

**Yazıcılar Holding
Anonim Şirketi
and Its Subsidiaries**

**Consolidated Interim Financial Statements and
Explanatory Notes
As of March 31, 2005**

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Table of Contents

	<u>Pages</u>
Consolidated Balance Sheet	3 - 4
Consolidated Income Statement	5
Consolidated Statement of Changes in Equity	6
Consolidated cash Flow Statement	7
Notes to Consolidated Financial Statements	8 - 61

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Consolidated Balance Sheet

As at March 31, 2005

(Currency – Unless otherwise stated New Turkish Lira (YTL))

	Notes	Unaudited March 31, 2005	Audited December 31, 2004
ASSETS			
Current Assets			
		1.371.878.706	1.327.037.329
Cash and Cash Equivalents	4	146.187.362	200.323.485
Marketable Securities (net)	5	340.817.149	323.923.972
Reserve Deposits at Central Bank	44.1	52.531.000	52.751.000
Banking Loans (net)	44.2	621.645.830	570.993.000
Trade Receivables (net)	7.1	39.073.366	33.183.775
Lease Receivables (net)	8.1	43.889.050	42.738.041
Derivative Financial Instruments – assets		976.000	1.006.000
Due From Related Parties (net)	9.1	12.729.500	8.720.337
Other Receivables (net)	10.1	26.464.620	21.623.333
Biological Assets (net)		-	-
Inventories (net)	12	78.545.104	65.014.550
Receivables from Continuing Construction Contracts (net)		-	-
Deferred Tax Assets		-	-
Other Current Assets	15.1	9.019.725	6.759.836
Non-Current Assets			
		733.573.064	721.356.931
Trade Receivables (net)		-	-
Lease Receivables (net)	8.1	24.908.000	25.484.000
Due from Related Parties (net)		-	-
Other Receivables (net)		-	-
Investments (net)	16	554.521.682	544.913.881
Positive/Negative Goodwill (net)	17	35.344.256	35.344.256
Investment Property (net)		-	-
Property, Plant and Equipment (net)	19	61.270.122	61.035.160
Intangible Assets (net)	20	10.987.246	12.282.024
Deferred Tax Assets	14	36.247.220	37.801.309
Other Non-Current Assets	15.2	10.294.538	4.496.301
TOTAL ASSETS		2.105.451.770	2.048.394.260

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Consolidated Balance Sheet

As at March 31, 2005

(Currency – Unless otherwise stated New Turkish Lira (YTL))

	Notes	Unaudited March 31, 2005	Audited December 31, 2004
LIABILITIES			
Current Liabilities			
		1.215.722.715	1.184.149.993
Short-Term Borrowings (net)	6	49.448.490	35.235.434
Current Portion of Long-Term Borrowings (net)	6	347.641	7.135.076
Lease Obligations (net)	8.2	3.369.043	3.502.057
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	44.714.044	47.843.353
Banking Customer Deposits	44.3	720.422.213	713.993.042
Funds Borrowed	44.4	280.715.732	271.205.357
Blocked Accounts		32.180.000	16.112.000
Due to Related Parties (net)	9.2	38.116.302	36.007.632
Advances Received	21	3.253.884	1.013.664
Deferred Income from Continuing Construction Contracts (net)		-	-
Provisions		2.582.542	3.884.428
Derivative Financial Instruments – liabilities		2.237.000	1.878.000
Deferred Tax Liability		-	-
Other Liabilities (net)	15.3	38.335.824	46.339.950
Non-Current Liabilities			
		21.404.419	21.045.897
Long-Term Borrowings (net)	6	347.641	680.825
Lease Obligations (net)	8.2	5.709.775	6.199.584
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	840.320	720.300
Funds Borrowed		-	-
Blocked Accounts		-	-
Due to Related Parties (net)		-	-
Advances Received		-	-
Provisions	23	11.946.755	10.879.892
Deferred Tax Liability	14	2.439.995	2.542.639
Other Liabilities (net)		119.933	22.657
MINORITY INTEREST			
		152.983.246	147.404.389
EQUITY			
		715.341.390	695.793.981
Capital			
	1, 25	20.475.019	20.475.019
Capital Subsidiaries Elimination			
		-	-
Capital Reserves			
		291.063.698	290.613.801
Share Premium	26	26.326.920	25.197.310
Income on Stock Disposals		-	-
Revaluation Fund		-	-
Financial Assets Value Increment Fund		-	-
Adjustment to Equity		264.736.778	265.416.491
Profit Reserves			
		142.954.456	139.796.491
Legal Reserves	27	22.043.960	21.361.997
Statutory Reserves	27	8.000	8.000
Extraordinary Reserves	27	159.143.591	159.267.591
Special Reserves	27	1.153.827	5.000
Gain on Sale of Investment and Property, Plant and Equipment to be Transferred to Capital		-	-
Currency Translation Difference		(39.394.922)	(40.846.097)
Net Income			
		17.024.514	134.881.534
Accumulated Profits			
	28	243.823.703	110.027.136
TOTAL LIABILITIES AND EQUITY			
		2.105.451.770	2.048.394.260

The explanatory notes are integral part of consolidated financial statements.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Consolidated Income Statement For the Three Month Period Ended March 31, 2005 (Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	Notes	Unreviewed March 31, 2005	Reviewed March 31, 2004
NET SALES			
Sales (net)	36	129.238.198	78.710.499
Cost of Sales (-)		(94.441.830)	(52.635.698)
Interest Income (net)	36	28.291.575	4.433.952
Service Income (net)		-	-
Other Income from Operations (net)		-	-
GROSS PROFIT		63.087.943	30.508.753
Operating Expenses (-)	37	(41.979.458)	(27.897.799)
PROFIT FROM OPERATIONS		21.108.485	2.610.954
Other Income	38.1	9.020.384	35.733.990
Other Expenses (-)	38.2	(416.283)	(239.049)
Financial Expenses (-)	39	(9.462.925)	(5.803.817)
Income from Participations	16.2, 16.3	7.355.969	10.023.682
OPERATING INCOME		27.605.630	42.325.760
Monetary Gain	40	-	16.344.770
Minority Interest		(5.159.631)	(10.049.020)
INCOME BEFORE TAX		22.445.999	48.621.510
Taxes	14, 41	(5.421.485)	(6.744.161)
NET INCOME		17.024.514	41.877.349
Earnings Per Share (full YTL)		0,00083	0,0031

The explanatory notes are integral part of consolidated financial statements.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Consolidated Statement of Changes in Equity For the Three Months Period Ended March 31, 2005 (Currency – Unless Otherwise Stated New Turkisk Lira (YTL))

	Issued Capital	Adjustment to Equity	Share Premium	Legal, Statutory, Special and Extraordinary Reserves	Currency Translation Difference	Net Income	Accumulated Profits	Total
Balance at December 31, 2004	20.475.019	265.416.491	25.197.310	180.642.588	(40.846.097)	134.881.534	110.027.136	695.793.981
Transfer of Net Income to Accumulated Profits	-	-	-	-	-	(134.881.534)	134.881.534	-
Increase in Share Premium	-	-	1.129.610	-	-	-	-	1.129.610
Other	-	(679.713)	-	557.963	-	-	(1.084.967)	(1.206.717)
Securities Value Increase Fund	-	-	-	1.148.827	-	-	-	1.148.827
Currency Translation Difference	-	-	-	-	1.451.175	-	-	1.451.175
Net Income	-	-	-	-	-	17.024.514	-	17.024.514
Balance at March 31, 2005	20.475.019	264.736.778	26.326.920	182.349.378	(39.394.922)	17.024.514	243.823.703	715.341.390

	Issued Capital	Adjustment to Equity	Treasury Shares	Share Premium	Currency Translation Difference	Net Income	Legal, Extraordinary Reserves and Accumulated Profits	Total
Balance at January 1, 2004	13.650.013	66.781.474	(4.272.104)	9.523.526	(25.092.7	-	470.210.081	530.800.232
Increase in Share Premium	-	-	-	-	(628.873)	-	-	(628.873)
Reclassification from Treasury Shares	-	-	(1.509.242)	1.509.242	-	-	-	-
Sale of Treasury Shares	-	-	990.707	8.006.386	-	-	-	8.997.093
Currency Translation Difference	-	-	-	-	(11.903.422)	-	-	(11,903,422)
Net Income	-	-	-	-	-	39.178.557	-	39.178.476
Balance at March 31, 2004	13.650.013	66.781.474	(4.790.639)	19.030.154	(37.625.053)	39.178.557	470.210.081	566.443.506

The explanatory notes are integral part of consolidated financial statements.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Consolidated Cash Flow Statement For the Three Months Ended March 31, 2005 (Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	Notes	Unreviewed March 31, 2005	Reviewed March 31, 2004
Cash flows from operating activities			
Net profit before minority interest, income tax and gain on monetary position		27.605.630	39.597.990
Adjustments for:			
Foreign exchange gain and losses		(202.505)	(4.471.593)
Gain from disposal of tangible and intangible assets		252.744	(76.392)
Depreciation and amortization (including goodwill)		4.651.248	6.964.060
Provision for possible loan losses and impairment in receivables		3.649.000	7.651.000
Provision for employee termination benefits		1.261.099	537.655
Interest expense		8.252.514	58.742.209
Gain on sale of shares in associates, joint ventures and other investments		-	(731.631)
Equity income of associates and joint ventures		(7.355.970)	(9.377.686)
Other		(1.692.421)	-
Operating profit before changes in operating assets and liabilities		36.421.339	98.835.612
Net (increase)/decrease in marketable securities		(16.893.177)	142.107.514
Net decrease in reserve deposits at Central Bank		220.000	2.538.134
Net (increase) in banking loans		(54.174.830)	(86.105.027)
Net (increase) in trade and other receivables and due from related parties		(10.600.763)	(13.297.442)
Net decrease/(increase) in derivative financial instruments – assets		30.000	(41.793)
Net (increase)/decrease in inventories		(13.530.554)	7.711.056
Net changes in other assets		(12.899.413)	(39.591.625)
Net (decrease)/increase in trade and other payables and due to related parties		(6.567.249)	25.061.644
Net increase/(decrease) in banking customer deposits		6.429.171	(114.871.796)
Net increase in blocked accounts		16.068.000	6.357.566
Net increase in derivative financial instruments – liabilities		359.000	554.516
Retirement pay liability payment		(194.196)	-
Taxes paid		(5.271.926)	-
Net cash (used)/provided in operating activities		(60.604.598)	29.258.359
Cash flows from investing activities			
Purchase of property, plant and equipment		(4.005.599)	(3.680.660)
Proceeds from sales of property, plant and equipment		161.421	231.742
Proceeds from sale of investment		-	4.218.000
Payments to acquire minority interest		-	(1.622.115)
Capital increase of subsidiaries from minority shareholders		-	231.088
Net cash used in investing activities		(3.844.178)	(621.945)
Cash flows from financing activities			
Dividends from equity participations		-	(37.851)
Sale of treasury shares		-	(518.535)
Repayments of fund borrowed		(21.842.330)	(31.619.923)
Increase in share premium		719.873	10.396.633
Addition to borrowings from banks and other institution		67.479.569	29.068.485
Repayments of borrowings from banks and other institution		(30.028.651)	(9.702.181)
Interest paid		(7.466.972)	(27.754.433)
Net cash provided/(used) in financing activities		8.861.489	(30.167.805)
Monetary gain/loss and currency translation on cash and cash transaction			
Net decrease/increase in cash and cash equivalents		(54.136.112)	21.500.890
Cash and cash equivalent at beginning of year	4	200.323.485	87.992.464
Cash and cash equivalent at the end of period	4	146.187.373	109.493.354

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

1. CORPORATE INFORMATION

General

Yazıcılar Holding A.Ş., a company incorporated in İstanbul, Turkey (“Yazıcılar” or the “Company”) is a holding company of which majority shares are owned by Yazıcı Family. Certain shares of the Company are listed on the İstanbul Stock Exchange and Luxembourg Stock Exchange. The Company was incorporated in 1976. The registered office address of the Company is Ankara Asfaltı üzeri, PTT Hastanesi yanı, Umut Sok, İçerenköy, Kadıköy, İstanbul.

