

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

**Yazıcılar Holding
Anonim Şirketi**

**Consolidated Interim Financial Statements
As of March 31, 2006**

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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Yazıcılar Holding Anonim Şirketi

CONSOLIDATED BALANCE SHEET

As at March 31, 2006

(Currency– YTL unless otherwise indicated)

ASSETS

		Unaudited	Audited
		March 31, 2006	December 31, 2005
	Notes		
Current Assets		1.723.213.695	1.540.864.932
Cash and Cash Equivalents	4	217.257.499	141.862.819
Marketable Securities (net)	5	255.339.767	274.717.463
Reserve Deposits at Central Bank	44.1	67.391.000	61.128.000
Banking Loans (net)	44.2	886.004.321	770.271.845
Trade Receivables (net)	7.1	70.705.887	56.554.351
Lease Receivables (net)	8.1	63.546.286	59.975.930
Derivative Financial Instruments – assets	44.5	783.000	73.000
Due From Related Parties (net)	9.1	7.894.332	10.421.421
Other Receivables (net)	10.1	11.336.119	8.537.565
Biological Assets (net)	11	6.531.281	6.507.829
Inventories (net)	12	116.483.912	133.357.657
Receivables from Continuing Construction Contracts (net)		-	-
Deferred Tax Assets		-	-
Other Current Assets	15.1	19.940.291	17.457.052
Non-Current Assets		1.131.092.585	1.102.138.622
Marketable Securities (net)	5	144.185.000	166.280.000
Banking Loans (net)	44.2	140.042.224	114.170.930
Trade Receivables (net)	7.1	-	-
Lease Receivables (net)	8.1	53.580.000	46.860.513
Due from Related Parties (net)		-	-
Other Receivables (net)		-	-
Investments (net)	16	610.889.166	593.080.176
Positive/Negative Goodwill (net)	17	35.344.256	35.344.256
Investment Property (net)	18	4.252.000	4.332.000
Property, Plant and Equipment (net)	19	104.588.765	104.365.028
Intangible Assets (net)	20	10.838.642	10.928.864
Deferred Tax Assets	14	19.682.399	21.277.735
Other Non-Current Assets	15.2	7.690.133	5.499.120
TOTAL ASSETS		2.854.306.280	2.643.003.554

The explanatory notes on pages 7 through 61 form an integral part of these consolidated financial statements

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Yazıcılar Holding Anonim Şirketi

CONSOLIDATED INCOME STATEMENT

As at March 31,2006

(Currency– YTL unless otherwise indicated)

LIABILITIES

		Unaudited	Audited
	Notes	March 31, 2006	December 31, 2005
Current Liabilities		1.629.007.353	1.486.075.638
Short-Term Borrowings (net)	6	83.206.048	92.139.531
Current Portion of Long-Term Borrowings (net)	6	1.235.698	340.336
Lease Obligations (net)	8.2	3.353.519	2.630.905
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	47.099.734	46.686.099
Deposits	44.3	986.540.121	870.591.918
Funds Borrowed	44.4	422.754.888	404.558.149
Blocked Accounts		34.749.320	28.929.448
Due to Related Parties (net)	9.2	478.324	1.363.762
Advances Received	21	6.602.939	2.750.345
Deferred Income from Continuing Construction Contracts (net)		-	-
Provisions	23	5.901.575	452.584
Derivative Financial Instruments – liabilities	44.5	996.000	1.252.000
Deferred Tax Liability		-	-
Other Liabilities (net)	15.3	36.089.187	34.380.561
Non-Current Liabilities		91.296.824	72.864.286
Long-Term Borrowings (net)	6	9.777.199	9.476.596
Lease Obligations (net)	8.2	2.895.445	3.579.861
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	-	-
Deposits	44.3	-	29.000
Funds Borrowed	44.4	49.081.000	34.875.000
Blocked Accounts		-	4.582.000
Due to Related Parties (net)		-	-
Advances Received		-	-
Provisions	23	15.740.344	13.826.217
Deferred Tax Liability	14	5.470.611	5.405.250
Other Liabilities (net)	15.3	8.332.225	1.090.362
MINORITY INTEREST		224.238.004	206.202.137
EQUITY		909.764.099	877.861.493
Capital	1, 25	40.000.000	40.000.000
Capital Participation Elimination		-	-
Capital Reserves		233.188.116	234.640.873
Share Premium	26	9.453.726	9.455.483
Income on Stock Disposals		-	-
Revaluation Fund		-	-
Financial Assets Value Increment Fund		-	-
Inflation Restatement Differences on Equity Items		223.734.390	225.185.390
Profit Reserves		185.023.803	177.517.023
Legal Reserves	27	23.651.675	23.764.819
Statutory Reserves	27	-	42.856
Extraordinary Reserves	27	189.877.771	190.041.771
Special Reserves	27	9.219.431	4.765.274
Gain on Sale of Investment and Property, Plant and Equipment to be Transferred to Capital		-	-
Currency Translation Difference		(37.770.933)	(41.097.697)
Net Income		23.741.394	181.445.580
Accumulated Profits	28	427.856.645	244.258.017
TOTAL LIABILITIES AND EQUITY		2.854.306.280	2.643.003.554

The explanatory notes on pages 7 through 61 form an integral part of these consolidated financial statements.

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

Yazıcılar Holding Anonim Şirketi

CONSOLIDATED INCOME STATEMENT

As at March 31,2006

(Currency– YTL unless otherwise indicated)

		Unaudited	
	Notes	March 31,2006	March 31,2005
OPERATING REVENUE			
Sales (net)	36	219.384.386	124.555.246
Cost of Sales (-)		(178.221.860)	(94.441.830)
Interest Income (net)	36	27.339.754	28.291.575
Service Income (net)	36	4.713.656	4.682.952
Other Income from Operations		-	-
GROSS OPERATING PROFIT		73.215.936	63.087.943
Operating Expenses (-)	37	(43.004.127)	(41.979.458)
PROFIT FROM OPERATIONS		30.211.809	21.108.485
Other Income	38.1, 16.2, 16.3	24.872.520	19.380.407
Other Expense (-)	38.2	(7.184.353)	(6.383.786)
Financial Expense (-)	39	(6.294.833)	(6.180.208)
OPERATING INCOME		41.605.143	27.924.898
Monetary Gain / (Loss)	40	-	-
Minority Interest	24	(10.186.199)	(5.154.365)
INCOME BEFORE TAX		31.418.944	22.770.533
Income Tax	14, 41	(7.677.550)	(5.527.712)
NET INCOME		23.741.394	17.242.821
Earnings Per Share (full YTL)		0,59	0,84

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Yazıcılar Holding Anonim Şirketi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Three-Month Period Ending on March 31, 2006
(Currency– YTL unless otherwise indicated)

