserves	115.376	112.900
Other profit reserves	2.558	2.558
Retained earnings	1.255.665	1.064.950
	1.374.765	1.181.574

##### Minority Interest

Minority interests are separately classified in the interim consolidated financial statements.

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**28. CONTINUING OPERATIONS**

<b>GROSS PROFIT</b>	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
Non-Banking	<b>114.366</b>	<b>63.553</b>	118.069	65.353
Revenue net off cost of sales	<b>93.938</b>	<b>52.716</b>	98.069	54.714
Service Income (*)	<b>20.428</b>	<b>10.837</b>	20.000	10.639
Banking – Gross profit from financial sector operations	<b>111.314</b>	<b>49.922</b>	157.186	66.133
	<b>225.680</b>	<b>113.475</b>	275.255	131.486

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

**29. OPERATING EXPENSES**

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
Non-Banking	<b>83.865</b>	<b>48.384</b>	77.647	39.741
Banking	<b>69.877</b>	<b>44.700</b>	91.208	41.471
	<b>153.742</b>	<b>93.084</b>	168.855	81.212

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
Marketing, selling and distribution expenses	<b>32.583</b>	<b>20.709</b>	34.404	18.619
General administrative expenses	<b>120.844</b>	<b>72.216</b>	134.210	62.523
Research and development expenses	<b>315</b>	<b>159</b>	241	70
	<b>153.742</b>	<b>93.084</b>	168.855	81.212

**Non-Banking**

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
Marketing, selling and distribution expenses	<b>32.583</b>	<b>20.709</b>	34.404	18.619
General administrative expenses	<b>50.967</b>	<b>27.516</b>	43.002	21.052
Research and development expenses	<b>315</b>	<b>159</b>	241	70
	<b>83.865</b>	<b>48.384</b>	77.647	39.741

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#### 29. OPERATING EXPENSES (cont'd)

##### Banking

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
General administrative expenses	55.375	38.229	81.082	35.584
Bank's foreign exchange losses, net	14.502	6.471	10.126	5.887
	<b>69.877</b>	<b>44.700</b>	91.208	41.471

#### 30. OTHER OPERATING INCOME

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Income from agreements-financial leasing	2.200	1.042	982	801
Insurance compensation income	1.717	720	1.606	383
Commission income	500	294	205	138
Gain on sale of property, plant and equipment	342	167	157	70
Gain on sale of share in subsidiary (*)	-	-	11.811	-
Other	3.448	2.271	6.655	90
	<b>8.207</b>	<b>4.494</b>	21.416	1.482

(\*) On February 20, 2009, a Subscription and Shareholders Agreement was signed between AEH and Ana Gıda, subsidiaries of the Company, and SEEF Foods S.A.R.L (Seef Foods) - owned by Southeast Europe Equity Fund II (B) L.P. and controlled by Bedminster Capital Management LLC- regarding SEEF Foods' EUR 25 million capital contribution to Ana Gıda - in addition AEH's contribution of 5 million Euros – in return for 44,75% shares. The closing transactions regarding this agreement were completed on March 4, 2009. According to the new shareholding structure and the articles of agreement, the Group has classified Ana Gıda as joint venture and included in consolidation through equity method.

#### 31. OTHER OPERATING EXPENSE

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Financial leasing-provision for receivables	3.803	2.111	2.154	956
Financial leasing-agreement expenses	1.585	903	1.552	711
Donation	1.518	827	1.048	603
Provision for doubtful receivables	232	112	213	116
Other	3.453	2.486	2.237	1.350
	<b>10.591</b>	<b>6.439</b>	7.204	3.736

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 32. FINANCIAL INCOME

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Foreign exchange gain	30.685	15.590	44.800	13.038
Gain on sale of financial assets	2.270	608	7.500	2.623
Other income	6.399	4.924	5.474	1.003
	<b>39.354</b>	<b>21.122</b>	57.774	16.664

#### 33. FINANCIAL EXPENSE

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Foreign exchange loss	25.014	12.757	44.640	13.331
Interest expense	12.710	6.472	26.099	5.361
Other expense	474	305	327	(767)
	<b>38.198</b>	<b>19.534</b>	71.066	17.925

#### 34. ASSETS HELD FOR SALE

The carrying amount of assets held for sale at June 30, 2010 is TRL 33.255 (December 31, 2009: TRL 28.966).

#### 35. TAX ASSETS AND LIABILITIES

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 (2009: 20%). Corporate tax returns are required to be filed until the twentyfifth 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% (2009: 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.

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.