The consolidated financial statements are authorized for issue by top management on June 17, 2005.

Nature of Activities of the Group

The Company and its subsidiaries are referred to as “the Group” for the purposes of the consolidated financial statements.

The Group is organized and primarily managed in four principal groups: beverage (including beer and soft drink products), automotive (including passenger vehicles, commercial vehicles, generators and spare and component parts), financial services (including banking, leasing, brokerage, portfolio management in capital markets and consumer finance) and writing instruments and stationery. In addition, AEH has interests in a number of other sectors, including tourism, trade, information technologies and food.

The average number of personnel of the Group is 1,756. (December 31, 2004: 1,461)

List of Shareholders

As of March 31, 2005 and December 31, 2004 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	March 31, 2005		December 31, 2004	
	Paid-in Capital	Paid-in Capital	Paid-in Capital	%
Yazıcı Family	9,157,213	9,157,213	9,157,213	44.72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	6,859,125	6,859,125	6,859,125	33.50
Publicly traded	4,458,682	4,458,682	4,458,682	21.78
Historical share capital	20,475,020	20,475,020	20,475,020	100.00

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at March 31, 2005 and December 31, 2004 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			March 31, 2005	December 31, 2004
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	67.91	67.91
Alternatifbank A.Ş. (A-Bank) (*)	Turkey	Banking services	61.13	61.13
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	61.13	61.13
Alternatif Finansal Kiralama A.Ş. (A-Lease)	Turkey	Leasing company	64.44	64.44
Alternatif Yatırım Ortaklığı A.Ş. (A-Yatırım Ortaklığı) (*)	Turkey	Investment company	2.47	2.47
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles	67.91	67.91
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines	67.72	67.72
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada and Kia motor vehicles	67.27	67.27
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	34.54	-
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (*) (**)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	38.63	38.63
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (**)	Turkey	Distribution of the products of Adel, Bantex and other imported stationery products	49.70	49.70
Ana Gıda ve İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of vegetable oils and tea	67.91	67.91
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of traveling and organization facilities of the Group	51.44	51.44
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	64.85	64.85
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	67.23	67.23
AEH und Co.	Germany	Provides necessary market research of products abroad	67.23	67.23

(*) Shares of A-Bank, Adel and A-Yatırım Ortaklığı are currently traded on the İstanbul Stock Exchange.

(**) AEH controls Adel and Ülkü through its shareholding of 56.89% and 68.78%, respectively. Moreover, Adel has 7.67% at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation

The Company and its subsidiaries in Turkey maintain their books of account and prepare their statutory financial statements in accordance with the principles of Capital markets Board of Turkey (“CMB”), Turkish Commercial Code, Tax Code, Banking Law and the Uniform Charts of Account issued by the Ministry of Finance. The foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their local currencies and in accordance with the regulations of the countries in which they operate.

According to a new law enacted on January 30, 2004, Yeni Türk Lirası (New Turkish Lira, YTL) and Yeni Kuruş (New Kuruş, YKr) are the new currency units of the Republic of Turkey (1YTL=100YKr). Based on CMB’s announcement, dated November 30, 2004, financial statements of the Company for the period ended March 31, 2005 are presented in YTL, including the figures for the previous period used for comparison purposes. Previous period’s financial statements are also presented in YTL, again due to comparison purpose.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

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

On March 17, 2005, CMB has issued a resolution and declared that application of inflation accounting is no longer required for companies operating in Turkey effective from January 1, 2005, as the high inflation period seems over under the current circumstances. The financial statements attached, are not inflation adjusted as of March 31, 2005; they are prepared with the alternative approach defined by CMB, as explained above, and presented using the compulsory formats prescribed by CMB in its announcement, dated December 20, 2004. Previous year’s financial statements are presented in the equivalent purchasing power of New Turkish Lira as of December 31, 2004, for comparison purpose.

Index and conversion factors used in the restatement of consolidated income statement for three-month period ended March 31, 2004 in terms of the purchasing power of lira as of December 31, 2004, for comparison purpose are given below:

Dates	Index	Conversion Factor
December 31, 2004	8,403.8	1.00000
March 31, 2004	7,862.2	1.06889

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

- Non-monetary items in the December 31, 2004 financial statements are restated in terms of the purchasing power of lira at December 31, 2004; after that, no restatement is done.
- Income statement for the January 1, 2005 and March 31, 2005 period is not restated. Previous year’s income statement is expressed in terms of the purchasing power of lira at December 31, 2004.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The principal accounting policies used in preparing the consolidated financial statements of the Group are as follows;

Foreign Subsidiaries

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

		2004	2003
	Local Currency	Functional Currency	Functional Currency
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	EUR	EUR	EUR
Oyex Handels GmbH (Oyex)	EUR	EUR	EUR

Foreign subsidiaries are established as foreign corporate entities.

Basis of Consolidation

The consolidated financial statements are comprised of the financial statements of the Company and its subsidiaries drawn up to March 31, 2005.

Subsidiaries

Subsidiaries are the companies in which the Group owns, either directly or indirectly, more than 50% of the voting rights of the share capital and is able to govern the financial and operating policies of the enterprise so as to benefit from its activities. Subsidiaries are consolidated on full consolidation basis. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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 Group has participated in Anadolu Elektronik A.Ş., established in January 2005; since then, Anadolu Elektronik A.Ş. is included in the consolidated results. The effective shareholding of the Group in Anadolu Elektronik A.Ş. is 34,54%.

The purchase method of accounting is used for acquired businesses.

Investment in Associates

The Group's investments in associates are accounted for under the equity method of accounting. Generally speaking, the Group holds 20 to 50% stake in associates or the Group has significant influence on their operations, despite the absence of a controlling stake. The investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The income statement reflects the Group's share of the results of operations of the associates.

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Investment in Joint Venture

Investments in companies where the Group collectively has a joint control with unrelated parties are classified as “investment in joint ventures”. Investments in joint ventures are accounted for using the “proportionate consolidation principle;” i.e. the consolidation of the Group’s share in the joint venture’s assets, liabilities, and income and expenses.

Related parties

Shareholders, executive management, members of the board of directors, subsidiaries, associates and joint ventures are regarded as related parties with respect to the basis of presentation of consolidated financial statements. While important portion of transactions with related parties are eliminated, the uneliminated amounts are expressed in Note9.

Cash and Cash Equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, balances with Central Bank, deposits with banks and other financial institutions and other money market placements with an original maturity of three months or less. The amounts paid under the reverse purchase agreements are included in the cash and cash equivalents.

Investments

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

Trading securities

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

Held- to- maturity securities

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

Held-to-maturity investments are carried at amortized cost using the effective yield method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. For investments carried at amortized cost, gains and losses are recognized in income when the

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

investments are derecognized or impaired, as well as through the amortization process. Interest earned whilst holding held-to-maturity securities is reported as interest income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Available-for-sale securities

All other investments are classified as available-for-sale; Available-for-sale securities are subsequently carried 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 investments is reported as interest income. Dividends received are included in dividend income.

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

Trade and Other Receivables

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

Originated Loans and Advances to Customers

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

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

Provisions for Possible Loan Losses and Lease Receivable Losses

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

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

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

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

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

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Costs are accounted for weighted average method. Finished goods and work-in-progress - cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

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

The 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 amount. The recoverable amount of property, plant and equipment is the greater of net selling price 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 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.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Intangible Assets

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

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

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. Goodwill that arose from the acquisitions before March 31, 2004 is amortized on a straight-line basis over 5 years. Goodwill is reviewed annually and adjusted for impairment where it is considered necessary. Starting from January 1, 2005, the Group has ceased amortizing the goodwill arising from business combinations before March 31, 2004, in accordance with IFRS 3. Amortization of goodwill method is not applied for any acquisitions after March 31, 2004.

In line IFRS 3, at year-end 2005, the registered goodwill will be reviewed and adjusted for impairment.

Repurchase and Resale Transactions

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

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repurchase agreements) 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.

Foreign Currency Denominated Transactions

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

Group Companies

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The income statements of foreign subsidiaries are also translated at year-end exchange rates, which are considered as a proxy to restate such income statement amounts at year end purchasing power of YTL. Differences resulting from the deviation between the inflation rate and the appreciation of foreign currencies against the New

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

Turkish Lira related to equity accounts of consolidated subsidiaries were taken to equity as currency translation differences.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Recognition and Derecognition of Financial Instruments

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

Borrowings from Banks and Other Institutions, Deposits and Funds Borrowed

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

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

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

Borrowing Costs

Borrowing costs generally are expensed as incurred.

Employee Termination Benefits

a) Defined benefit plan

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

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

b) Defined contribution plan

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Provisions

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

Leases

The Group as Lessee

Finance Lease

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

Operating Lease

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

The Group as Lessor

Finance Lease

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

Operating Lease

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Income and Expense Recognition

Non-Banking

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

Banking

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

Commission income, fee for various banking services and dividends are recorded as income when collected. Dividends are recognized when the shareholders' right to receive the payments is established.

Income Tax

Tax expense / (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

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

- except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

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

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

Derivative Financial Instruments

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

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.