	Historical Issued Capital	Inflation Restatement Differences on Equity Items	Share Premium	Legal, Special and Extraordinary Reserves	Currency Translation Differences	Net Income	Accumulated Profits	Total Equity
Balance January 1, 2006	40.000.000	225.185.390	9.455.483	218.614.720	(41.097.697)	181.445.580	244.258.017	877.861.493
Transfer of net income to the accumulated profit	-	-	-	-	-	(181.445.580)	181.445.580	-
Increase in share premium	-	-	(1.757)	-	-	-	-	(1.757)
Other	-	(1.451.000)	-	(320.000)	-	-	2.153.048	382.048
Securities value increase funds	-	-	-	4.454.157	-	-	-	4.454.157
Currency translation difference	-	-	-	-	3.326.764	-	-	3.326.764
Net income	-	-	-	-	-	-	23.741.394	23.741.394
March 31, 2006	40.000.000	223.734.390	9.453.726	222.748.877	(37.770.933)	-	451.598.039	909.764.099
Balance January 1, 2005	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 the accumulated profit	-	-	-	-	-	(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 funds	-	-	-	1.148.827	-	-	-	1.148.827
Currency translation difference	-	-	-	-	1.451.175	-	-	1.451.175
Net income	-	-	-	-	-	17.024.514	-	17.024.514
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
Change in accounting policy IAS 39 (Note 2)	-	-	-	(1.031.381)	-	218.307	813.074	-
Restated balances at March 31, 2005	20.475.019	264.736.778	26.326.920	181.317.997	(39.394.922)	17.242.821	244.636.777	715.341.390

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Yazıcılar Holding Anonim Şirketi

CONSOLIDATED CASH FLOW STATEMENT
For the Three-Month Period Ending on March 31,2006
(Currency – YTL unless otherwise indicated)

	Notes	Unaudited March 31,2006	Unaudited March 31, 2005
Cash flow from operating activities			
Net profit before minority interest, income tax and gain on monetary position		41.605.143	27.924.898
Adjustments for:			
Foreign exchange gain and losses		859.022	(202.505)
Gain from disposal of tangible and intangible assets	38.1	(274.805)	10.608
Depreciation and amortization (including goodwill)		6.032.581	4.651.248
Provision for possible loan losses and impairment in receivables	38.2, 8.1, 44.2	5.504.742	3.649.000
Provision for employee termination benefits	23	1.119.796	1.261.099
Interest expense		10.001.120	8.252.514
Gain on sale of shares in associates, joint ventures and other investments		-	-
Equity income of associates and joint ventures	16.2, 16.3	(10.475.465)	(8.264.514)
Other		706.251	(2.824.684)
Operating profit before changes in operating assets and liabilities		55.078.385	34.436.603
Net (increase)/decrease in marketable securities		41.472.696	(16.893.177)
Net decrease in reserve deposits at Central Bank		(6.263.000)	220.000
Net (increase) in banking loans		(145.436.770)	(54.174.830)
Net (increase) in trade and other receivables and due from related parties		(22.210.290)	(10.600.763)
Net decrease/(increase) in derivative financial instruments – assets		(710.000)	30.000
Net (increase)/decrease in inventories		16.850.293	(13.530.554)
Net changes in other assets		(8.848.548)	(12.899.413)
Net (decrease)/increase in trade and other payables and due to related parties		13.846.347	(6.567.249)
Net increase/(decrease) in banking customer deposits		115.919.203	6.429.171
Net increase in blocked accounts		1.237.872	16.068.000
Net increase in derivative financial instruments – liabilities		(256.000)	359.000
Retirement pay liability payment	23	(378.753)	(194.196)
Taxes paid		(909.845)	(5.271.926)
Net cash (used)/provided in operating activities		59.391.590	(62.589.334)
Cash flows from investing activities			
Purchase of property, plant and equipment	19, 20	(9.444.399)	(3.859.628)
Proceeds from sales of property, plant and equipment		3.308.903	161.421
Proceeds from sale of investment		91.449	-
Payments to acquired minority interest		-	5.266
Capital increase of subsidiaries from minority shareholders		7.436.317	-
Net cash (used) / provided in investing activities		1.392.270	(3.692.941)
Cash flows from financing activities			
Dividends from equity participations		-	-
Sale of treasury shares		-	-
Repayments of fund borrowed		(10.061.394)	(21.842.330)
Increase in share premium		(2.952)	719.873
Addition to borrowings from banks and other institution		94.545.233	67.479.569
Repayments of borrowings from banks and other institution		(67.466.306)	(30.028.651)
Interest paid		(3.174.256)	(7.466.972)
Increase / (decrease) in special reserves		688.961	(1.031.381)
Net cash provided/ in financing activities		14.529.286	7.830.108
Currency translation on cash and cash transaction		81.534	2.158.022
Net decrease/increase in cash and cash equivalents		75.394.680	(56.294.145)
Cash and cash equivalent at the beginning of period		141.862.819	200.323.485
Cash and cash equivalent at the end of period		217.257.499	146.187.362

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Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in İstanbul, Turkey (henceforth as “Yazıcılar” or the “Company”) is a holding company of which majority shares are owned by three Yazıcı families. Three Yazıcı families consist of Mr. Kamil Yazıcı, his two deceased brothers, their wives and children. The Company controls its subsidiaries through Anadolu Endüstri Holding (AEH) in which it has 67,91% stake. Certain shares of the Company are listed on the 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 May 26, 2006.

Nature of Activities of the Company / Group

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

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

The average number of personnel of Yazıcılar Holding A.Ş. and its subsidiaries is 3.694 (December 31, 2005: 3.712).

List of Shareholders

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

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

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Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

1. ORGANIZATION AND NATURE OF ACTIVITIES (continued)

List of Subsidiaries

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

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			March 31, 2006	December 31, 2005
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	67,91	67,91
Alternatifbank A.Ş. (Abank) (*)	Turkey	Banking services	61,15	61,15
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	61,15	61,15
Alternatif Finansal Kiralama A.Ş. (A Lease)	Turkey	Leasing company	64,44	64,44
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (*) (***)	Turkey	Investment company	17,55	21,30
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles	67,91	67,91
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines	67,74	67,74
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada and Kia motor vehicles	67,27	67,27
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	34,55	34,55
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (*) (**)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	38,63	38,63
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (**)	Turkey	Distribution of the products of Adel, 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	51,53	51,53
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
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	Germany	Provides necessary market research of Products abroad	67,23	67,23
Anadolu Restaurant İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management, ranch management	67,91	67,91
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	67,91	67,91

(*) Shares of Abank, 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.

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Company and its subsidiaries have been prepared in accordance with accounting and reporting standards as prescribed by 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 also be considered to be compliant with CMB accounting Standards.

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

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Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

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 Law, Banking Code 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. The consolidated financial statements have been prepared from statutory financial statements of the Company and its subsidiaries and presented in New Turkish Lira (YTL) with adjustment and reclassifications for the purpose of fair presentation in accordance with CMB. These adjustments and reclassifications include the classification and valuation of government bonds and treasury bills, recognition and measurement of financial instruments according to IAS 39, deferred taxation (IAS 12), employee termination benefits (IAS 19), leasing operations, consolidation of the subsidiaries, business combinations (IFRS 3).