##### 35.1 Deferred Tax Assets and Liabilities

The distribution of deferred tax assets and liabilities is as follows:

	June 30, 2010	December 31, 2009
Deferred tax asset	32.117	29.500
Deferred tax liability (-)	(13.792)	(12.717)
<b>Total deferred tax asset / (liability), net</b>	<b>18.325</b>	16.783



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**YAZICILAR HOLDİNG ANONİM ŞİRKETİ**

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**35. TAX ASSETS AND LIABILITIES (cont'd)**

**35.1 Deferred Tax Assets and Liabilities (cont'd)**

The movement of net deferred tax asset as of the six months period ended on June 30, 2010 is as follows:

	Balance December 31, 2009	Recorded to income statement	Balance June 30, 2010
Property, plant and equipment, and intangibles	(15.455)	(3.502)	(18.957)
Tax loss carried forward	3.499	887	4.386
Employee termination benefit	2.798	225	3.023
Financial leases	(1.136)	13	(1.123)
Investment incentive	18.109	(161)	17.948
Other	8.968	4.080	13.048
<b>Net deferred tax (liability)/asset</b>	<b>16.783</b>	<b>1.542</b>	<b>18.325</b>
Reclassification to revaluation surplus	-	(72)	-
	<b>16.783</b>	<b>1.470</b>	<b>18.325</b>

The movement of net deferred tax liability as of the six months period ended on June 30, 2009 is as follows:

	Balance December 31, 2008	Change in scope of consolidation (*)	Recorded to income statement	Balance June 30, 2009
Property, plant and equipment, and intangibles	(17.564)	1.539	(1.525)	(17.550)
Tax loss carried forward	9.861	(4.695)	(2.079)	3.087
Employee termination benefit	2.565	(212)	182	2.535
Financial leases	(1.162)	-	644	(518)
Investment incentive	-	-	-	-
Other	4.713	(519)	4.404	8.598
<b>Net deferred tax (liability)/asset</b>	<b>(1.587)</b>	<b>(3.887)</b>	<b>1.626</b>	<b>(3.848)</b>
Reclassification to revaluation surplus	-	-	-	-
	<b>(1.587)</b>	<b>(3.887)</b>	<b>1.626</b>	<b>(3.848)</b>

(\*) Change in scope of consolidation involves the effects of the change in Ana Gıda's consolidation method in the prior year (Note 3).

**35.2 Tax Expense**

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Income tax (expense)	(13.763)	(6.889)	(17.913)	(10.125)
Deferred tax (expense)/income	1.470	4.155	1.626	2.772
	<b>(12.293)</b>	<b>(2.734)</b>	<b>(16.287)</b>	<b>(7.353)</b>

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#### 35. TAX ASSETS AND LIABILITIES (cont'd)

##### 35.3 Tax Provision

	June 30, 2010	June 30, 2009
Balance at January 1	2.544	437
Income tax expense	13.763	17.913
Prepaid tax (-)	(9.546)	(8.747)
<b>Balance at the end of the period</b>	<b>6.761</b>	<b>9.603</b>

#### 36. EARNINGS PER SHARE

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
Net profit (full TRL)	119.164.000	75.310.000	122.180.000	106.142.000
Weighted average number of shares	160.000.000	160.000.000	160.000.000	160.000.000
<b>Earning per share (full TRL)</b>	<b>0,74</b>	<b>0,47</b>	<b>0,76</b>	<b>0,66</b>

#### 37. RELATED PARTY BALANCES AND TRANSACTIONS

##### 37.1 Bank Balances with Related Parties

	June 30, 2010	December 31, 2009
Anadolu Efes (1)	34.027	195.891
Anadolu Isuzu (2)	23.040	14.450
Özilhan Sınai Yatırım A.Ş. (5)	21.377	12.430
Tarbes Tarım Ürünleri ve Besicilik San. Tic. A.Ş. (Tarbes) (3)	14.165	13.403
Anadolu Etap Tarım ve Gıda A.Ş. (3)	13.808	20.477
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	8.562	10.699
Other	38.171	12.070
	<b>153.150</b>	<b>279.420</b>

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## YAZICILAR HOLDİNG ANONİM ŞİRKETİ

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 37.2 Due from Related Parties