Contingencies

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

Segmental Information

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

4. CASH AND CASH EQUIVALENTS

	March 31, 2005	December 31, 2004
Non-Banking	24.799.377	22.986.563
Banking	121.387.985	177.336.922
Cash and cash equivalents at consolidated cash flow statement	146.187.362	200.323.485

Non-Banking:

The details of cash and cash equivalents are as follows:

	March 31, 2005	December 31, 2004
Cash on hand	61.333	57.305
Cash in banks	24.738.044	22.929.258
	24.799.377	22.986.563

YTL denominated time deposits are made for 1-120 days (31 December 2004: 3 and 77 days) periods and earn interest between 13.5%-19% (31 December 2004: 17.5%-24%). USD denominated time deposits are made for 1-32 days (31 December 2004: 10 and 31 days) periods and earn interest between 1%-4% (31 December 2004: 2%-4.25%). Eur denominated time deposits are made for 4-28 day periods and earn interest between 1%-3,5%.

Banking

	March 31, 2005	December 31, 2004
Cash on hand	11.149.000	8.656.000
Balances with the central bank	668.000	5.580.000
Cash and balances with the Central Bank	11.817.000	14.236.000
Deposits with banks and other financial institutions	88.080.985	143.254.922
Funds lent under reverse repurchase agreements	2.501.000	2.000.000
Interbank placements	18.531.000	17.586.000
Cheques given to collection	458.000	260.000
Other money market placements	21.490.000	19.846.000
Total	121.387.985	177.336.922

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

4. CASH AND CASH EQUIVALENTS (continued)

As of March 31, 2005 and December 31, 2004 the interest rate range of deposits and placements is as follows:

	March 31, 2005				December 31, 2004			
	Amount		Effective interest rate		Amount		Effective interest rate	
	New Turkish Lira	Foreign Currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency
Balances with the Central Bank	297.000	371.000	% 0	% 0	4.563.000	1.017.000	%14,5	-
Deposits with banks and other financial institutions	64.228.669	23.852.316	% 16	% 2	109.991.165	33.263.757	%20,12	2,21%
Funds lent under reverse repurchase agreements	2.501.000	-	% 16	% 0	2.000.000	-	%18	-
Interbank placements	2.065.000	16.466.000	% 15	% 2	1.878.000	15.708.000	%18,28	1,05%
Total	69.091.669	40.689.316			118.432.165	49.988.757		

5. INVESTMENT IN SECURITIES

	March 31, 2005	December 31, 2004
Non-Banking	30.794.149	37.654.972
Banking	310.023.000	286.269.000
Total	340.817.149	323.923.972

Non-Banking

Maturities of debt instruments is between July 6, 2005 and October 5, 2005 (31 December 2004: January 26, 2005 and July 27, 2005) for YTL denominated instruments. Debt instruments earn between 24%-26% for YTL denominated instruments.

Banking

Trading Securities:

	March 31, 2005		December 31, 2004	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments				
Turkish government bonds	44.479.000	%16	54.066.000	%24,14
Turkish treasury bills	125.000	%16	976.000	%24,14
Foreign currency government bonds	-	-	-	-
Eurobonds issued by the Turkish government	48.000	%7	74.000	%10,01
Total	44.652.000		55.116.000	
Others				
Equity securities – listed(*)	11.594.000		11.286.000	-
Total	11.594.000		11.286.000	
Total trading securities	56.246.000		66.402.000	

(*) Equity securities include shares of the consolidated closed ended mutual fund amounting to YTL 2,620,000 (31 December 2004: YTL 2,417,000) that are actively traded.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

5. INVESTMENT IN SECURITIES (continued)

Investment Securities:

	March 31, 2005		December 31, 2004	
	Amount	Effective Interest rate	Amount	Effective Interest rate
Available-for-sale securities at fair value				
Government bonds	1.195.000	%17	-	-
Treasury bills	27.945.000	%18	-	-
Eurobonds	27.000	%6	-	-
Total available-for-sale securities at fair value	29.167.000		-	-
Originated loans and advances to government at amortized cost:				
Debt Instruments				
Foreign currency indexed Turkish government bonds	224.610.000	%12	219.867.000	%12,24
Originated loans and advances to government	224.610.000		219.867.000	
Total investment securities	253.777.000		219.867.000	

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

	March 31, 2005	December 31, 2004
Trading securities	3.880.000	1.858.000
Held to maturity securities	104.626.000	118.738.000

As of March 31, 2005, the carrying value of government securities kept in the Central Bank of Turkish Republic (the Central Bank) and in İstanbul Stock Exchange Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are YTL 112,672,000 (31 December 2004: YTL 114,053,000).

6. BORROWINGS

	March 31, 2005	December 31, 2004
Bank borrowings	49.448.490	35.235.434
Current portion of long-term borrowings	347.641	7.135.076
Short term borrowings	49.796.131	42.370.510
Bank borrowings	347.641	680.825
Long term borrowings	347.641	680.825
Total borrowings	50.143.772	43.051.335

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

6. BORROWINGS (continued)

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

	March 31, 2005	December 31, 2004
Bank loans		
<i>Non current</i>		
USD and EURO denominated borrowings	%1,38	%1,38
<i>Current</i>		
USD and EURO denominated borrowings	%1,38-%5,8	%1,38-%5,9
YTL denominated borrowings	%15,22-%20,2	%23-%24

Repayments of long-term borrowings are scheduled as follows (excluding finance lease obligation):

	March 31, 2005	December 31, 2004
2005	-	7.135.076
2006	347.641	347.641
Thereafter	347.641	333.184
	695.282	7.815.901

7. TRADE RECEIVABLES AND PAYABLES

7.1 TRADE RECEIVABLES

Non-Banking

	March 31, 2005	December 31, 2004
Trade receivable	24.225.138	20.317.157
Notes receivable and post-dated cheques	15.992.138	14.056.311
Provision for doubtful accounts	(1.143.910)	(1.189.693)
	39.073.366	33,183,775

7.2 TRADE PAYABLES

	March 31, 2005	December 31, 2004
Non-Banking	44.120.875	46.174.867
Banking	593.169	1.668.486
	44.714.044	47.843.353

As of March 31, 2005, the carrying value of long term trade payables is YTL 840,320 (December 2004, 31: YTL 720,300).

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

8. LEASE RECEIVABLES AND OBLIGATIONS

8.1 LEASE CONTRACTS RECEIVABLE

Gross investment in finance leases, receivable:

	March 31, 2005	December 31, 2004
Not later than 1 year	54.060.050	52.849.041
Later than 1 year and not later than 5 years	27.393.000	28.104.000
Minimum lease payments receivables, gross	81.453.050	80.953.041
Less: Unearned interest income	(10.500.000)	(10.644.000)
Net investment in finance leases	70.953.050	70.309.041
Less: Reserve for impairment	(2.156.000)	(2.087.000)
Minimum lease payments receivables, net	68.797.050	68.222.041

Net investment in finance leases may be analyzed as follows:

	March 31, 2005	December 31, 2004
Not later than 1 year	43.889.050	42.738.041
Later than 1 year and not later than 5 years	24.908.000	25.484.000
	68.797.050	68.222.041

As of March 31, 2005, the effective interest rates of minimum lease receivable denominated in foreign currency range between 19.26%-8.72% for USD and 21.69%-8% for EUR (December 31, 2004 - 19.4%-7.51% for USD and 21.69%-8% for EUR), respectively and effective interest rates of minimum lease receivable denominated in YTL range between 52.40%-22.29% (December 31, 2004 – 56.95%-22.58%).

As of March 31, 2005, collaterals obtained by the Company from certain lease customers in relation to minimum lease payments receivables amounted to YTL 28,044,288 (in historical terms), USD 18,607,023 and EUR 5,268,162 (2004- YTL 28,285,000 in historical terms, USD 21,207,490 and EUR 5,062,581), which consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

Movements in the reserve for impairment:

	March 31, 2005	December 31, 2004
Reserve at beginning of year	2.087.000	2.169.222
Provision for impairment	127.000	633.000
Recoveries	(58.000)	(451.000)
Monetary gain	-	(264.222)
Reserve at end of year	2.156.000	2.087.000

8.2 FINANCE LEASE LIABILITIES

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	March 31, 2005	December 31, 2004
Current	3.369.043	3.502.057
Non-Current	5.709.775	6.199.584
	9.078.818	9.701.641

As of March 31, 2004, the effective interest rates are 11.33%-4.5%.

Future minimum lease payments for the above finance leases are as follows:

	March 31, 2005	December 31, 2004
Next 1 year	3.985.568	4.167.876
1 year through 5 years	6.238.622	6.838.722
Total minimum lease obligations	10.224.190	11.006.598
Net minimum obligations	10.224.190	11.006.598
Interest (-)	(1.145.372)	(1.304.957)
Present value of minimum obligations	9.078.818	9.701.641

9. RELATED PARTY BALANCES AND TRANSACTIONS

Balances with related parties

9.1 DUE FROM RELATED PARTIES

	March 31, 2005	December 31, 2004
Kamil Yazıcı Yönetim ve Danışma A.Ş.	3.930.481	1.709.457
Anadolu Efes	1.404.957	2.590.796
Efes Pazarlama Ticaret A.Ş. (Efpa)	802.764	736.155
Tarbes Tarım Ürünleri ve Besicilik San.Tic.A.Ş. (Tarbes)	332.047	47.134
Anadolu Isuzu	912.438	1.023.781
Efes Holland Technical Management Consultancy	481.145	382.813
ZAO Moscow Efes Brewery (Efes Moskow)	2.565.249	1.574.415
CJSC Efes Karaganda Brewery (Efes Karaganda)	779.399	501.789
Efes Weifert Brewery (Efes Weifert)	433.370	-
Others	1.087.650	153.997
	12.729.500	8.720.337

As of March 31, 2005 and December 31, 2004, loans given to related parties, which are included in “Banking Loans” in the financial statements, are YTL 3,180,465 and YTL 820,000 respectively.

9.2 DUE TO RELATED PARTIES

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	March 31, 2005	December 31, 2004
Anadolu Efes	37.061.199	35.907.886
Other	1.055.028	99.746
	38.116.227	36.007.632

As of March 31, 2005 and December 31, 2004, related party deposits, which are included in “Banking Customer Deposits” in the financial statements, are YTL 94,851,274 and YTL 108,524,000 respectively.