The functional and presentation currency of the Company and its associates is YTL.

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

Functional and Reporting Currencies of 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.

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

Foreign subsidiaries are established as foreign corporate entities.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

Changes in accounting policies and restatement of prior years' figures

International Accounting Standard 39 (“IAS39”), Financial Instruments, has become effective as of January 1, 2005. The standard now requires that gains and losses related with available for sale investments are directly recognized in equity until the derecognition of related investment from financial statements.

The Company recognized gains and losses related with the available for sale investments in income statement until March 31, 2005. According to the amendment in the accounting policy, the Company restated the figures retrospectively as mentioned in the standard and this has caused a change in the comparative figures.

Basis of Consolidation

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

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2006.

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

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

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

The purchase method of accounting is used for acquired businesses.

Investment in Associates

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

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

Investment in Joint Venture

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

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

Cash and Cash Equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank and in hand, deposits at Central Bank and short-term deposits with an original maturity of three months or less. The amounts paid under the reverse repurchase agreements are included in the cash and cash equivalents.

Marketable Securities

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

Trading securities

Trading securities are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit 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 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.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Receivables

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

Trade Payables

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

Loans and Advances to Customers

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

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

Provisions for Possible Loan Losses and Lease Receivable Losses

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance for impairment account. A write off is made when all or part of a loan is deemed 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 are accounted for weighted average method. Finished goods and work in progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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

Biological Assets

Cattles are classified under biological assets and reflected at fair value as of March 31, 2006.

Investment Properties

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

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

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

The profit/loss as a result of selling property, plant and/or equipment is worked out by comparing the book value and the collected amount. The difference is then reflected in the current income statement.

Intangible Assets

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

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

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. Goodwill arose from the acquisitions before March 31, 2004 was amortized on a straight-line basis over its useful economic life up to a presumed maximum of 20 years. Starting from January 1, 2005, the goodwill arising from the business combinations before March 31, 2004 is not amortized in accordance with IFRS 3.

In accordance with IFRS 3, goodwill will be tested for impairment at least annually.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Repurchase and Resale Transactions

The Group enters into short-term sales of securities under agreements to repurchase such securities. Such securities, which have been sold 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.

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

Recognition and Derecognition of Financial Instruments

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

Offsetting

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Operating leases are amortised based on their cost after deducting their residual values.

Income and Expense Recognition

Non-Banking

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the 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.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Banking

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

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

Income Taxes

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

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

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

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

Derivative Financial Instruments

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

Contingent Asset and Liabilities

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Government Incentives

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

Use of Estimates

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

Earnings 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. Accordingly, the weighted average number of shares used in EPS calculation is derived by giving retroactive effect to the issue of such shares.

Subsequent Events

Post year-end events that provide additional information about the Company's position at the balance sheet date (adjusting events), are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes when material.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS

	March 31,2006	December 31,2005
Non-Banking	86.800.883	86.960.807
Banking	130.456.616	54.902.012
Total	217.257.499	141.862.819

Non-Banking

The details of cash and cash equivalents are as follows:

	March 31,2006	December 31,2005
Cash on hand	826.665	1.013.015
Cash in banks	85.974.218	85.947.792
Total	86.800.883	86.960.807

YTL denominated time deposits are made for 4-35 days (31 December 2005: 4 and 76 days) periods and earn interest between 16,3%- 18% (31 December 2005: 13%-19%). USD denominated time deposits are made for 2-31 days periods (31 December 2005: 1 and 3 days) periods and earn interest at 4,6% - 5,05% (31 December 2005: 0,5%-5,44%).

Banking

	March 31,2006	December 31,2005
Cash on hand	12.134.839	12.248.000
Balances with the Central Bank	44.910.000	27.555.000
Cash and balances with the Central Bank	57.044.839	39.803.000
Deposits with banks and other financial institutions	71.115.611	11.140.012
Funds lent under reverse repurchase agreements	400.148	2.002.000
Interbank placements	1.513.018	1.139.000
Cheques given to collection	383.000	818.000
Other money market placements	2.296.166	3.959.000
Total	130.456.616	54.902.012

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Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

4. CASH AND CASH EQUIVALENTS (continued)

As of March 31, 2006 and December 31, 2005 the interest rate range of deposits and placements is as follows:

	March 31, 2006				December 31, 2005			
	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	19.918.000	24.992.000	-	-	4.404.000	23.151.000	-	-
Deposits with banks and other financial institutions	60.464.489	10.651.122	13,66%	2,24%	2.556.176	8.583.836	13,09%	1,35%
Funds lent under reverse repurchase agreements	400.148	-	15,35%	-	2.002.000	-	15,35%	-
Interbank placements	1.513.018	-	15,18%	-	1.139.000	-	15,18%	-
Total	82.295.655	35.643.122			10.101.176	31.734.836		

5. MARKETABLE SECURITIES

	March 31, 2006	December 31, 2005
Non-Banking	22.427.767	14.194.463
Banking	377.097.000	426.803.000
Total	399.524.767	440.997.463

Non-Banking

Maturities of debt instruments are April 3, 2006 for YTL denominated instruments and earn 13,20% (December 31, 2005: January 2, 2006-13,20%).

Banking

Trading Securities

	March 31, 2006		December 31, 2005	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments				
Turkish government bonds	130.016.853	13,34%	97.452.000	15,36%
Turkish treasury bills	439.104	13,61%	179.000	14,46%
Foreign currency government bonds				
Eurobonds issued by the Turkish government	13.859.539	11,83%	2.180.000	7,59%
Total	144.315.496		99.811.000	
Others				
Equity securities – listed (*)	19.788.545		17.175.000	-
Total	19.788.545		17.175.000	
Total trading securities	164.104.041		116.986.000	

(*) Equity securities include Alternatif Yatırım Ortaklığı amounting YTL 5.538.535 that are actively traded. (December 31, 2005: YTL 2.417.000)

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Yazıcılar Holding Anonim Şirketi

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March 31, 2006

(Currency – YTL unless otherwise indicated)

5. MARKETABLE SECURITIES (continued)

Investment Securities:

	March 31, 2006		December 31, 2005	
	Amount	Effective Interest rate	Amount	Effective Interest rate
Available-for-sale securities at fair value-YTL				
Turkish treasury bills	16.670	14,50%	53.493.000	15,50%
Turkish government bonds	7.264.207	17,48%	132.000	14,55%
Available-for-sale securities at fair value-FX				
Eurobonds issued by the Turkish government	152.727	3,76%	4.631.000	6,01%
Total available-for-sale securities at fair value	7.433.604		58.256.000	
Originated loans and advances to government at amortized cost:				
Debt Instruments				
Foreign currency indexed Turkish government bonds	51.023.217	13,64%	72.652.000	13,29%
Total originated loans and advances to government at amortized cost	51.023.217		72.652.000	
Total investment securities	58.456.821		130.908.000	

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

	March 31, 2006	December 31, 2005
Trading securities	1.761.000	12.559.000
Available for sale securities	3.897.547	12.179.000
Held to maturity securities	148.877.591	154.171.000
Carrying value of securities given as collateral under repurchase agreement	154.536.138	178.909.000
Related repurchase liability	153.801.000	175.009.000

As of March 31, 2006, 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 67.175.000 and YTL 63.772.000 (December 31, 2005: YTL 75.588.000 and YTL 77.722.000).