	June 30, 2010	December 31, 2009
Anadolu Etap Tarım ve Gıda A.Ş. (3)	6.073	2.589
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	5.542	6.744
ZAO Moscow Efes Brewery (Efes Moscow) (3)	2.721	1.156
OAO Amstar (3)	2.305	1.659
Anadolu Efes (1)	1.997	841
Anadolu Isuzu (2)	844	385
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	829	469
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	825	378
Coca-Cola İçecek A.Ş. (3)	769	130
Coca-Cola Satış ve Dağıtım A.Ş. (3)	688	1.013
Krasny Vostok Group (3)	408	1.290
Tarbes Tarım Ürünleri ve Besicilik San. Tic. A.Ş. (Tarbes) (3)	56	2
Other	1.067	807
	<b>24.124</b>	<b>17.463</b>

As of June 30, 2010, the loan amount given to related parties is TRL 290, which is included under “Banking Loans” in the interim consolidated financial statements (December 31, 2009: TRL 1.691). As of June 30, 2010, TRL 3.026 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2009: TRL 1.610). As of June 30, 2010, the non-cash loan amount given by the bank to related parties is TRL 45.264 (December 31, 2009: 30.238).

As of June 30, 2010 the short term portion of due from related parties is amounting to TRL 17.314 (December 31, 2009: TRL 11.812), and the long term portion is TRL 6.810 (December 31, 2009: TRL 5.651).

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

##### 37.3 Due To Related Parties

	June 30, 2010	June 30, 2009
Anadolu Isuzu (2)	109	467
Dividends to be paid to shareholders	26	21
Efpa (3)	5	305
Ana Gıda (2)	-	1.586
Other	16	23
	<b>156</b>	<b>2.402</b>

There is no long term amount of due to related parties as of June 30, 2010 (December 31, 2009: None).

- (1) An associate
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- (5) Other

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#### 37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 37.4 Related Party Transactions

###### Terms and conditions of transactions with related parties

Outstanding balances at the end of the period are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the six-month period ended June 30, 2010, the Group has not recorded any impairment of receivables, relating to amounts owned by related parties (December 31, 2009: None). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related parties operate.

Significant transactions with related parties during the period ended as of June 30, 2010 and June 30, 2009 are as follows:

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Sales of goods and services, net</b>				
Anadolu Efes (1)	11.521	4.841	11.361	4.769
Efpa (3)	9.250	5.030	8.663	7.085
Efes Breweries International N.V. (3)	7.638	5.171	12.571	7.043
Coca-Cola Satış ve Dağıtım A.Ş. (3)	4.564	2.147	4.267	2.327
Anadolu Isuzu (2)	3.614	1.974	2.578	1.253
Tarbes (3)	2.462	1.597	2.052	828
Ana Gıda (2)	664	290	759	360
Efes Vitanta Moldova Brewery SA (3)	201	19	269	3
Other	2.830	1.081	2.653	1.568
	<b>42.744</b>	<b>22.150</b>	45.173	25.236
	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Purchases of goods and other charges</b>				
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	1.365	775	1.035	600
Anadolu Isuzu (2)	456	217	269	139
Efpa (3)	132	65	125	62
Diğer	302	26	31	15
	<b>2.255</b>	<b>1.083</b>	1.460	816

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(5) Other

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#### 37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 37.4 Related Party Transactions (cont'd)

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Interest and other financial income (banking)</b>				
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	326	147	290	129
Ana Gıda (2)	178	65	510	223
Anadolu Efes (1)	168	82	74	1
Anadolu Isuzu (2)	103	53	57	1
Other	333	152	152	9
	<b>1.108</b>	<b>499</b>	<b>1.083</b>	<b>363</b>

	January 1 - June 30, 2010	April 1 - June 30, 2010	January 1 - June 30, 2009	April 1 - June 30, 2009
<b>Interest and other financial expense (banking)</b>				
Anadolu Efes (1) (*)	2.464	991	6.041	2.101
Tarbes (3)	851	383	663	318
Özilhan Sınai Yatırım A.Ş. (5)	777	432	1.338	651
Anadolu Isuzu (2)	425	247	876	379
Efes Pilsen Spor Kulübü (5)	487	310	488	239
Coca-Cola İçecek A.Ş. (3)	50	16	1.107	371
Other	1.125	610	1.819	728
	<b>6.179</b>	<b>2.989</b>	<b>12.332</b>	<b>4.787</b>

(\*) Interest rate range for TRL deposits is 6%.