9.3 TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Group undertakes arms-length basis transactions with its related parties consisting of:

	March 31, 2005	March 31, 2004
Sales of goods and services, net		
Anadolu Efes	1.433.352	3.420.370
Efpa	1.678.108	1.422.267
Tarbes	23.117	658.037
Anadolu Isuzu	1.878.079	1.188.385
Efes Holland Technical Management Consultancy	458.277	-
Efes Breweries International B.V.	23.234	-
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai)	52.811	-
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem)	66.537	-
Others	700.489	954.832
	6.314.004	7.643.891

	March 31, 2005	March 31, 2004
Purchases of Goods and Other Charges, net		
Anadolu Isuzu	1.911.975	48.163
Anelsan	100.083	-
Efpa	4.418	151.896
Anadolu Cetelem	-	54.135
Others	114.425	5.205
	2.130.901	259.399

	March 31, 2005	March 31, 2004
Interest and other financial income (included in banking revenues And banking foreign exchange losses) from		
Anadolu Efes	-	3.553.749
Efpa	1.434	-
Anadolu Cetelem	16.160	-
Others	-	108.344
	17.594	3.662.093

9.3 TRANSACTIONS WITH RELATED PARTIES (continued)

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	March 31, 2005	March 31, 2004
Interest and other financial expense (included in banking direct cost And banking foreign exchange losses) paid to		
Anadolu Efes	1.750.176	3.318.994
Anadolu Isuzu	526.128	669.607
Efpa	11.484	-
Anadolu Eğitim ve Sosyal Yardım Vakfı	100.000	-
Others	64.925	483.112
	2.452.713	4.471.713

	March 31, 2005	March 31, 2004
Interest and other financial expense (included in financial income / expense and foreign exchange losses) paid to		
Anadolu Efes	2.500.994	333.335
Efes Sınai	33.101	-
Others	81.978	26.216
	2.616.073	359.551

	March 31, 2005	March 31, 2004
Miscellaneous sales included in other income (including dividend received)		
Anadolu Efes	76.643	-
Polinas	4.398	-
Coca Cola İçecek	7.810	1.783.266
Efpa	30.355	-
Anadolu Isuzu	52.273	-
Anadolu Eğitim ve Sosyal Yardım Vakfı	21.790	-
Others	19.111	82.222
	212.380	1.865.488

	March 31, 2005	March 31, 2004
Interest and other financial income (included in financial income/expense and foreign exchange losses) received from		
Anadolu Efes	1.434.068	2.207.599
Kamil Yazıcı Yönetim ve Danışma A.Ş.	161.054	5.523
Efes Sınai	18.760	77.617
Others	1.355	-
	1.615.237	2.290.739

	March 31, 2005	March 31, 2004
Purchases of fixed assets		
Anadolu Isuzu	284.317	-

9.3 TRANSACTIONS WITH RELATED PARTIES (continued)

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

Intergroup loan purchase/sale:

In the first half of 2004, AEH, one of the subsidiaries of the Company, signed Asset Sale Agreements with A-Bank, one of its subsidiaries, and in connection with these agreements AEH purchased loans in follow-up with a nominal value of YTL 27,527,928 that was carried at YTL 10,423,000, net of loan loss reserves, in the financial statements of A-Bank for a cash consideration of TL 14,301,363. As a result of this transaction, A-Bank has realized YTL 3,878,363 gain by reversing the loan loss reserves that was provided before, whereas AEH realized a TL 3,878,363 loss by providing impairment to these loans.

Emoluments of the Board of Directors

There are 3.487.915.756 shares (December 31,2004: 3.487.915.756) held by the members of Board of Directors.

10. OTHER RECEIVABLES AND PAYABLES

10.1 OTHER RECEIVABLES

	March 31, 2005	December 31, 2004
Non-Banking	10.402.620	9.049.333
Banking	16.062.000	12.574.000
	26.464.620	21.623.333

Non-Banking

	March 31, 2005	December 31, 2004
Value Added Tax (VAT) to be transferred	2.546.300	650.835
Receivables From Loans Given (*)	7.856.320	7.605.379
Value Added Tax (VAT) deductible	-	793.119
	10.402.620	9.049.333

Banking

	March 31, 2005	December 31, 2004
Assets held for resale, net	4.108.000	5.137.000
Receivable from brokerage customers	11.954.000	7.437.000
	16.062.000	12.574.000

(*) In the first half of 2004, AEH, one of the subsidiaries of the Company, signed Asset Sale Agreements with A-Bank, one of its subsidiaries, and in connection with these agreements AEH purchased loans in follow-up with a nominal value of YTL 27.527.928 that was carried at YTL 10.423.000, net of loan loss reserves, in the financial statements of A-Bank for a cash consideration of TL 14.301.363. As a result of this transaction, A-Bank has realized YTL 3.878.363 gain by reversing the loan loss reserves that was provided before, whereas AEH realized a TL 3.878.363 loss by providing impairment to these loans.

11. BIOLOGICAL ASSETS

None.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

12. INVENTORIES

	March 31, 2005	December 31, 2004
Raw materials	14.310.828	10.571.486
Work-in-progress	6.056.626	6.130.475
Finished goods	11.582.858	12.588.379
Merchandise	28.491.464	26.618.589
Supplies and others	688.719	601.493
Advances given	17.414.609	8.504.128
	78.545.104	65,014,550

13. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION CONTRACTS

None.

14. DEFERRED TAX ASSETS AND LIABILITIES

Deferred income tax

Components of deferred tax assets and liabilities are as follows:

	March 31, 2005	December 31, 2004
Deferred tax assets	36.247.220	37.801.309
Deferred tax liabilities (-)	(2.439.995)	(2.542.639)
Total deferred tax	33.807.225	35.258.670

Movements in deferred tax during the period are as follows:

	Balance January 1, 2004 as reported	Credited/ (charged) to income statement	Balance March 31, 2005
Fixed Assets (financial leases included)	1.571.580	(17.971)	1.553.609
Inventory	33.648	(33.648)	-
Tax loss carryforward	54.236.436	-	54.236.436
Allowance for retirement pay liability	3.114.845	40.446	3.155.291
Other	17.638.837	(1.440.272)	16.198.565
Net deferred tax asset/(liability)	76.595.346	(1.451.445)	75.143.901
Allowance for deferred tax	(41.336.676)	-	(41.336.676)
Total	35.258.670	(1.451.445)	33.807.225

15. OTHER CURRENT / NON-CURRENT ASSETS AND LIABILITIES

15.1 OTHER CURRENT ASSETS

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	March 31, 2005	December 31, 2004
Non-Banking	3.911.725	2.566.836
Banking	5.108.000	4.193.000
	9.019.725	6.759.836

Non-Banking

	March 31, 2005	December 31, 2004
Prepaid taxes	1.247.026	1.233.184
Prepaid expenses	782.386	731.693
Other receivables and others	1.882.313	601.959
	3.911.725	2.566.836

Banking

	March 31, 2005	December 31, 2004
Transitory accounts and prepaid expenses	3.514.000	3.035.000
Prepaid taxes	-	9.000
Other	1.594.000	1.149.000
	5.108.000	4.193.000

15.2 OTHER NON-CURRENT ASSETS

	March 31, 2005	December 31, 2004
Non-Banking	1.615.537	1.116.301
Banking	8.679.001	3.380.000
	10.294.538	4.496.301

15.3 OTHER CURRENT LIABILITIES

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	March 31, 2005	December 31, 2004
Non-Banking	8.458.824	6.475.949
Banking	29.877.000	38.864.000
	38.335.824	46.339.949

Non-Banking

	March 31, 2005	December 31, 2004
Taxes payable other than on income	5.727.347	4.643.817
Salaries and wages payable	398.213	593.399
Accrued expenses	343.809	718.220
Deferred income	501.022	-
Other payables and liabilities	1.488.433	520.513
	8.458.824	6.475.949

As of March 31, 2005, other non-current liabilities are YTL 31,225.

Banking

	March 31, 2005	December 31, 2004
Payment orders	9.320.000	11.462.000
Taxes payable other than on income	2.662.000	4.137.000
Transitory accounts	178.000	-
General provision (*)	-	7.100.000
Others	17.717.000	17.165.000
	29.877.000	38.864.000

- (*) As of December 31, 2004, Group has provided a reserve amounting to YTL 7.100.000 related to future unfavorable foreign exchange rate fluctuations between the rate used in translating the foreign currency indexed debt swap securities in to New Turkish Lira (the last 10 work days' average of foreign exchange selling rates of the Central Bank) and the Group's foreign exchange evaluation rate.

16. INVESTMENTS

16.1 INVESTMENTS

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	Ownership Interest (%)	March 31, 2005	December 31, 2004
Coca Cola İçecek A.Ş. (Coca Cola İçecek)	15,1	44.626.697	44.626.697
Polinas Plastik Sanayi ve Ticaret A.Ş. (Polinas)	10,57	6.275.510	6.275.510
Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	0,48	94.767	94.767
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai)	18,2	31.339	31.339
Technology Leap Holding NU (Technology Leap)	18,1	3.268.803	3.268.803
Others		117.785	79.070
Impairment reserve for Technology Leap		(3.268.803)	(3.268.803)
Available for sale investments- non-current		51.146.098	51.107.383

16.2 INVESTMENTS IN ASSOCIATES

Entity	Principle Activities	Country of Business	March 31, 2005			December 31, 2004		
			Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)	Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)
Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) (*)	Product. of beer	Turkey	436.597.451	35,09	6.050.724	427.829.927	35,09	88.630.742
Anadolu Cetelem Tüketici Finansman Anonim Şirketi (Anadolu Cetelem) (**)	Provides consumer finance services	Turkey	870.134	33,96	(908.350)	1.778.483	33,96	(4.153.293)
			437.467.585		5.142.374	429.608.410		84.477.449

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

(**) Anadolu Cetelem has a shareholders equity of YTL 1.739.870 (December 31, 2004 - YTL 3.556.569) as of March 31, 2005.

16.3 INVESTMENTS IN JOINT VENTURE

The following is a list of the investments in joint venture :

Entity	Principle Activities	Country of Business	2004			2003		
			Carrying Value	Ownership interest rate %	Group's share of income	Carrying Value	Ownership interest rate %	Group's share of income
Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (Anadolu Isuzu) (*)	Manufacturing of Isuzu brand commercial vehicles	Turkey	65.907.999	36,40	2.213.595	64.198.088	36,40	10.102.212
					2.213.595			10.102.212

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

16.3 INVESTMENTS IN JOINT VENTURE (continued)

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

The Group has a 36.4% interest in Anadolu Isuzu, which is involved in production of Isuzu commercial vehicles in Turkey.

The Group's share of the assets, liabilities, revenue and expenses of the joint venture, which are included in the consolidated financial statements, are as follows at March 31, 2005 and December 31, 2004:

	March 31, 2005	December 31, 2004
Current assets	66.571.425	64.375.140
Non-current assets	34.391.349	35.753.280
	100.962.774	100.128.420
Current liabilities	29.359.726	30.110.465
Non-current liabilities	5.702.012	5.827.572
	35.061.738	35.938.037
Revenue	28.631.456	118.728.794
Cost of sales	(22.694.898)	(91.062.024)
Selling and marketing expense	(1.595.727)	(8.400.010)
Administrative expenses	(1.440.535)	(5.388.160)
Finance cost	(114.061)	(121.186)
Other income, net	565.907	1.242.292
Income tax expenses	(1.138.784)	(4.327.266)
Monetary gain/(loss)	-	(1.481.744)
Extraordinary items	-	911.516
Net profit	2.213.595	10.102.212

17. POSITIVE/NEGATIVE GOODWILL

	March 31, 2005	December 31, 2004
Cost	138.103.925	138.103.925
Accumulated Depreciation	(102.759.669)	(102.759.669)
Net carrying amount	35.344.256	35.344.256

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

18. INVESTMENT PROPERTY

None (2004: None).