As of March 31, 2006, current marketable securities are amounting to YTL 255.339.767 (December 31, 2005: YTL 274.717.463) and non-current marketable securities are amounting to YTL 114.185.000 (December 31, 2005: YTL 166.280.000)

6. BORROWINGS

	March 31, 2006	December 31, 2005
Bank borrowings	83.206.048	92.139.531
Current portion of long term borrowings	1.235.698	340.336
Short term borrowings	84.441.746	92.479.867
Bank borrowings	9.777.199	9.476.596
Long term borrowings	9.777.199	9.476.596
Total	94.218.945	101.956.463

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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6. BORROWINGS (continued)

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

	March 31, 2006	December 31, 2005
Bank borrowings		
<i>Long term</i>		
USD denominated borrowings	3,93%-6,94%	3,74%
YTL denominated borrowings	-	-
<i>Short term</i>		
USD and EUR denominated borrowings	3,58%-7,10%	3,58%-5,8%
YTL denominated borrowings	8%-17,75%	14,35%-16,5%

Repayments of long-term borrowings are scheduled as follows:

	March 31, 2006	December 31, 2005
2006	447.567	340.336
2007	1.235.698	5.079.872
2008	9.329.632	4.396.724
Total	11.012.897	9.816.932

7. TRADE RECEIVABLES AND TRADE PAYABLES

7.1 TRADE RECEIVABLES

Non-Banking

	March 31, 2006	December 31, 2005
Trade receivable	50.032.577	44.467.212
Notes receivable and post-dated cheques	22.056.139	13.491.878
Provision for doubtful accounts (-)	(1.382.829)	(1.404.739)
Total	70.705.887	56.554.351

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

7.2 TRADE PAYABLES

	March 31, 2006	December 31, 2005
Non-Banking	44.935.162	44.656.099
Banking	2.164.572	2.030.000
Total	47.099.734	46.686.099

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2006

(Currency – YTL unless otherwise indicated)

8. LEASE RECEIVABLES AND OBLIGATIONS

8.1 LEASE CONTRACTS RECEIVABLE

Gross investments in finance leases receivables:

	March 31, 2006	December 31, 2005
Next 1 year	76.635.297	72.479.930
1 years through 5 years	60.695.000	53.085.513
Minimum lease payments receivables, gross	137.330.297	125.565.443
Less: Unearned interest income	(19.261.011)	(17.864.000)
Net investment in finance leases	118.069.286	107.701.443
Less: Reserve for impairment	(943.000)	(865.000)
Minimum lease payments receivables, net	117.126.286	106.836.443

Net investment in finance leases may be analyzed as follows:

	March 31, 2006	December 31, 2005
Next 1 year	63.546.286	59.975.930
1 years through 5 years	53.580.000	46.860.513
Total	117.126.286	106.836.443

As of March 31, 2006 interest rates of minimum lease receivable denominated in foreign currency range between 8,18% – 19,40% for USD and 6,68% - 21,54% for EUR respectively (December 31, 2005: 8,18% - 19,40% for USD and 2,54% - 6,17% for EUR respectively) and effective interest rates of minimum lease receivable denominated in YTL range between 18,31% - 38,42% (December 31, 2005: 18,38% - 39,79%).

As of March 31, 2006, collaterals obtained by the Company from certain lease customers in relation to minimum lease payments receivables amount to YTL 35.521.000, USD 27.650.674 and EUR 13.222.755 (December 31, 2005: YTL 35.661.000, USD 26.917.188, EUR 11.562.883) which consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

Movements in the reserve for impairment:

	March 31, 2006	December 31, 2005
Reserve at beginning of year	865.000	2.087.000
Provision for impairment	296.000	570.000
Collections	(218.000)	(610.000)
Written off during the year	-	(1.182.000)
Reserve at the end of period	943.000	865.000

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8.2 FINANCE LEASE LIABILITIES

	March 31, 2006	December 31, 2005
Current	3.353.519	2.630.905
Non-Current	2.895.445	3.579.861
Total	6.248.964	6.210.766

As of March 31, 2006, the effective interest rates are 4,5%-11,33%.

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

	March 31, 2006	December 31, 2005
Next 1 year	3.729.391	3.051.320
1 year through 5 years	3.042.785	3.798.441
Total minimum lease obligations	6.772.176	6.849.761
Net minimum obligations	6.772.176	6.849.761
Unearned interest income (-)	(523.212)	(638.995)
Present value of minimum obligations	6.248.964	6.210.766

9. RELATED PARTY BALANCES AND TRANSACTIONS

Balances with related parties

9.1 DUE FROM RELATED PARTIES

	March 31, 2006	December 31, 2005
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	5.019	2.756
Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) (1)	720.951	2.267.497
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	930.315	864.364
Tarbes Tarım Ürünleri ve Besicilik San.Tic.A.Ş. (Tarbes) (3)	7.057	37.372
Anadolu Isuzu Otomotiv Sanayi ve Tic. A.Ş.(Anadolu Isuzu) (2)	761.812	1.127.491
Efes Holland Technical Management Consultancy (3)	44	1.101.284
ZAO Moscow Efes Brewery (Efes Moskow) (3)	3.187.147	2.976.116
CJSC Efes Karaganda Brewery (Efes Karaganda) (3)	50.836	294.829
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tesisleri İkt. İşl.	963.626	755.527
OAO Amstar (3)	445.921	218.340
Other	821.604	775.845
Total	7.894.332	10.421.421

As of March 31, 2006 and December 31, 2005, loans given to related parties, which are included in “Banking Loans” in the financial statements, are YTL 14.015.328 and YTL 2.783.208 respectively. As of March 31, 2006, YTL 2.792.973 is included in other liabilities and blocked accounts at the financial statement of the bank. (December 31, 2005: 1.976.941 YTL)

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9.2 DUE TO RELATED PARTIES

	March 31, 2006	December 31, 2005
Anadolu Efes (1)	34.583	-
Anadolu Isuzu (2)	5.544	3.293
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (5)	-	886.124
Anelsan (3)	227.461	253.864
Other	210.736	220.481
Total	478.324	1.363.762

As of March 31, 2006 and December 31, 2005, related party deposits, which are included in “Deposits” in the financial statements, are YTL 121.770.940 and YTL 75.104.218 respectively.