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**37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)**

**37.4 Related Party Transactions (cont'd)**

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
<b>Various sales included in other income (includes dividends received)</b>				
Coca-Cola İçecek A.Ş. (3)	<b>452</b>	<b>449</b>	2	-
Coca-Cola Satış ve Dağıtım A.Ş. (3)	<b>348</b>	<b>346</b>	15	13
Efpa (3)	<b>41</b>	<b>18</b>	61	61
Other	<b>98</b>	<b>40</b>	125	21
	<b>939</b>	<b>853</b>	203	95

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
<b>Interest and other financial expense (non-banking)</b>				
Anadolu Efes (1)	<b>4</b>	<b>3</b>	1.174	101
Anelsan (3)	-	-	18	10
	<b>4</b>	<b>3</b>	1.192	111

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	<b>January 1 - June 30, 2009</b>	<b>April 1 - June 30, 2009</b>
<b>Interest and other financial income (non- banking)</b>				
Ana Gıda (2)	-	-	1.506	-
	-	-	1.506	-

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#### 37. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd)

##### 37.4 Related Party Transactions (cont'd)

###### *Compensation of Key Management Personnel of the Group*

Group has defined the key management personnel as follows; the managers directly reporting to the general manager and board of directors, in ABank the board of directors, general manager and the assistant general manager, and the board of directors and general managers in the rest of the subsidiaries.

The details of benefits provided to the key management personnel during the periods ended on June 30, 2010 and June 30, 2009 are as follows:

	<b>January 1 - June 30, 2010</b>	<b>April 1 - June 30, 2010</b>	January 1 - June 30, 2009	April 1 - June 30, 2009
Short term benefits provided to key management personnel	<b>9.143</b>	<b>3.950</b>	5.952	1.468
Post-employment benefits	<b>480</b>	<b>83</b>	84	-
<b>Total gain</b>	<b>9.623</b>	<b>4.033</b>	6.036	1.468
<b>Social Security employer share</b>	<b>219</b>	<b>109</b>	131	43

###### *Other*

The Company and its subsidiaries other than McDonald's, Hamburger and AYO are obligated to donate 1% - 5% of their profit before corporate tax and such fiscal obligations to Anadolu Eğitim ve Sosyal Yardım Vakfı as stated in the entities' foundation agreements as long as these donations are exempt from tax. As of June 30, 2010, donations amount to TRL 1.515 (June 30, 2009: TRL 1.035).

The Company and its subsidiaries other than McDonald's, Hamburger, ABank, AYO, Anadolu Motor, A Yatırım and Ülkü, distribute a 5% dividend of their net profit to the board members, which is the amount left after the legal reserves and the first dividend are deducted consecutively. If a representative executes board membership for a company, the executive board dividend of that representative is recorded as board of members' dividend income at the related company.

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#### **38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS**

##### **Financial Risk Management Objectives and Policies**

###### **General**

###### **Banking**

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
- Establishment of dynamic risk limits
- Quantification of the actual risks

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.

###### **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.

###### **Credit Risk**

Seeking to maintain a sound asset portfolio and prevent non-performing loans, 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 collateralization.



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**38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Banking (cont'd)**

**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 details of ABank's and ALease's assets, liabilities and off- balance-sheet items in foreign currency is as follows:

	TRL	USD	EUR	JPY	Other	Total
<b>30.06.2010</b>						
<b>Assets</b>						
Cash and balances with the Central Bank	38.663	48.736	4.989	-	169	92.557
Deposits with banks and other financial institutions	445	32.328	49.438	97	1.900	84.208
Other money market placements	13.971	-	-	-	-	13.971
Reserve deposits at the Central Bank	-	90.961	-	-	-	90.961
Financial assets at fair value through profit and loss	50.259	29	-	-	-	50.288
Financial assets	429.857	-	-	-	-	429.857
Banking loans	1.845.127	804.539	337.460	-	-	2.987.126
Minimum lease payments receivable	49.288	76.057	134.289	-	-	259.634
Derivative financial instruments	8.503	-	-	-	-	8.503
Investments	17	-	-	-	-	17
Assets held for sale	28.906	-	-	-	-	28.906
Property, plant and equipment	15.709	-	-	-	-	15.709
Intangible assets	2.508	-	-	-	-	2.508
Deferred tax assets	27.885	-	-	-	-	27.885
Other assets	94.117	4.771	1.265	-	-	100.153
<b>Total Assets</b>	<b>2.605.255</b>	<b>1.057.421</b>	<b>527.441</b>	<b>97</b>	<b>2.069</b>	<b>4.192.283</b>
<b>Liabilities</b>						
Deposits from other banks	5.595	2.048	943	-	-	8.586
Customers' deposits	1.476.139	612.061	353.675	2.115	1.899	2.445.889
Other money market deposits	114.250	-	-	-	-	114.250
Funds borrowed	48.689	401.345	420.707	-	-	870.741
Derivative financial instruments	9.809	-	-	-	-	9.809
Income tax payable	3.130	-	-	-	-	3.130
Other liabilities and provisions	142.440	30.084	11.124	-	1.442	185.090
<b>Total Liabilities</b>	<b>1.800.052</b>	<b>1.045.538</b>	<b>786.449</b>	<b>2.115</b>	<b>3.341</b>	<b>3.637.495</b>
<b>Net on-balance sheet position</b>	<b>805.203</b>	<b>11.883</b>	<b>(259.008)</b>	<b>( 2.018)</b>	<b>(1.272)</b>	<b>554.788</b>
<b>Off-balance sheet position</b>						
Net nominal amount of derivatives	237.938	(66.252)	263.206	1.992	1.276	(37.716)
Non- cash loans	947.215	571.772	318.957	3.138	4.670	1.845.752
<b>31.12.2009</b>						
Total Assets	2.560.419	813.693	580.241	-	904	3.955.257
Total Liabilities	1.773.582	997.747	647.107	3.719	3.954	3.426.109
Net on-Balance Sheet Position	786.837	(184.054)	(66.866)	(3.719)	(3.050)	529.148
Non-cash loans	793.794	471.401	301.806	1.078	5.065	1.573.144