19. PROPERTY, PLANT AND EQUIPMENT

For the third-month period ended March 31, 2005, additions and disposals of property, plant and equipment are as follows:

	Additions	Disposals- (net)
Land and Land Improvements	-	70.920
Buildings	6.222	6.000
Machinery and equipment	716.819	300.423
Motor vehicles	1.784.450	30.712
Furnitures and fixtures	70.906	6.110
Other tangible assets	13.718	-
Leasehold improvements	1.115.804	-
Construction in progress	16.617	-
	3.724.536	414.165

Equipment under finance lease

The carrying value of property, plant and equipment under finance lease at March 31, 2005 is 25.606.645 YTL (December 31, 2004: 25.603.988 YTL). Leased assets are pledged as securities for the related finance lease obligations.

20. INTANGIBLE ASSETS

For the third-month period ended March 31, 2005, additions and disposals of intangible assets are as follows:

	Additions	Disposals- (net)
Rights	131.800	-
Patents and Licences	-	-
Other intangible assets	3.292	-
	135.092	-

21. ADVANCES TAKEN

	March 31, 2005	December 31, 2004
Advances Taken	3.253.884	1.013.664

22. PENSION PLANS

None (2004: None).

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

23. PROVISIONS

Provision for retirement pay liability

In accordance with existing social legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of YTL 1.648,90 at Marc 31, 2005 and YTL 1.574,74 at December 31, 2004 respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

For the companies established in Turkey, as of March 31, 2005 and December 31, 2004, the financial statements reflected a liability calculated using the Projected Unit Credit Method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

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

	March 31, 2005	December 31, 2004
Discount rate	%16	%16
Expected rates of salary/limit increases	%10	%10

In addition, as of March 31, 2005 retirement pay liability provision was calculated by considering the increase of maximum liability of YTL 1.648,9 for the related year in accordance with inflation rate according to actuarial assumption.

Retirement pay liability provision movement is as follows :

	March 31, 2005
January 1, 2005	10.879.852
Interest cost	516.625
Actuarial loss	-
Charge for the year	744.434
Paid	(194.196)
March 31, 2005	11.946.755

	December 31, 2004
January 1, 2004	10.771.176
Interest cost	1.521.279
Actuarial loss	114.460
Charge for the year	544.683
Paid	(731.398)
Monetary gain	(1.340.308)
December 31, 2004	10.879.892

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

24. MINORITY INTEREST

Minority interest is separately classified in the financial statements.

25. ISSUED CAPITAL / ADJUSTMENTS OF INTERCOMPANY BALANCES

	Marc 31, 2005	December 31, 2004
Common shares , YTL 0.001, par value authorized 20.475.019 (December 3 2004: 20.475.019)	93.157.173	93.157.173

As of March 31, 2005 and December 31, 2004 the Company's historical subscribed and issued share capital was YTL 20.475.019 (historical terms).

	March 31, 2005		December 31, 2004	
	Paid-in Capital	%	Paid-in Capital	%
Yazıcı Family	9.157.213	44,72	9.157.213	44,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	6.859.125	33,50	6.859.125	33,50
Publicly traded	4.458.681	21,78	4.458.681	21,78
Historical share capital	20.475.019	100,00	20.475.019	100,00
Restatement effect	72.682.154		72.682.154	
Total restated share capital	93.157.173		93.157.173	

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

The following chart shows certain information with respect to the four classes of shares of Yazıcılar:

Class	Number of Authorized Shares	Percentage of Total Capital Stock	Number of Directors Elected by Class
A	9.144.649.388	45	1
B	5.118.750.000	25	3
C	2.918.592.173	14	1
D	3.293.027.620	16	1
	20.475.019.181	100	6

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

26. CAPITAL RESERVES

As of March 31, 2005, restated values of capital reserves which are included in equity and their restatement differences, are as follows:

	Historic Amount	Equity Restatement Differences	Restated Amount
Share Premium	26.326.920	(409.737)	25.917.183

27. PROFIT RESERVES

Legal Reserves

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

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

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

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

Regarding the profit resulting from 2004 operations resulted from the financial statements prepared in accordance with the Communiqué Serial: XI No: 25 or IFRS, dividend distribution of at least 30% (2003 - 20%) of the distributable profit is obligatory. Based on the General Assembly's decision of the Company, its subsidiaries, joint ventures and participations, this appropriation may be on cash basis or through the distribution of free shares not less than 30% of the distributable profit, or may be distributed both as cash and free shares. For the accounting period ending by December 31, 2004, all of the amount which will be calculated according to the regulations associated with the CMB's minimum profit distribution necessity has to be provided from the distributable profit existing in the financial statements prepared according to Tax Law, over the net distributable profit calculated from the financial statements prepared according to the CMB communiqué XI-25.

The explanation is based on CMB decision with the number of 7/242 and with the date of February 25, 2005.

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

27. PROFIT RESERVES (continued)

As of March 31, 2005, restated values of, legal reserves and extraordinary reserves, which are included in equity and their restatement differences, are as follows:

	Historic Amount	Equity Restatement Differences	Restated Amount
Legal Reserves	22.043.960	86.441.090	108.485.050
Statutory Reserves	8.000	63.000	71.000
Extraordinary Reserves	159.143.591	105.957.271	265.100.862
Special Reserves	1.153.827	3.000	1.156.827

28. ACCUMULATED PROFITS

Accumulated profits are separately classified in the financial statements.

29. FOREIGN CURRENCY POSITION

Net foreign currency exposure for the Group (excluding banking) as of March 31, 2005 is approximately YTL105.519.861 (December 31, 2004: 87.815.719 YTL).

30. GOVERNMENT INCENTIVES AND GRANTS

None.

31. COMMITMENTS AND CONTINGENCIES

Non-Banking

Letters of guarantee given to banks, supplies, and custom offices are YTL 12.253.236 (December 31, 2004: YTL 5.898.822).

Letters of guarantee given to banks on the loans of associates and other related parties are YTL 34.714.160 (December 31, 2004: YTL 20.605.496).

Letters of guarantee given to banks, supplies, and custom offices by the joint venture are YTL 7.130.028 (December 31, 2004: YTL 3.864.512) .

Banking

In the normal course of business activities, A-Bank and its consolidated subsidiaries undertake various commitments and incur certain contingent liabilities that are not presented in the financial statements including:

	March 31, 2005	December 31, 2004
Letters of guarantees		
- issued by A-Bank	382.520.000	368.691.084
Letters of credit	121.535.000	123.981.464
Acceptance credits	10.322.000	4.855.000
Other	42.464.000	-
Total non-cash loans	556.841.000	497.527.548
Other commitments	132.484.000	97.058.000
	689.325.000	594.585.548

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

31. COMMITMENTS AND CONTINGENCIES (continued)

As of March 31, 2005, A-Lease obtained letters of guarantee amounting to YTL 3.231.020 (December 31, 2004: YTL 3.127.800) and submitted to various institutions for various leasing transactions and funds borrowed from banks.

Trust Assets

As of March 31, 2005, the nominal values of the YTL denominated assets held by the Group in fiduciary, agency or custodian capacities amounted to YTL 232.038.000 (December 31, 2004: YTL 217.749.000), and foreign currency denominated assets amounted to YTL 42.610.000 (December 31, 2004: YTL 39.966.000).

Litigation

There were a number of legal proceedings outstanding against the Group as of March 31, 2005 approximately YTL 956.000 (December 31, 2004: YTL 3.225.000). These mainly include matters relating to personal claims of customers and ex-employees of A-Bank. Although the outcome of these matters can not always be ascertained with precision, management, based on professional advice, and also considering A-bank's insurance coverage believes that no material liabilities are likely to result. Consequently no provision has been made.

Other

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

32. BUSINESS COMBINATIONS

None.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

33. SEGMENTAL INFORMATION

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

Segmental Information

(In thousands of YTL)	Financial Institutions		Automotive & Machinery		Writing Instruments & Stationery		Other Operations		Unallocated		Elimination		Consolidated	
Business Segments	31.03.2005	31.03.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004	31.03.2005	31.03.2004
Revenue from external customers	46.448	32.019	94.995	55.144	12.037	6.106	20.104	15.412	2.101	2.048			175.685	110.729
Inter-segment revenue	564	1.142	36	70	537	358	916	504	721	1.247	(2.774)	(3.321)	-	
Total Revenue	47.012	33.161	95.031	55.213	12.574	6.465	21.020	15.916	2.823	3.295	(2.774)	(3.321)	175.685	110.729
Segment Result	28.291	4.434	21.190	17.924	6.096	2.821	5.409	3.965	2.101	1.364			63.087	30.509
Operating Profit	7.490	(6.569)	10.196	10.783	2.876	(389)	1.095	327	(548)	(1.540)			21.109	2.611
Net financial (expense)	(769)	(130)	(3.037)	(1.748)	(1.554)	(1.032)	(1.038)	(1.098)	(3.064)	(1.795)			(9.462)	(5.804)
Other income/(expense)	(2.162)	24.079	3.854	3.145	158	376	94	573	6.660	14.306		(6.985)	8.604	35.495
Income from associates and joint ventures	-	-	-	-	-	-	-	-	7.355	10.024			7.355	10.024
Income tax expense	(1.607)	(59)	(2.711)	(4.689)	(420)	336	(108)	(36)	(576)	(2.296)			(5.422)	(6.744)
Minority interest	(878)	113	133	-	(250)	-	(71)	-	(4.094)	-		(10.162)	(5.160)	(10.049)
Gain/(loss) on net monetary position	-	(4.467)	-	(1.423)	-	472	-	857	-	11.425		9.481	-	16.345
Net profit for the year	2.073	12.967	8.435	6.067	810	(237)	(28)	624	5.734	30.123		(7.667)	17.024	41.877
Total assets	1.247.823	1.227.054	147.529	135.882	46.137	52.367	40.447	33.845	1.111.316	1.309.869	(487.800)	(795.951)	2.105.452	1.963.065
Segment liabilities	1.070.463	1.102.518	44.806	43.543	15.505	29.060	26.814	31.793	79.539	118.545	-	(92.747)	1.237.127	1.232.713

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

33. SEGMENTAL INFORMATION (continued)

- a) Substantially all of the consolidated revenues are obtained from operations located in Turkey. Similarly, substantially all of the consolidated assets are located in Turkey .
- b) Investment in associates and joint ventures: Company's effective participation rate for Anadolu Efes is 35.09%. The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and bottling of soft drinks under Coca Cola trademark principally in Turkey, East Europe and Middle Asia. The result of these operations, as of March 31, 2005 and December 31, 2004 are reflected in "Income from associates and joint ventures" line of the consolidated income statement as YTL 6.050.724 and YTL8.068.730 respectively.