9.3 TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the years ended March 31, 2005 and 2006 are as follows :

	March 31, 2006	March 31, 2005
Sales of goods and services, net		
Anadolu Efes (1)	3.036.162	1.433.352
Efpa (3)	1.963.531	1.678.108
Tarbes (3)	288.672	23.117
Anadolu Isuzu (2)	1.992.150	1.878.079
Efes Holland Technical Management Consultancy (3)	393.927	458.277
Efes Breweries International B.V. (3)	1.243.185	23.234
Efes Sınai Yatırım Holding A.Ş. (5)	181.474	52.811
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem) (1)	101.933	66.537
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tesisleri İkt. İşl.	51.196	-
Other	478.084	700.489
Total	9.730.314	6.314.004

	March 31, 2006	March 31, 2005
Purchases of goods and other charges		
Anadolu Isuzu (2)	1.442.673	1.911.975
Anelsan (3)	80.608	100.083
Efpa (3)	1.448	4.418
Anadolu Cetelem	-	-
Other	142	114.425
Total	1.524.871	2.130.901

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9.3 TRANSACTIONS WITH RELATED PARTIES (continued)

	March 31, 2006	March 31, 2005
Interest and other financial income (included in banking revenues and banking foreign exchange losses)		
Anadolu Efes (1)	15.273	-
Coca Cola Satış ve Dağıtım A.Ş.(5)	30.105	-
Anadolu Isuzu (2)	27.342	-
Anadolu Cetelem (1)	109.375	16.160
Other	9.482	1.434
Total	191.577	17.594

	March 31, 2006	March 31, 2005
Interest and other financial expense (included in banking direct Cost and banking foreign exchange losses) paid to		
Anadolu Efes (1)	2.070.444	1.750.176
Anadolu Isuzu (2)	65.100	526.128
Efpa (3)	168.194	11.484
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tesisleri İktisadi İşletmeleri	763.039	626.177
Tarbes (3)	15.684	-
Efes Pilsen Spor Kulübü	177.561	131.452
Özilhan Sınai Yatırım A.Ş.	199.036	996
Others	80.689	64.925
Total	2.786.747	3.111.338

	March 31, 2006	March 31, 2005
Interest and other financial expense (included in financial income / expense and foreign exchange losses) paid to		
Anadolu Efes (1)	8.548	2.500.994
Efes Sınai (5)	2.507	33.101
Other	-	81.978
Total	11.055	2.616.073

	March 31, 2006	March 31, 2005
Miscellaneous sales included in other income (including dividend received)		
Anadolu Efes (1)	107.437	76.643
Polinas (5)	4.779	4.398
Coca Cola İçecek (5)	1.800	7.810
Efpa (3)	310.246	30.355
Anadolu Isuzu (2)	110.764	52.273
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tesisleri İktisadi İşletmeleri	36.887	21.790
Other	40.395	19.111
Total	612.308	212.380

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9.3 TRANSACTIONS WITH RELATED PARTIES (continued)

	March 31, 2006	March 31, 2005
Interest and other financial income (included in financial income/expense and foreign exchange losses) received from		
Anadolu Efes (1)	-	1.434.068
Kamil Yazıcı Yönetim ve Danışma (4)	12.360	161.054
Efes Sınai (5)	18.340	18.760
Other	26.207	1.355
Total	56.907	1.615.237

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

Compensation of Key Management Personnel of the Group.

During the year ended March 31, 2006, members of the top management received remuneration and fees totaling YTL 3.262.180.

10. OTHER RECEIVABLES AND PAYABLES

10.1 OTHER RECEIVABLES

	March 31, 2006	December 31, 2005
Non-Banking	11.336.119	8.537.565
Banking	-	-
Total	11.336.119	8.537.565

Non-Banking

	March 31, 2006	December 31, 2005
Receivables from loans given (*)	8.761.721	7.408.032
Other	2.574.398	1.129.533
Total	11.336.119	8.537.565

(*) In the first half of 2004, AEH, one of the subsidiaries of the Company, signed Asset Sale Agreements with Abank, one of its subsidiaries, and in connection with these agreements AEH purchased loans in follow-up with a nominal value of YTL 38.334.360 for a cash consideration of YTL 24.459.410. After the agreement, totally YTL 8.814.609 of amount is collected. AEH realized a YTL 9.879.080 loss by providing impairment to these loans as of March 31, 2006.

11. BIOLOGICAL ASSETS

Biological assets, worth YTL 6.531.281 (December 31, 2005: YTL 6.507.829), consist of cattles in a feedlot in Izmir, Turkey.

Yazıcılar Holding Anonim Şirketi

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12. INVENTORIES

	March 31, 2006	December 31, 2005
Raw materials	16.468.278	14.909.532
Work-in-progress	8.273.654	7.249.197
Finished goods	14.413.865	13.690.047
Merchandise	43.217.825	54.860.071
Supplies and others	433.126	656.420
Advances given	33.677.164	41.992.390
Total	116.483.912	133.357.657

13. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION CONTRACTS

None. (December 31, 2005: None)

14. DEFERRED TAX ASSETS AND LIABILITIES

Deferred income tax

Components of deferred tax assets and liabilities are as follows:

	March 31, 2006	December 31, 2005
Deferred tax assets	19.682.399	21.277.735
Deferred tax liabilities (-)	(5.470.611)	(5.405.250)
Total deferred tax	14.211.788	15.872.485

Movements in deferred tax during the period are as follows:

	Balance January 1, 2006 as reported	Credited/ (charged) to income statement	Balance March 31, 2006
Fixed assets	(8.774.969)	1.649.842	(7.125.127)
Inventory	29.319	(29.319)	-
Tax loss carryforward	41.316.212	(5.231.946)	36.084.266
Allowance for retirement pay liability	3.936.441	(791.160)	3.145.281
Financial leases	5.620.923	1.834.508	7.455.431
Other	25.330.020	(10.952.083)	14.377.937
Net deferred tax (liability)/asset	67.457.946	(13.520.158)	53.937.788
Allowance for deferred tax (*)	(51.585.461)	11.859.461	(39.726.000)
Total	15.872.485	(1.660.697)	14.211.788

(*) As of March 31, 2006, the Group management decided to recognize a portion of deferred tax assets in the future based on future business plans. For this reason, YTL 39.726.000 of deferred tax assets have not been recognized in the consolidated financial statements. (December 31, 2005: YTL 51.585.461)

Yazıcılar Holding Anonim Şirketi

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

15.1 OTHER CURRENT ASSETS

	March 31, 2006	December 31, 2005
Non-Banking	15.284.257	13.889.052
Banking	4.656.034	3.568.000
Total	19.940.291	17.457.052

Non-Banking

	March 31, 2006	December 31, 2005
Prepaid taxes	2.210.179	2.445.471
Prepaid expenses	7.571.458	4.909.699
VAT receivables	4.506.326	5.918.250
Other receivables and others	996.294	615.632
Total	15.284.257	13.889.052

Banking

	March 31, 2006	December 31, 2005
Transitory accounts and prepaid expenses	555.000	1.562.000
Prepaid taxes	17.000	8.000
VAT for rented assets	1.399.000	1.293.000
Other	2.685.034	705.000
Total	4.656.034	3.568.000