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#### 38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Banking (cont'd)

##### Currency Risk (cont'd)

##### *Foreign currency sensitivity*

The following table details the Group's (Banking) sensitivity to a 10% change in the TRL against relevant foreign currency. A positive number indicates an increase/decrease in profit or loss where the TRL changes by 10% against relevant foreign currency.

	Change in exchange rate %	Effect on profit / loss	
		June 30, 2010	December 31, 2009
USD	+/-% 10	+/- 2.578	+/- 2.354
EUR	+/-% 10	+/-526	+/- 2.035

##### Interest Rate Risk

The net present value of assets and liabilities are driven by interest rates differentials 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.

##### Liquidity Risk

Liquidity risk refers to the possibility of an institution being unable to access necessary funds due to declining fund-raising capacity. The Group closely monitors its overall liquidity level.

The Group uses domestic and foreign markets for its liquidity needs. Low level of liquidity needs enables an easy way of loan borrowing from the corresponding markets (CBRT, ISE, Interbank money market, Settlement and Custody Bank and other markets). The Group has a lower ratio of the deposits compared to other banks with similar-sized balance sheets; this indicates that larger loans can be obtained from the markets when needed. The potential cash resources are: money market debts which can be obtained from the domestic banks and repurchase transactions in foreign markets with Eurobonds in the portfolio.

The Group's fund resources consist mainly of deposits. The investments portfolio consists mainly of the held to maturity investments.

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#### 38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Banking (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 Banking Regulation and Supervision Agency (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, 2010 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 12,44% (December 31, 2009: 12,94%).

##### Non-Banking

The Group's principal financial instruments, comprise bank borrowings, finance leases, and cash and short-term deposits. 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 foreign currency risk, interest rate risk, price risk, credit risk, and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

##### Foreign currency risk

The Group predominantly operates in Turkey.

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

		Exchange buying rate at December 31, 2009	Average exchange buying rate in the period	Exchange buying rate at June 30, 2010
TRL /USD	Turkey	1,5057	1,5163	1,5747
TRL /EUR	Turkey	2,1603	2,0158	1,9217

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**38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Non-Banking (cont'd)**

**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.

Foreign currency risk arises from the EUR, USD, GBP, JPY, CAD, NOK denominated assets and liabilities of the Group. The Group has transactional currency exposures. Such exposures arise from sales or purchases or borrowings by the Group in currencies other than the Group's functional currency. The Group manages foreign currency risk by using natural hedges that arise from offsetting foreign currency denominated assets and liabilities.