The geographic locations and the effective shareholding rates of Yazıcılar for the investments in Anadolu Efes are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			31.03.2005	31.12.2004
Efes Breweries International N.V. (EBI)	The Netherlands	Facilitating investments in breweries	24,64	24,64
ZAO Moscow-Efes Brewery (Efes Moskow)	Russia	Production and distribution of beer	17,50	17,50
OAO Amstar (Amstar)	Russia	Production of beer	17,50	17,50
ZAO Efes Entertainment	Russia	Entertainment	14,87	14,87
Efes Vitanta Moldova Brewery S.A. (Efes Vitanta)	Moldova	Production and marketing of beer, softdrinks, low alcoholic drinks and mineral water	23,78	23,78
Efes Weifert Brewery d.o.o (Efes Weifert)	Serbia	Production and marketing of beer	15,49	15,49
Efes Zajecar d.o.o (Efes Zajecar)	Serbia	Office administration and marketing	15,87	15,87
Efes Commerce d.o.o Belgrade (Efes Commerce)	Serbia	Production and marketing of beverages	24,64	24,64
CJSC Efes Karaganda Brewery (Efes Karaganda)	Kazakhstan	Production and marketing of beer	24,64	24,64
Efes Ukraine Brewery (Efes Ukraine)	Ukraine	Production and marketing of beer	14,52	14,52
Interbrew Efes Brewery S.A. (Interbrew Efes)	Romania	Production of beer	12,32	12,32
Efes Romania Industrie Si Comert S.A. (ERIC)	Romania	Distribution of beer	24,64	24,64
Efes Productie S.R.L (Efes Productie)	Romania	Distribution of beer	27,78	27,78
Efpa	Turkey	Marketing and distribution of beer	35,09	35,09
ATK Dış Ticaret Ltd Şti (ATK)	Turkey	Foreign Trade	35,09	-
Tarbes	Turkey	Production of hops	35,00	35,00
Euro-Asian Brauereien Holding GMBH (Euro-Asian)	Germany	Investment company	24,64	24,64
Cypex Co. Ltd. (Cypex)	Cyprus	Marketing and distribution of beer	33,34	33,34
Tonus Open Joint Stock Company (Tonus)	Kazakhstan	Investment company	16,92	16,92
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	Netherlands	Consultancy	35,00	35,00
Efes Holland Technical Management Consultancy B.V. (EHTMC)	The Netherlands	Consultancy	35,00	35,00
Efes Sinai	Turkey	Facilitating investments in soft drinks in foreign countries.	18,20	18,20
Efes Invest Holland B.V (Efes Holland)	The Netherlands	Investment company of Efes Sinai	18,20	18,20
Azerbaijan Coca-Cola Bottlers LCC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of soft drinks under Coca Cola trademark	16,37	16,37
J.V.Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC)	Kazakhstan	Production, bottling, distribution and selling of soft drinks under Coca Cola trademark and distribution of Efes products	15,93	15,93
Coca-Cola Bishkek Bottlers C.J.S.C. (Bishkek CC)	Kirgizistan	Production, bottling, distribution and selling of soft drinks under Coca Cola trademark and distribution of Efes products	16,38	16,38
Efes Sinai Dış Ticaret Ltd. Şti. (EST)	Turkey	Foreign Trade	18,02	18,02
Rostov Beverage C.J.S.C. (Rostov)	Russia	Ceased production in 2000 and leased its plant to Efes Moskow.	18,20	18,20

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

34. SUBSEQUENT EVENTS

Distribution of dividends

Disbursement of 22.750.021,31 YTL dividend to the shareholders in gross terms starting with May 31, 2005 from the profit of the period in year 2004 that takes place on the consolidated financial tables prepared in duly with UFRS was enacted in the planned general assembly meeting held on May 23, 2005.

Disbursement of 15.000.000 YTL dividend to the shareholders in gross terms by cash, till the end of May 2005 was enacted on the ordinary general assembly meeting of Çelik Motor that held on April 11, 2005.

Disbursement of 95.945.296 YTL dividend to the shareholders in gross terms starting with the date of May 30, 2005 was enacted in the ordinary general assembly meeting of Anadolu Efes that held on May 30, 2005.

Increase in share capital

On the board of directors assembly of the company held on March 14, 2005, the increase of share capital from YTL 20.475.019 from YTL 40.000.000 (historic) was decided. It was decided that the total of YTL 19.524.980 capital increase was covered from gain from sale of company shares YTL 15.751.609,46 and capital restatement difference YTL 3.773.371,36. The increase in capital was authorized on June 8, 2005.

On the board of directors assembly of Çelik Motor held on April 6, 2005, the increase of share capital from YTL 10.500.000 to YTL 30.000.000 (historic) was decided.

It was decided that the total of YTL 19.500.000 capital increase was covered from inflation restatement differences YTL 12.250.450,68, extraordinary reserves YTL 7.179.360,19, gain from sale of property YTL 70.173,33 and share premium in associates YTL 15,80. The increase in capital was authorized on May 6, 2005.

Investments

The purchase of 99,99% shares of McDonald's Restaurantları Ltd. Şti. and Hamburger Restoran İşletmeleri A.Ş. was decided on the assembly of AEH Board of Directors held on May 4, 2005.

Sale of Shares

AEH, sold the 5% shares of Coca-Cola İçecek A.Ş., operating Coca Cola operations in Turkey, to Anadolu Efes on April 26, 2005 against YTL 51.623.692 .

35. DISCONTINUING OPERATIONS

None.

36. OPERATING INCOME

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

	March 31, 2005	March 31, 2004
Non-banking	129.238.198	78.710.499
Banking – interest income- net	28.291.575	4.433.952
	157.529.773	83.144.451

37. OPERATING EXPENSES

	March 31, 2005	March 31, 2004
Non-banking	21.166.458	19.453.595
Banking	20.813.000	8.444.204
	41.979.458	27.897.799

Non-banking

	March 31, 2005	March 31, 2004
General Administration expenses	12.628.036	13.500.442
Selling and marketing expenses	8.538.422	5.953.153
	21.166.458	19.453.595

Banka

	March 31, 2005	March 31, 2004
General Administration expenses	10.968.000	1.429.101
Foreign exchange loss, net	9.845.000	7.015.103
	20.813.000	8.444.204

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS

38.1 OTHER OPERATING INCOME AND GAIN

	March 31, 2005	March 31, 2004
Interest income	3.115.961	3.208.764
Gain from valuation of marketable securities	486.684	3.446.581
Gain from sale of marketable securities	-	871.146
Foreign exchange gain	2.606.866	6.666.216
Trading income	1.026.000	20.179.000
Transportation income	583.733	573.653
Gain on after sale service	598.429	414.729
Rent income	602.711	204.901
Other	-	169.000
	9.020.384	35.733.990

38.2 OTHER OPERATING EXPENSE AND LOSS

	March 31, 2005	March 31, 2004
Loss from sale of marketable securities	28.637	-
Other	387.646	239.049
	416.283	239.049

39. FINANCIAL EXPENSES

	March 31, 2005	March 31, 2004
Interest expense	6.066.209	5.629.520
Foreign exchange loss	2.980.772	-
Other	415.944	174.297
Total financial expense, net	9.462.925	5.803.817

40. MONETARY GAIN/LOSS

According to the CMB interpretation, the application of inflation accounting has been terminated starting from January 1, 2005 in Turkey. Therefore there is no monetary gain or loss recognised in the consolidated income statement for the three-month period ended March 31, 2005. (March 31, 2004: YTL 16.344.770)

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

41. INCOME TAXES

	March 31, 2005	March 31, 2004
Current tax expense	3.970.040	5.135.233
Deferred tax expense	1.451.445	1.608.928
Total	5.421.485	6.744.161

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.

Corporate tax rate is declared as 30% as of January 1, 2005. (2004: 33%). Corporate tax returns are required to be filed until the fifteenth of the fourth month following the balance sheet date and paid in one installment until the end of the fourth The tax legislation provides for a temporary tax of 30% (2004-33%) 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 year.

In 2003 and prior years, corporation tax was computed on the statutory income tax base without any adjustment for inflation accounting. Starting from January 1, 2004, taxable income will be derived from the financial statements which are adjusted for inflation accounting. Accumulated earnings arising from the first application of inflation accounting on December 31, 2003 balance sheet will not be subject to corporation tax, and similarly accumulated deficits arising from such application will not be deductible for tax purposes. Moreover, accumulated tax loss carry-forwards related with 2003 and prior periods will be utilized at their historical (nominal) values in 2004 and future years.

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.

Effective from April 24, 2003, investment allowances provides a deduction from the corporate tax base of 40% of the purchase price of purchases of the brand-new fixed assets having economic useful life and exceeding YTL 10,000 (2004: YTL6,000) and directly related with the production of goods and services. Investment allowance that arose prior to April 24, 2003 are taxed at 19.8% (withholding tax) unless they are converted to new type at companies' will. All investment allowances can be carried forward indefinitely.

In Turkey, the tax legislation does not permit a parent company and its subsidiaries 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.

42. EARNING PER SHARE

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

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

42. EARNING PER SHARE (continued)

	March 31, 2005	March 31, 2004
Net profit attributable to ordinary shareholders for basic earnings per share	17.024.514	39.178.476
Interest on convertible redeemable preference shares	-	-
Net profit attributable to ordinary shareholders for diluted earnings per share	17.024.514	39.178.476

	March 31, 2005	March 31, 2004
Weighted average number of ordinary shares for basic earnings per share	20.475.019.181	13.650.012.787
Share options	-	-
Interest on convertible redeemable preference shares	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	20.475.019.181	13.650.012.787

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

43. CASH FLOW STATEMENT

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44. OTHER ISSUES

44.1 RESERVE DEPOSITS AT CENTRAL BANK

	March 31, 2005	December 31, 2004
Reserve Deposits		
- New Turkish Lira	7.865.000	8.107.000
- Foreign Currency	44.666.000	44.644.000
	52.531.000	52.751.000

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

As of March 31, 2005 and December 31, 2004, reserve deposit rates applicable for new Turkish lira deposits were 6% and 11% for foreign currency deposits.

As of March 31, 2005, the interest rates applied for new Turkish lira and foreign currency reserve deposits are 11.8% and 1.2 % (2004 – 12.5% and 1.04%), respectively.