15.2 OTHER NON-CURRENT ASSETS

	March 31, 2006	December 31, 2005
Non-Banking	1.297.133	1.294.120
Banking	6.393.000	4.205.000
Total	7.690.133	5.499.120

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15.3 OTHER CURRENT LIABILITIES

	March 31, 2006	December 31, 2005
Non-Banking	13.626.501	16.044.078
Banking	22.462.686	18.336.483
Total	36.089.187	34.380.561

Non-Banking

	March 31, 2006	December 31, 2005
Taxes payable other than on income	7.266.182	9.980.299
Salaries and wages payable	1.944.230	1.790.333
Accrued expenses	1.518.648	1.148.463
Deferred income	105.997	374.748
Other payables and liabilities	2.791.444	2.750.235
Total	13.626.501	16.044.078

As of March 31, 2006, YTL 8.332.225 other long term liabilities exist. (December 31, 2005 : YTL 1.090.362)

Banking

	March 31, 2006	December 31, 2005
Payment orders	17.024.770	10.707.533
Taxes payable other than on income	3.422.000	4.396.000
Transitory accounts	-	368.000
Others	2.015.916	2.864.950
Total	22.462.686	18.336.483

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16. INVESTMENTS

16.1 INVESTMENTS

	Ownership (%)	March 31, 2006	December 31, 2005
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)	18,21	31.339	31.339
Technology Leap Holding (Technology Leap)	15,97	3.268.803	3.268.803
Other		76.575	76.575
Impairment reserve (*)		(3.268.803)	(3.268.803)
Available for sale investments- non current		6.478.191	6.478.191

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

16.2 INVESTMENTS IN ASSOCIATES

Entity	Principle Activities	Country of Business	March 31, 2006			December 31, 2005		
			Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)	Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)
Anadolu Efes (*)	Product. of beer	Turkey	534.756.882	35,09	9.181.096	518.242.062	35,09	109.290.960
Anadolu Cetelem	Provides consumer finance services	Turkey	-	33,96	(314.467)	314.665	33,96	(1.463.818)
TOTAL			534.756.882		8.866.629	518.556.727		107.827.142

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

16.3 INVESTMENTS IN JOINT VENTURE

Entity	Principle Activities	Country of Business	March 31, 2006			December 31, 2005		
			Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)	Carrying Value	Ownership Interest Rate %	Group's share of Income/ (Loss)
Anadolu Isuzu (*)	Manufacturing of Isuzu brand commercial vehicles	Turkey	69.654.093	36,42	1.606.836	68.045.258	36,42	11.983.342
TOTAL			69.654.093		1.606.836	68.045.258		11.983.342

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

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16.3 INVESTMENTS IN JOINT VENTURE (continued)

The Group has a 36,42% 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, 2006 and December 31, 2005:

	March 31, 2006	December 31, 2005
Current assets	71.134.994	66.211.044
Non-current assets	30.504.271	31.469.222
Total	101.639.265	97.680.266
Current liabilities	27.076.814	24.825.936
Non-current liabilities	5.521.927	5.408.337
Total	32.598.741	30.234.273
Revenue	30.038.444	145.319.016
Cost of sales	(23.485.016)	(114.067.878)
Selling and marketing expense	(2.478.634)	(9.599.022)
Research and development expense	(257.409)	(604.726)
Administrative expense	(1.299.747)	(5.262.773)
Finance cost	(170.755)	(179.828)
Other income, net	134.458	1.294.611
Income tax expense	(886.809)	(4.915.909)
Minority interest	290	(142)
Net profit	1.594.822	11.983.349

17. POSITIVE/NEGATIVE GOODWILL

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

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

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18. INVESTMENT PROPERTY

	March 31, 2006	December 31, 2005
January 1, 2006	4.332.000	5.137.000
Disposal of investment property	(52.000)	(3.085.000)
Additions to investment properties	-	2.308.000
Provision for impairment/reversal of provision impairment	(28.000)	(28.000)
Total	4.252.000	4.332.000

Investment property consists of a building and parcels of land. According to a report prepared by an independent valuation firm, the fair value of such property is YTL 5.424.878 as of March 31, 2006 (December 31, 2005, YTL 5.424.000)

19. TANGIBLE ASSETS

The additions and disposals of tangible assets as of March 31, 2006 is as following:

	Additions	Disposal
Land and Land Improvements	104.006	(27.099)
Buildings	2.030.324	(24.208)
Machinery and Equipment	1.044.617	(6.339.689)
Motor Vehicles	2.620.736	(704.024)
Furniture and Fixture	671.557	(1.756.214)
Other Tangible Assets	111.903	(353.700)
Leasehold Improvements	1.757.857	(1.928.246)
Construction in Progress	779.194	(216.678)
Total	9.120.194	(11.349.858)

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at March 31, 2006 is YTL 24.387.735 (December 31, 2005 - YTL 24.225.329). Tangible assets under financial lease are pledged against the related financial liabilities.

20. INTANGIBLE ASSETS

The additions and disposals of intangible assets as of March 31, 2006 are as follows:

	Additions	Disposals
Rights	71.871	-
Other Intangible Assets	252.334	-
Total	324.205	-

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March 31, 2006

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21. ADVANCES TAKEN

	March 31, 2006	December 31, 2005
Advances Taken	6.602.939	2.750.345

22. PENSION PLANS

None. (December 31, 2005: None)

23. PROVISIONS

	March 31, 2006	December 31, 2005
Income tax	5.901.575	225.967
Provision for retire pay	14.213.344	13.472.300
Other	1.527.000	580.534
Total (Short and Long Term)	21.641.919	14.278.801

Provision for retirement pay liability

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

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

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

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

In addition, as of March 31, 2005 retirement pay liability provision was calculated by considering the increase of maximum liability of YTL 1.770,62 for the related year in accordance with inflation rate according to actuarial assumption.

Retirement pay liability provision movement is as follows :

	March 31, 2006
January 1, 2006	13.472.300
Additions via subsidiary acquired	-
Interest cost	404.169
Actuarial loss	-
Charge for the year	715.627
Paid	(378.753)
March 31, 2006	14.213.343

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March 31, 2006

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23. PROVISIONS (continued)

	December 31, 2005
January 1, 2005	10.879.892
Additions via subsidiary acquired	621.490
Interest cost	1.305.587
Actuarial loss	7.450
Charge for the year	1.845.252
Paid	(1.187.371)
December 31, 2005	13.472.300

24. MINORITY INTEREST

Minority interest is separately classified in the financial statements.

25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION

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

Movement of paid in capital as at March 31, 2006 and December 31, 2005 are as follows (historical amounts in YTL):

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

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25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION

Kamil Yazıcı Yönetim ve Danışma A.Ş. (henceforth as Management Company) is a professional management company established by members of the Kamil Yazıcı Family to manage their investments. Management Company owns 33.50% of Company but, by way of the special board nomination rights granted to Class A and Class B shares (1 + 3), it is entitled to nominate four of the six directors to the board of directors of the Company.