<b>30.06. 2010</b>	<b>TRL Equivalent (Functional currency)</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Other</b>
1. Trade receivables	4.521	1.753	916	-	-
2a. Monetary financial assets (cash and cash equivalents included)	32.813	14.555	5.099	40	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	8	-	4	-	-
<b>4. Current assets (1+2+3)</b>	<b>37.342</b>	<b>16.308</b>	<b>6.019</b>	<b>40</b>	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	484	300	6	-	-
<b>8. Non - current assets (5+6+7)</b>	<b>484</b>	<b>300</b>	<b>6</b>	-	-
<b>9. Total assets (4+8)</b>	<b>37.826</b>	<b>16.608</b>	<b>6.025</b>	<b>40</b>	-
10. Trade payables	5.927	3.662	25	-	6.329
11. Short - term borrowings and current portion of long - term borrowings	87.994	11.653	36.241	-	-
12a. Monetary other liabilities	456	269	17	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
<b>13. Current liabilities (10+11+12)</b>	<b>94.377</b>	<b>15.584</b>	<b>36.283</b>	-	<b>6.329</b>
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	38.828	16.500	6.684	-	-
16 a. Monetary other liabilities	331	210	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
<b>17. Non - current liabilities (14+15+16)</b>	<b>39.159</b>	<b>16.710</b>	<b>6.684</b>	-	-
<b>18. Total liabilities (13+17)</b>	<b>133.536</b>	<b>32.294</b>	<b>42.967</b>	-	<b>6.329</b>
<b>19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)</b>	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
<b>20. Net foreign currency asset / (liability) position (9-18+19)</b>	<b>(95.710)</b>	<b>(15.686)</b>	<b>(36.942)</b>	<b>40</b>	<b>(6.329)</b>
<b>21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)</b>	<b>(96.202)</b>	<b>(15.986)</b>	<b>(36.952)</b>	<b>40</b>	<b>(6.329)</b>
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
<b>23. Export</b>	<b>13.151</b>	<b>7.515</b>	<b>870</b>	-	-
<b>24. Import</b>	<b>137.908</b>	<b>36.488</b>	<b>39.981</b>	<b>73</b>	<b>2.400</b>

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#### 38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Non-Banking (cont'd)

##### Foreign Currency Risk (cont'd)

31.12.2009	TRL Equivalent (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	11.402	6.693	613	-	-
2a. Monetary financial assets (cash and cash equivalents included)	21.876	62	10.041	38	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	33.278	6.755	10.654	38	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	435	280	6	-	-
8. Non - current assets (5+6+7)	435	280	6	-	-
9. Total assets (4+8)	33.713	7.035	10.660	38	-
10. Trade payables	2.688	891	88	7	69.927
11. Short - term borrowings and current portion of long - term borrowings	127.590	21.886	43.807	-	-
12a. Monetary other liabilities	41	20	5	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	130.319	22.797	43.900	7	69.927
14. Trade payables	238	19	46	46	-
15. Long - term borrowings	24.522	-	11.351	-	-
16 a. Monetary other liabilities	339	225	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	25.099	244	11.397	46	-
18. Total liabilities (13+17)	155.418	23.041	55.297	53	69.927
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(121.705)	(16.006)	(44.637)	(15)	(69.927)
21. Monetary items net foreign currency asset / (liability) position position (=1+2a+5+6a-10-11-12a-14-15-16a)	(122.140)	(16.286)	(44.643)	(15)	(69.927)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	25.155	14.172	1.504	-	-
24. Import	396.055	114.112	101.909	96	3.120

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**38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL  
INSTRUMENTS (cont'd)**

**Financial Risk Management Objectives and Policies (cont'd)**

**Non-Banking (cont'd)**

**Foreign Currency Risk (cont'd)**

<b>Foreign currency position sensitivity analysis</b>		
<b>June 30, 2010</b>		
	<b>Income / (loss)</b>	<b>Income / (loss)</b>
	<b>Increase of the foreign currency</b>	<b>Decrease of the foreign currency</b>
<b>Change in the USD against TRL by 10% +/-:</b>		
1- USD denominated net asset / liability	(2.470)	2.470
2- USD denominated hedging instruments(-)	-	-
<b>3- Net effect in USD (1+2)</b>	<b>(2.470)</b>	<b>2.470</b>
<b>Change in the EUR against TRL by 10% +/-:</b>		
4- Euro denominated net asset / liability	(7.099)	7.099
5- Euro denominated hedging instruments(-)	-	-
<b>6- Net effect in Euro (4+5)</b>	<b>(7.099)</b>	<b>7.099</b>
<b>Change in the other foreign currencies against TRL by 10% +/-:</b>		
7- Other foreign currency denominated net asset / liability	(2)	2
8- Other foreign currency hedging instruments(-)	-	-
<b>9- Net effect in other foreign currency (7+8)</b>	<b>(2)</b>	<b>2</b>
<b>TOTAL (3+6+9)</b>	<b>(9.571)</b>	<b>9.571</b>