44.2 BANKING LOANS

	March 31, 2005						
	Amount				Effective interest rate		
	New Turkish Lira	Foreign Currency	Foreign Currency Indexed	Total	New Turkish Lira	Foreign Currency	Foreign Currency Indexed
Corporate loans	355.619.630	164.139.200	67.219.000	586.977.830	%23	%7	%8
Consumer loans	3.806.000	-	-	3.806.000	%36	-	-
Total performing loans	359.425.630	164.139.200	67.219.000	590.783.830			
Restructured	3.120.000	695.000	19.409.000	23.224.000			
Loans in arrears	33.075.000	-	-	33.075.000			
Less: Reserve for possible loan losses	(25.437.000)	-	-	(25.437.000)			
Total	370.183.630	164.834.200	86.628.000	621.645.830			

	December 31, 2004						
	Amount				Effective interest rate		
	New Turkish Lira	Foreign Currency	Foreign Currency Indexed	Total	New Turkish Lira	Foreign Currency	Foreign Currency Indexed
Corporate loans	318.936.000	157.473.000	61.699.000	538.108.000	%27,64	%7,11	%7,93
Consumer loans	4.642.000	-	-	4.642.000	%35,88	-	-
Total performing loans	323.578.000	157.473.000	61.699.000	542.750.000			
Restructured	5.805.000	1.223.000	13.599.000	20.627.000			
Loans in arrears	29.730.000	-	-	29.730.000			
Less: Reserve for possible loan losses	(22.114.000)	-	-	(22.114.000)			
Total	336.999.000	158.696.000	75.298.000	570.993.000			

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.2 BANKING LOANS (continued)

Movements in the reserve for possible loan losses:

	March 31, 2005	December 31,2004
Reserve at beginning of year	22.114.000	44.833.699
Provision for possible loan losses	3.522.000	8.237.000
Recoveries	(189.000)	(7.283.000)
Provision net of recoveries	3.333.000	954.000
Loans written off and sold during the year	(10.000)	(18.223.000)
Monetary gain	-	(5.450.699)
Reserve at the end of year	25.437.000	22.114.000

A-Bank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of March 31, 2005, A-Bank provided an estimated allowance for impairment on YTL 7.273.000 (2004 – YTL 6.023.000) of such loans amounting to YTL 5.164.000 (December 31, 2004 – YTL 4.330.000) as included in reserve for possible loan losses. As of March 31, 2005 interest accrued on the restructured loans amounted to YTL 3.338.000 (December 31, 2004: YTL 1.180.000).

Reserve for impairment also includes YTL 3.690.000 (December 31, 2004 – YTL 3.403.000) provided on a portfolio basis as of March 31, 2005.

As of March 31, 2005, loans and advances on which interest is not being accrued or where interest is suspended, amounted to YTL 33.075.000 (December 31, 2004 – YTL 29.730.000).

44.3 BANKING CUSTOMER DEPOSITS

Deposits from other banks

	March 31, 2005				December 31,2004			
	Amount		Effective interest rate		Amount		Effective interest rate	
	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency
Demand	28.000	5.285.000	-	-	11.000	3.112.000	-	-
Time	8.005.000	31.526.000	%16,48	%3	-	-	-	-
Total	8.033.000	36.811.000			11.000	3.112.000		

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.3 BANKING CUSTOMER DEPOSITS (continued)

Other money market deposits

	March 31, 2005				December 31, 2004			
	Amount		Effective interest rate		Amount		Effective interest rate	
	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency
Saving								
Demand	5.532.000	30.039.000	-	-	5.482.000	30.140.000	-	-
Time	92.352.000	217.377.000	%18,8	%3,82	89.781.000	224.148.000	%21,21	%4,01
	97.884.000	247.416.000			95.263.000	254.288.000		
Commercial and other								
Demand	33.351.213	15.823.000			25.911.355	48.732.281	-	-
Time	99.480.000	66.032.000			97.904.690	52.095.716	%17,96	%2,97
	132.831.213	81.855.000			123.816.045	100.827.997		
Total	230.715.213	329.271.000			219.079.045	355.115.997		

Other money market deposits

	March 31, 2005				December 31, 2004			
	Amount		Effective interest rate		Amount		Effective interest rate	
	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign Currency
Obligations under repurchase agreements:								
-Due to customers	7.443.000	-	%11,59	-	3.658.000	-	%13,77	-
-Due to banks	103.114.000	-	%12,05	-	111.975.000	-	%14,05	-
	110.557.000	-			115.633.000	-		
Interbank deposits	5.035.000	-	%15,1	-	19.634.000	-	%17,78	-
Other money market deposits	-	-	-	-	1.408.000	-	%18,51	-
Total	115.592.000	-			136.675.000	-		

44.4 FUNDS BORROWED

	March 31, 2005				December 31, 2004			
	Amount		Effective interest rate		Amount		Effective interest rate	
	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign currency	New Turkish Lira	Foreign Currency
Short-term								
Fixed interest	26.528.000	221.711.800	%16,64	%3,68 - %7,5	30.190.000	210.295.558	%18,76	%3,67-%7,50
Floating interest	-	10.222.319		%5,19- %6,91	-	16.496.927	-	%4,38-%6,50
Medium-long term								
Fixed interest	-	-			-	-	-	-
Floating interest	-	22.253.612		%4,12-%5,28	-	14.222.872	-	%2,18-%4,65
Total	26.528.000	254.187.732			30.190.000	241.015.357		
Total funds borrowed	280.715.732				271.205.357			

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.4 FUNDS BORROWED (continued)

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

	March 31, 2005		December 31, 2004	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2005	-	697.000	-	602.000
2006	-	21.556.000	-	13.620.872
	-	22.253.000	-	14.222.872

Letters of guarantee denominated in foreign currency, YTL equivalent of which amounts to YTL 6.443.666 (December 31, 2004-YTL 6.462.000) were given to the lending institutions as collateral against the loans obtained.

As of March 31, 2005 EUR 1.767.277 (December 31, 2004: 1.743.142 EUR) of the short-term foreign currency borrowing equivalent of YTL 3.138.154 (December 31, 2004-YTL 3.184.000) is borrowed by issuing promissory note to the related bank.

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.5 DERIVATIVES

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

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

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

March 31, 2005									
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	460.000	1.045.000	62.559.000	31.132.000	6.818.000	20.445.000	4.164.000	-	-
Forward sale contract	445.000	47.000	63.910.000	31.760.000	6.993.000	20.512.000	4.645.000	-	-
Currency swap purchase	59.000	68.000	154.676.000	127.265.000	-	-	27.411.000	-	-
Currency swap sale	-	1.037.000	159.648.000	127.273.000	-	-	32.375.000	-	-
Futures purchase	12.000	35.000	3.033.000	-	3.033.000	-	-	-	-
Futures sale	-	-	3.058.000	-	3.058.000	-	-	-	-
Option purchase	-	5.000	685.000	685.000	-	-	-	-	-
Option sale	-	-	-	-	-	-	-	-	-
Derivatives held for trading	-	-	7.273.000	6.043.000	1.230.000	-	-	-	-
Forward purchase contract	-	-	7.298.000	6.063.000	1.235.000	-	-	-	-
Total	976.000	2.237.000	462.140.000	330.221.000	22.367.000	40.957.000	68.595.000	-	-

December 31, 2004									
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	939.000	833.000	33.335.000	373.000	8.895.000	6.915.000	17.152.000	-	-
Forward sale contract	-	-	33.221.000	376.000	8.840.000	6.906.000	17.099.000	-	-
Currency swap purchase	54.000	1.030.000	139.861.000	113.690.000	-	-	26.171.000	-	-
Currency swap sale	-	-	146.087.000	113.712.000	-	-	32.375.000	-	-
Futures purchase	13.000	15.000	5.318.000	-	5.318.000	-	-	-	-
Futures sale	-	-	5.376.000	-	5.376.000	-	-	-	-
Option purchase	-	-	1.919.000	1.919.000	-	-	-	-	-
Option sale	-	-	2.106.000	2.106.000	-	-	-	-	-
Total	1.006.000	1.878.000	367.223.000	232.176.000	28.429.000	13.821.000	92.797.000	-	-

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS

Banking

Financial Risk Management

General

To maintain and improve the soundness of its operations, A-Bank accords top management priority to upgrading its risk management systems and capabilities. According to A-Bank'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 A-Bank. Risk Management Policy covers,

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

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

In order to obtain an accurate grasp of the A-Bank's exposures, A-Bank quantifies the actual risks using its own in-house models.

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

Credit Risk

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

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

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

	March 31, 2005		December 31, 2004	
	Cash	Non-cash	Cash	Non-cash
Automotive	8.076.889	14.082.213	4.720.000	8.131.000
Chemical	18.055.042	12.733.201	20.151.000	12.116.000
Construction	47.871.764	80.392.100	38.303.000	77.950.000
Electrics and electronics	4.946.266	9.397.227	5.090.000	4.470.000
Finance	53.924.147	36.203.431	42.469.000	30.888.000
Food and beverage	41.308.624	30.791.859	39.615.000	28.196.000
Forest products and agriculture	15.819.075	4.099.914	14.066.000	2.692.000
Iron and steel, non-metal	37.011.506	37.737.828	32.116.000	41.051.000
Machinery	22.045.483	12.998.443	29.200.000	12.170.000
Mining	18.425.080	16.971.473	8.511.000	18.071.000
Paper	7.587.422	14.607.628	7.698.000	15.000.000
Petroleum	3.917.547	6.859.557	5.112.000	9.037.000
Production	36.330.333	22.060.798	35.570.000	19.884.000
Textile	110.069.540	47.413.588	111.952.000	46.352.000
Tourism	18.610.260	1.308.445	14.112.000	1.808.000
Trade	83.191.621	103.902.646	68.048.000	98.512.000
Transportation	15.772.913	12.615.270	14.689.000	15.725.000
Others	57.559.555	41.069.215	59.146.000	55.475.000
Corporate loans	600.523.066	505.244.837	550.568.000	497.528.000
Consumer loans	3.750.468	-	4.642.000	-
Interest accruals	9.734.154	-	8.167.000	-
Loans in arrears	33.074.902	-	29.730.000	-
Provision for possible loan losses	(25.437.059)	-	(22.114.000)	-
Total	621.645.531	505.244.837	570.993.000	497.528.000

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

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 and operates under strict limits based on stress conditions. To address liquidity risk, Group has adopted a unified approach to YTL and foreign currency fund-raising opportunities.

The table below analyses assets and liabilities (in thousands of YTL) of Group into relevant maturity groupings based on the remaining period at balance sheet date to contractual maturity date.

(Thousands YTL)	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
As at March 31, 2005						
Assets						
Cash and balances with the Central Bank	11.817	-	-	-	-	11.817
Deposits with banks and other financial	87.002	1.537	-	-	-	88.539
Other money market placements	21.032	-	-	-	-	21.032
Reserve deposits at the Central Bank	52.531	-	-	-	-	52.531
Trading securities	11.732	971	1.731	37.025	4.787	56.246
Investment securities	77	6.944	1.482	8.617	236.657	253.777
Originated loans and advances	379.034	68.179	61.155	50.376	62.902	621.646
Minimum lease payments receivable	6.437	7.621	11.326	18.506	24.908	68.798
Derivative financial instruments	206	209	498	63	-	976
Assets held for resale	-	-	-	-	4.108	4.108
Tangible assets	-	-	-	-	4.389	4.389
Intangible assets	-	-	-	-	3.103	3.103
Deferred tax assets	-	-	-	-	35.251	35.251
Other assets	12.683	372	-	-	12.689	25.744
Total assets	582.551	85.833	76.192	114.587	388.793	1.247.956
Liabilities						
Deposits from other banks	44.844	-	-	-	-	44.844
Customers' deposits	462.680	72.547	11.951	12.117	693	559.987
Other money market deposits	115.592	-	-	-	-	115.592
Funds borrowed	70.844	34.530	56.962	97.636	20.745	280.717
Derivative financial instruments	1.154	5	10	1.068	-	2.237
Other liabilities and provisions (*)	58.796	196	90	698	6.317	66.097
Income taxes payable	1.352	211	-	-	-	1.563
Total liabilities	755.262	107.488	69.013	111.519	27.755	1.071.037
Net liquidity gap	(172.711)	(21.655)	7.179	3.068	361.038	176.919
As at December 31, 2004						
Total assets	585.618	74.405	70.338	126.600	364.456	1.221.417
Total liabilities	728.632	140.276	54.096	108.154	18.097	1.049.255
Net liquidity gap	(143.014)	(65.871)	16.242	18.446	346.359	172.162

(*) Includes blocked accounts

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

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 tradeable assets, such as Foreign Exchange, Fixed Income Securities, Stocks, and related derivative instruments. Value-at-Risk (VaR) is the primary tool for day-to-day monitoring of trading-related market risk. VaR is a statistical measure of the potential losses that could occur due to movements in market rates and prices under normal market circumstances. Secondly, Structural Interest Rate Risk, addresses the risk which stems from sensitivity of the relatively illiquid items of the balance sheet to the shifts of the yield curve. Market risk exposure of ABank as a whole is bound by the economic capital allocated by the Board.

Currency Risk

A-Bank centralized its 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.

As of March 31, 2005 the ABank's on balance sheet foreign currency short position is YTL 62.316.000 (December 31, 2004 -YTL 35.629.000 - short position).

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

The concentrations of assets, liabilities and off balance sheet items of Group:

(Thousands YTL)	New Turkish Lira	US Dollars	EUR	Japanese Yen	Others	Total
As at March 31, 2005						
Assets						
Cash and balances with the Central Bank	4.134	4.687	2.781	46	169	11.817
Deposits with banks and other financial institutions	64.686	22.270	1.119	136	328	88.539
Other money market placements	4.566	16.466	-	-	-	21.032
Reserve deposits at the Central Bank	7.865	44.666	-	-	-	52.531
Trading securities	56.198	48	-	-	-	56.246
Investment securities	29.140	224.634	3	-	-	253.777
Originated loans and advances	370.184	191.100	60.357	-	5	621.646
Minimum lease payments receivable	11.851	30.373	26.574	-	-	68.798
Derivative financial instruments	976	-	-	-	-	976
Tangible assets held for resale	4.108	-	-	-	-	4.108
Tangible assets	4.389	-	-	-	-	4.389
Intangible assets	3.103	-	-	-	-	3.103
Deferred tax assets	35.251	-	-	-	-	35.251
Other assets	20.243	3.538	1.963	-	-	25.744
Total assets	616.693	537.782	92.797	182	502	1.247.956
Liabilities						
Deposits from other banks	8.033	32.387	4416	-	8	44.844
Customers' deposits	216.443	251.923	85.959	4.584	1.078	559.987
Other money market deposits	115.592	-	-	-	-	115.592
Funds borrowed	26.505	187.704	66.508	-	-	280.717
Derivative financial instruments	2.237	-	-	-	-	2.237
Other liabilities and provisions (*)	33.144	25.293	7.218	-	442	66.097
Income taxes payable	1.563	-	-	-	-	1.563
Total liabilities	403.517	497.307	164.101	4.584	1.528	1.071.037
Net on-balance sheet position	213.176	40.475	(71.304)	(4.402)	(1.026)	176.919
Off-balance sheet position						
Net notional amount of derivatives	(49.491)	(39.212)	83.453	4.428	1.075	253
Non- cash loans	246.387	173.708	83.174	9.988	1.119	514.376
As at December 31, 2004						
Total assets	609.355	523.820	87.672	171	399	1.221.417
Total liabilities	431.643	479.182	134.214	3.181	1.035	1.049.255
Net on balance sheet position	177.712	44.638	(46.542)	(3.010)	(636)	172.162
Off –balance sheet position, net nominal amount	194.646	170.074	119.143	14.149	2.139	500.151

(*) Includes blocked accounts

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

Interest Rate Risk

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

The table below summarizes Group's exposure to interest rate risk (in thousands of YTL) on the basis of the remaining period at the balance sheet date to the re-pricing date.

	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Over 5 years	Non interest bearing
As at March 31, 2005							
Assets:							
Cash and balances with the Central Bank	293	-	-	-	-	11.524	11.817
Deposits with banks and other financial institutions	81.437	1.537	-	-	-	5.565	88.539
Other money market placements	21.032	-	-	-	-	-	21.032
Reserve deposits at the Central Bank	52.531	-	-	-	-	-	52.531
Trading securities	277	971	1.731	36.970	4.702	11.595	56.246
Investment securities	77	6.944	1.482	8.617	236.657	-	253.777
Originated loans and advances	385.415	69.926	59.066	49.305	47.501	10.433	621.646
Minimum lease payments receivable	5.496	7.113	11.326	18.506	24.908	1.449	68.798
Derivative financial instruments	403	124	449	-	-	-	976
Tangible assets held for resale	-	-	-	-	-	4.108	4.108
Tangible assets	-	-	-	-	(26)	4.415	4.389
Intangible assets	-	-	-	-	-	3.103	3.103
Other assets	11.116	(372)	-	-	-	50.250	60.995
Total assets	558.077	86.243	74.054	113.398	313.742	102.443	1.247.956
Liabilities:							
Deposits from other banks	39.531	-	-	-	-	5.313	44.844
Customers' deposits	362.538	72.130	11.951	12.117	693	100.559	559.987
Other money market deposits	115.592	-	-	-	-	-	115.592
Funds borrowed	82.076	50.684	59.572	88.385	-	-	280.717
Derivative financial instruments	1.154	5	10	1.068	-	-	2.237
Other liabilities and provisions (*)	54.656	196	90	140	5.018	5.997	66.097
Income taxes payable	-	-	-	-	-	1.563	1.563
Total liabilities	655.547	123.015	71.623	101.710	5.711	113.432	1.071.037
On balance sheet interest sensitivity gap	(97.470)	(36.772)	2.431	11.688	308.031	(10.989)	176.919
Off balance sheet interest sensitivity gap	(1.339)	(205)	(67)	(5.444)	-	-	(7.055)
Total interest sensitivity gap	(98.809)	(36.977)	2.364	6.244	308.031	(10.989)	169.864

(*) Includes blocked accounts

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

The table below summarizes Group's exposure to interest rate risk (in thousands of YTL) on the basis of the remaining period at the balance sheet date to the repricing date.

	Up to 1 Month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Non interest bearing	Total
As at December 31, 2004							
Assets:							
Cash and balances with the Central Bank	4,562	-	-	-	-	9,674	14,236
Deposits with banks and other financial institutions	138,208	-	-	-	-	5,047	143,255
Other money market placements	19,846	-	-	-	-	-	19,846
Reserve deposits at the Central Bank	52,751	-	-	-	-	-	52,751
Trading securities	193	322	1,141	45,095	8,362	11,289	66,402
Investment securities	-	-	219,867	-	-	-	219,867
Originated loans and advances	338,577	69,642	50,973	53,354	48,687	9,760	570,993
Minimum lease payments receivable	4,963	7,635	10,331	18,645	25,484	1,164	68,222
Derivative financial instruments	-	-	-	-	-	1,006	1,006
Tangible assets	-	-	-	-	-	5,025	5,025
Intangible assets	-	-	-	-	-	3,793	3,793
Other assets	7,083	-	-	-	-	48,938	56,021
Total assets	566,183	77,599	282,312	117,094	82,533	95,696	1,221,417
Liabilities							
Deposits from other banks	-	-	-	-	-	3,123	3,123
Customers' deposits	357,594	87,035	3,601	10,645	799	114,521	574,195
Other money market deposits	136,675	-	-	-	-	-	136,675
Funds borrowed	79,507	57,093	52,464	82,141	-	-	271,205
Accounts Payable	-	-	-	-	-	1,878	1,878
Derivative financial instruments	1,585	45	69	139	123	58,790	60,751
Other liabilities and provisions (*)	-	-	-	-	-	1,343	1,343
Income taxes payable	-	-	-	-	-	85	85
Deferred tax liability	-	-	-	-	-	-	-
Total liabilities	575,361	144,173	56,134	92,925	922	179,740	1,049,255
On balance sheet interest sensitivity gap	1,089	(60,305)	231,247	8,779	56,127	-	236,937
Off balance sheet interest sensitivity gap	(215)	-	11	-	-	-	(204)
Total interest sensitivity gap	874	(60,305)	231,258	8,779	56,127	-	236,733

(*) Includes blocked account

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

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.

Group 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, A-Bank uses ratios established by BRSA. These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing A-Bank'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 risk. As of March 31, 2005 A-Bank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 17.68% (December 31, 2004: 19,21%).

Non-Banking

Financial risk management objectives and policies

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

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

1) Foreign currency risk

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

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

		Exchange rate at January 1, 2005	Average exchange rate in the period	Exchange rate at March 31, 2005
YTL /USD	Türkiye	1.3363	1.3205	1.3706
YTL /EUR	Türkiye	1.8233	1.7335	1.7757

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

44.6 FINANCIAL INSTRUMENTS (continued)

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

2) *Liquidity Risk*

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

3) *Credit Risk*

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

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

4) *Price Risk*

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

5) *Interest Rate Risk*

The Group mainly enters into fixed based contracts in its financial borrowings. As of March 31, 2005, overwhelming majority of the Group's (non-banking) long-term debt was at fixed rates.

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

Fixed rate bank loans	1.38%-5.8 %
Fixed leasing	4.5%-11.33%

As of March 31, 2005 the effective interest range of ABanks' credit loans is as follows:

Short term foreign exchange denominated;	
Fixed rate loans	%3,68-%7,5
Variable rate loans	%5,19-%6,91

Long term foreign exchange denominated;	
Variable rate loans	%4,12-%5,28

44.6 FINANCIAL INSTRUMENTS (continued)

Yazıcılar Holding Anonim Şirketi and Its Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2005

(Currency – Unless Otherwise Stated New Turkish Lira (YTL))

Fair Values

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

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

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

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