<b>Foreign currency position sensitivity analysis</b>		
<b>December 31, 2009</b>		
	<b>Income / (loss)</b>	<b>Income / (loss)</b>
	<b>Increase of the foreign currency</b>	<b>Decrease of the foreign currency</b>
<b>Change in the USD against TRL by 10% +/-:</b>		
1- USD denominated net asset / liability	(2.410)	2.410
2- USD denominated hedging instruments(-)	-	-
<b>3- Net effect in USD (1+2)</b>	<b>(2.410)</b>	<b>2.410</b>
<b>Change in the EUR against TRL by 10% +/-:</b>		
4- Euro denominated net asset / liability	(9.643)	9.643
5- Euro denominated hedging instruments(-)	-	-
<b>6- Net effect in Euro (4+5)</b>	<b>(9.643)</b>	<b>9.643</b>
<b>Change in the other foreign currencies against TRL by 10% +/-:</b>		
7- Other foreign currency denominated net asset / liability	(118)	118
8- Other foreign currency hedging instruments(-)	-	-
<b>9- Net effect in other foreign currency (7+8)</b>	<b>(118)</b>	<b>118</b>
<b>TOTAL (3+6+9)</b>	<b>(12.171)</b>	<b>12.171</b>

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#### 38./39. FINANCIAL INSTRUMENTS, NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (cont'd)

##### Financial Risk Management Objectives and Policies (cont'd)

##### Non-Banking (cont'd)

##### Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The Group manages interest rate risk by using natural hedges that arise from offsetting interest rate of assets and liabilities or derivative financial instruments.

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's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

##### 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.

##### Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

#### 40. SUBSEQUENT EVENTS

None.

#### 41. OTHER ISSUES

##### 41.1 Reserve Deposits at Central Bank

	June 30, 2010	December 31, 2009
Reserve deposits at Central Bank		
- Foreign currency	90.961	69.942
	90.961	69.942

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

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2010 (cont'd)

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#### 41. OTHER ISSUES (cont'd)

##### 41.1 Reserve Deposits at Central Bank (cont'd)

As of June 30, 2010 and December 31, 2009, reserve deposit requirements applicable in Turkey for TRL liabilities is 5,00% and for foreign currency liabilities is 9,50% (December 31, 2009: 5,00% and 9,00%).

As of June 30, 2010, the interest rates applied for TRL reserve deposits is 5,20% whereas none for foreign currency reserve deposits (December 31, 2009: 5,20% and none).

##### 41.2 Banking Loans

	June 30, 2010	December 31, 2009
Corporate loans	1.389.670	1.465.793
Small business loans	1.513.052	1.179.381
Consumer loans	7.876	4.235
Other	8.444	6.152
<b>Total performing loans</b>	<b>2.919.042</b>	<b>2.655.561</b>
Non performing loans	201.699	192.677
Allowance for individually impaired loans (-)	(107.665)	(114.786)
Allowance for collectively impaired loans (-)	(32.994)	(16.873)
	<b>2.980.082</b>	<b>2.716.579</b>

	June 30, 2010				Effective interest rate %			
	Amount		Foreign Currency Indexed		Total		Foreign Currency Indexed	
	TRL	Foreign Currency	Foreign Currency Indexed	Total	TRL	Foreign Currency	Foreign Currency Indexed	
Corporate loans (*)	757.800	339.327	292.543	1.389.670	11,51	5,84	6,03	
Small business loans	1.003.740	177.191	332.121	1.513.052	13,14	6,10	6,93	
Consumer loans	7.848	-	28	7.876	18,15	-	9,06	
Other	8.444	-	-	8.444	11,96	-	-	
<b>Total performing loans</b>	<b>1.777.832</b>	<b>516.518</b>	<b>624.692</b>	<b>2.919.042</b>				

	December 31, 2009				Effective interest rate %			
	Amount		Foreign Currency Indexed		Total		Foreign Currency Indexed	
	TRL	Foreign Currency	Foreign Currency Indexed	Total	TRL	Foreign Currency	Foreign Currency Indexed	
Corporate loans (*)	921.158	274.219	270.416	1.465.793	11,7	6,7	7,1	
Small business loans	729.644	172.296	277.441	1.179.381	15,5	6,9	8,1	
Consumer loans	2.971	-	1.264	4.235	29,2	-	7,8	
Other	6.152	-	-	6.152	13,9	-	-	
<b>Total performing loans</b>	<b>1.659.925</b>	<b>446.515</b>	<b>549.121</b>	<b>2.655.561</b>				

(\*) Corporate loans also include restructured loans which amount to TRL 32.515 (December 31, 2009: TRL 31.641).



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**41. OTHER ISSUES (cont'd)**

**41.2 Banking Loans (cont'd)**

A reconciliation of the allowance for individual impairment losses on loans is as follows;

	<b>June 30, 2010</b>	June 30, 2009
Balance at January 1	<b>142.565</b>	73.660
Charge for the allowance for probable losses	<b>12.756</b>	40.215
Collections (-)	<b>(14.662)</b>	(10.319)
Amount written off and sold during the period (-)	-	(998)
<b>Balance at the end of the period</b>	<b>140.659</b>	102.558

ABank has classified restructured loans separately that have been restructured through medium to long-term agreements signed by related borrowers. As of June 30, 2010, interest accrued on the restructured loans amounted to TRL 4.648 (December 31, 2009: TRL 2.559).

As of June 30, 2010, allowance for impaired loans also includes allowance provided for a portfolio amounting to TRL 19.394 (December 31, 2009: TRL 27.779).

As of June 30, 2010, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRL 201.699 (December 31, 2009: 192.677).

The TRL 2.626.268 amount of Banking Loans covers (December 31, 2009: TRL 2.420.744) current loans and TRL 353.814 amount covers (December 31, 2009: TRL 295.835) non-current loans.

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**41. OTHER ISSUES (cont'd)**

**41.3 Banking Customers' Deposits**

	<b>June 30, 2010</b>	December 31, 2009
Deposits from other banks	<b>8.586</b>	53.422
Customers' deposits	<b>2.389.505</b>	2.374.063
Other money market deposits	<b>114.250</b>	101.416
	<b>2.512.341</b>	2.528.901

**Deposits from other banks**

	June 30, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Demand deposit	28	946	-	-	11	2.701	-	-
Time deposit	5.560	2.052	6,97	4,75	1.020	49.690	8,40	0,43
	<b>5.588</b>	<b>2.998</b>			1.031	52.391		

**Customers' deposits**

	June 30, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Saving								
Demand	21.247	14.361	-	-	16.036	21.848	-	-
Time	912.269	465.227	10,28	4,14	873.458	434.301	10,43	3,10
	<b>933.516</b>	<b>479.588</b>			889.494	456.149		
Commercial and other								
Demand	210.074	94.016	-	-	105.163	66.586	-	-
Time	302.530	369.781	8,90	3,77	463.602	393.069	8,98	2,91
	<b>512.604</b>	<b>463.797</b>			568.765	459.655		
	<b>1.446.120</b>	<b>943.385</b>			1.458.259	915.804		

**Other money market deposits**

	June 30, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Obligations under repurchase agreements:								
-Due to customers	7.878	-	5,60	-	15.652	-	5,70	-
-Due to banks	97.869	-	6,50	-	78.166	-	6,61	-
	<b>105.747</b>	<b>-</b>			93.818	<b>-</b>		
Interbank deposits	8.503	-	6,35	-	7.598	-	6,68	-
	<b>114.250</b>	<b>-</b>			101.416	<b>-</b>		

TRL 2.512.341 is the current portion of Deposits (December 31, 2009: TRL 2.528.901). There is no non-current portion of Deposits as of June 30, 2010 (December 31, 2009: None).

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#### 41. OTHER ISSUES (cont'd)

##### 41.4 Funds Borrowed

	June 30, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
<b>Short-term</b>	<b>48.689</b>	<b>673.059</b>			44.016	416.304		
Fixed interest	48.689	602.513	7,30-8,51	2,03-6,50	38.707	244.619	10,43	3,66-12,64
Floating interest	-	70.546	-	2,22-4,70	5.309	171.685	7,10-7,20	2,21-10,30
<b>Medium-long term</b>	<b>-</b>	<b>148.993</b>			-	180.736		
Fixed interest	-	126.189	-	2,32-4,20	-	35.943	-	2,75-6,30
Floating interest	-	22.804	-	1,14-2,70	-	144.793	-	2,21-4,85
	<b>48.689</b>	<b>822.052</b>			44.016	597.040		
<b>Total funds borrowed</b>	<b>870.741</b>				641.056			

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

	June 30, 2010		December 31, 2009	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2010	-	-	2.838	-
2011	19.796	7.197	29.645	38.183
2012	46.738	15.607	-	54.133
2013 and thereafter	59.655	-	3.460	52.477
	<b>126.189</b>	<b>22.804</b>	35.943	144.793

There is no letters of guarantee denominated in foreign currency given to the lending institutions as collateral against the loans obtained (December 31, 2009: None).

TRL amount of 721.748 funds borrowed covers (December 31, 2009: TRL 460.320) current funds borrowed and TRL 148.993 amount covers (December 31, 2009: TRL 180.736) non-current funds borrowed.

##### 41.5 Derivative Financial Instruments

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, futures and options.

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.

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 foreign currency market rates and reliable forward rate estimations in a volatile market, values of foreign currency forward and swap transactions are determined by comparing the period end foreign exchange rates with the forward rates discounted to the balance sheet date.