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 two Yazıcı families. (see note 1)

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

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

26. CAPITAL RESERVES

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

	Historic Amount	Equity Restatement Differences	Restated Amount
Share Premium	9.453.726	-	9.453.726

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:

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27. PROFIT RESERVES (continued)

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

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

As of March 31, 2006, restated values of, legal reserves and extraordinary reserves, which are included in equity and their restatement differences, are as follows:

	Historic Amount	Equity Restatement Differences	Restated Amount
Legal Reserves	23.651.675	58.819.268	82.470.943
Statutory Reserves	-	-	-
Extraordinary Reserves	189.877.771	96.006.341	285.884.112
Special Reserves	9.219.431	-	9.219.431

28. ACCUMULATED PROFITS

Accumulated profits are separately classified in the financial statements.

29. FOREIGN CURRENCY POSITION

Net foreign currency exposure for the Group (excluding bank) as of March 31, 2006 is approximately YTL 73.516.200 (December 31, 2005: YTL 67.187.102). Net foreign currency of banking group is disclosed in Note 44.6.

30. GOVERNMENT INCENTIVES AND GRANTS

Group uses 40% of its capital expenditure as allowance in the determination of the tax base within legal framework.

As of March 31, 2006, the Company has recognized 40% of capital expenditure as investment incentive amounting to YTL 54.193 as deduction from the tax base (December 31, 2005: YTL 5.696.128).

31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Non-Banking:

Letters of guarantee given to banks, suppliers, and custom offices are YTL 4.085.093 (December 31, 2005: YTL 4.115.270)

Letters of guarantee given to banks for the loans of associates and other related parties are YTL 33.518.696 (December 31, 2005: YTL 32.937.000)

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are YTL 14.288.984 (December 31, 2005: YTL 14.795.214)

There has been granted YTL 24.517.737 total letter of credits (December 31, 2005: YTL 3.175.461).

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31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (continued)

Banking

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

	March 31, 2006	December 31, 2005
Letters of guarantees - issued by Abank	521.625.374	474.757.000
Letters of credit	169.403.494	156.208.000
Acceptance credits	10.287.353	14.925.000
Other	-	-
Total non-cash loans	701.316.221	645.890.000
Other commitments	165.172.258	137.000.000
Total	866.488.479	782.890.000

As of March 31, 2006, A Lease obtained letters of guarantee amounting to YTL 461.000 (December 31, 2005: YTL 289.000) and submitted to various institutions for various leasing transactions and funds borrowed from banks.

Blocked Assets

As of March 31, 2006, the nominal values of the YTL denominated assets held by the Group in fiduciary, agency or custodian capacities amounted to YTL 495.458.000 (December 31, 2005: YTL 253.092.000) and foreign currency denominated assets amounted to YTL 35.470.000 (December 31, 2005: YTL 36.508.000).

Litigation

Damages claimed in the suits filed against the Group amount to YTL 185.000 (December 31, 2005: YTL 115.000), as of March 31, 2006. These mainly include matters relating to personal claims of customers and ex-employees of Abank. Although the outcome of these matters can not always be ascertained with precision, the Management, based on professional advice, and also considering Abank's insurance coverage, believes that no material liabilities are likely to result. Consequently no provision has been made.

Other

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

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32. BUSINESS COMBINATIONS

Anadolu Efes Business Combinations

- A put option was granted to Amsterdam Brewery Investments B.V. by EBI that would be exercisable between 2005 and 2007 to sell its 12,4% of Efes Moscow shares to EBI, at a price to be determined by independent valuation. Such put option was exercised by Amsterdam Brewery Investments B.V. in February 2006 at an amount of YTL 144.335.772.

With the exercise of the above mentioned put option, short-term liability in the consolidated financial statements of Anadolu Efes as at December 31, 2005 amounting to YTL 145.139.822 was removed and resulting goodwill was recognized in the consolidated financial statements at an amount of YTL 980.722.

- In February 2006, EBI acquired 92,34% shares of Krasny Vostok Beer Group (KV Group) in Russia, for a cash consideration of YTL 489.841.129. Since the conversion studies of the KV Group's consolidated financial statements from Russian GAAP to IFRS are still continuing, KV Group is recognized at cost in the consolidated interim financial statements of Anadolu Efes.
- In March 2006, CCI acquired 100% shares of Mahmudiye Kaynak Suyu İşletmeciliği, which operates in the natural spring water sector. Acquisition cost and resulting goodwill amounts are YTL 5.458.187 and YTL 4.765.311, respectively. Provisionally recognized goodwill in the consolidated interim financial statements may be revised in accordance with IFRS 3.

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33. SEGMENTAL INFORMATION

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

Segmental Information

Segments	Financial Institutions		Automotive & Machinery		Writing Instruments & Stationary		Other Operations		Unallocated		Elimination		Consolidated	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
Thousands of YTL														
Revenues from external customers	27.341	28.278	151.163	94.996	14.022	12.037	56.740	20.104	2.172	2.115			251.438	157.530
Inter-segment revenue	(50)	9	-	36	2.410	537	1.270	916	655	707	(4.285)	(2.205)	-	-
Total Revenue	27.291	28.287	151.163	95.032	16.432	12.574	58.010	21.020	2.827	2.822	(4.285)	(2.205)	251.438	157.530
Segment Result	27.291	28.287	33.408	21.227	7.781	6.633	6.193	6.324	2.827	2.822	(4.285)	(2.205)	73.215	63.088
Operating Profit	13.601	7.486	15.470	10.231	6.790	3.413	(1.171)	2.010	(193)	173	(4.285)	(2.205)	30.212	21.108
Other Income	5.252	1.420	3.582	4.800	183	268	660	344	15.195	12.548			24.872	19.380
Other Expense	81	(106)	(3.125)	(3.383)	(800)	(776)	(501)	(316)	(2.839)	(1.803)			(7.184)	(6.384)
Finance Expense	(2.459)	(883)	(1.725)	(649)	(735)	(888)	(348)	(972)	(1.028)	(2.788)			(6.295)	(6.180)
Income Tax Expense	(2.086)	(1.607)	(4.619)	(2.711)	(712)	(420)	(292)	(108)	31	(681)			(7.678)	(5.527)
Minority Interest	(1.599)	(189)	385	116	-	-	-	-	(8.972)	(5.081)			(10.186)	(5.154)
Net profit	12.790	6.121	9.968	8.404	4.726	1.597	(1.652)	958	2.194	2.368	(4.285)	(2.205)	23.741	17.243
Total Assets	1.757.625	1.247.823	201.605	147.529	52.042	46.137	160.974	40.447	1.279.084	1.111.316	(597.024)	(487.800)	2.854.306	2.105.452
Segment Liabilities	1.535.847	1.070.463	89.933	44.806	19.806	15.505	34.913	26.814	39.805	79.539	-	-	1.720.304	1.237.127

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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, 2006 and March 31, 2005 are reflected in “other income and expenses” line of the consolidated income statement as YTL 9.181.096 and YTL 6.050.724 respectively. Effective shareholding and voting rights of Yazıcılar, Anadolu Efes, associates and joint ventures and the geographical locations of these investments are as follows:

Subsidiary	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			2006	2005
Efes Breweries International N.V. (EBI) (1)	The Netherlands	Facilitating investments in breweries	24,64	24,64
ZAO Moscow-Efes Brewery (Efes Moscow)	Russia	Production and marketing of beer	17,50	17,50
OAO Amstar (Amstar)	Russia	Production of beer	17,50	17,50
Rostov Beverage C.J.S.C. (Efes Rostov)	Russia	Production of beer	17,50	17,50
ZAO Efes Entertainment (Efes Entertainment)	Russia	Service sector	14,87	14,87
CJSC Efes Karaganda Brewery (Efes Karaganda)	Kazakhstan	Production and marketing of beer	24,64	24,64
Efes Vitanta Moldova Brewery S.A. (EfesVitanta)	Moldova	Production and marketing of beer, soft drinks, low alcoholic drinks and mineral water	23,78	23,78
Efes Weifert Brewery d.o.o (Efes Weifert)	Serbia	Production and marketing of beer	20,58	20,58
Efes Zajecar Brewery d.o.o (Efes Zajecar)	Serbia	Production and marketing of beer	17,98	17,98
Efes Commerce d.o.o Belgrade (Efes Commerce)	Serbia	Production and marketing of beverages	24,64	24,64
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
Efes Ukraine Brewery (Efes Ukraine)	Ukraine	Production and marketing of beer	24,64	24,64
Euro-Asian Brauerein Holding GMBH (Euro-Asian)	Germany	Investment company of EBI	24,64	24,64
Efes Pazarlama ve Dağıtım Ticaret A.Ş. (Ef-Pa)	Turkey	Marketing and distribution company of the Group in Turkey	35,09	35,09
Tarbes Tarım Ürünleri ve Besicilik Sanayi Ticaret A.Ş. (Tarbes)	Turkey	Providing hops (major ingredient of beer) to the breweries of the Group	35,00	35,00
Anadolu Efes Dış Ticaret A.Ş. (Aefes Dış Ticaret)	Turkey	Foreign trade	35,09	35,09
Cypex Co. Ltd. (Cypex)	Cyprus	Marketing and distribution of beer	35,09	35,09
Anadolu Efes Technical and Management Consultancy N.V. (AETMC)	Antilles, Netherlands	Providing technical assistance	35,00	35,00
Efes Holland Technical and Management Consultancy B.V. (EHTMC)	The Netherlands	Providing technical assistance	35,00	35,00

(1) EBI shares are traded in London Stock Exchange.

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33. SEGMENTAL INFORMATION (continued)

Joint Venture	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights	
			2006	2005
Coca-Cola İçecek A.Ş. (CCI) (1)	Turkey	Production, bottling of Coca-Cola products	17,97	17,97
Coca-Cola Satış Dağıtım A.Ş. (CCSD)	Turkey	Distribution and selling of Coca-Cola products	17,97	17,97
Mahmudiye Kaynak Suyu İşletmeciliği Ambalaj Plastik Gıda Nakliyat Paz.San.Tic.Ltd.Şti.	Turkey	Natural spring water industry	17,97	-
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (2)	Turkey	Facilitating investments in soft drinks in foreign countries	15,75	15,75
J.V.Coca-Cola Almaty Bottlers Limited Liability Partnership (Almaty CC)	Kazakhstan	Production, bottling, distribution and selling of Coca-Cola and distributions of Efes products	13,79	13,79
Tonus Open Joint Stock Company (Tonus)	Kazakhstan	Investment company of Efes Sınai	14,64	14,64
Azerbaijan Coca-Cola Bottlers LLC (Azerbaijan CC)	Azerbaijan	Production, bottling, distribution and selling of Coca-Cola products	14,16	14,16
Coca-Cola Bishkek Bottlers Closed Joint Stock Company (Bishkek CC)	Kyrgyzstan	Production, bottling, distribution and selling of Coca-Cola and distributions of Efes products	14,17	14,17
Efes Invest Holland B.V. (Efes Holland)	The Netherlands	Investment company of Efes Sınai	15,75	15,75
The Coca-Cola Bottling Company of Iraq FZCO (JV Dubai)	United Arab Emirates	Investment company of Efes Sınai	7,87	7,87
The Coca-Cola Bottling Company of Jordan (Jordan CC)	Jordan	Production, bottling, distribution and selling of Coca-Cola products	14,17	14,17
Efes Sınai Dış Ticaret A.Ş. (EST)	Turkey	Foreign trade	15,85	15,85
Interbrew Efes Brewery S.A. (Interbrew Efes)	Romania	Production and marketing of beer	12,32	12,32

(1) CCI shares are traded in Istanbul Stock Exchange (IMKB).

(2) Efes Sınai shares are traded in IMKB and London Stock Exchange.

34. SUBSEQUENT EVENTS

Dividend Distribution

- At the Ordinary Annual General Assembly of Yazıcılar Holding, held on May 16th, 2006, it was decided that total gross dividends of YTL 26.000.0000 for the fiscal year 2005 was to be distributed and the related payments was to be commenced on May 22,2006.
- The decisions regarding distribution of dividends in the Group's subsidiaries, investments in associates and investments in joint ventures, taken after March 31, 2006, are summarized as follows:

	Total gross dividends	Dividend payments commencing on
Anadolu Efes	95.945.296	May 29,2006
Anadolu Isuzu	18.471.653	May 31, 2006
Alternatif Yatırım	1.700.000	April 21, 2006
Alternatif Yatırım Ortaklığı	898.507	Undetermined (additional time requested)

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34. SUBSEQUENT EVENTS (continued)

Other

- In the Board of Directors meeting of Yazıcılar Holding, held on May 18, 2006, it was decided that
 - 1- a) Along the provisions of the decision taken in the 18/449 numbered meeting of Capital Markets Board on April 13, 2006, which was also published on the ISE Bulletin No:71 on April 14, 2006, a total of 9.154.509 A Class registered shares of the Company were to be converted into A Class bearer shares,
 - b) Additionally, 2.000.000 B Class registered shares were to be converted into A Class bearer shares and Article 7 of the Articles of Association was be changed accordingly.
 - 2- Regarding the change in the type of shares mentioned in 1/b, Temporary Article 1 was to be added after Article 35 of the Articles of Association.
- Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık) was established as a 99.6% participation of AEH; the establishment was announced in the Turkish Commercial Registry Gazetta, numbered 6552, on May 9, 2006. The Company has a total of 67,84% indirect stake in Anadolu Varlık.
- Shares of CCI, which is under the common management of Anadolu Efes , started to be traded on Istanbul Stock Exchange (ISE) in May.
- Efes Beverage Group has approved the signing of a share sales agreement, regarding the sale of its 50% stake in Interbrew Efes to Inbev, its partner in this joint venture. As of this report date, the share sales agreement has not been signed.

35. DISCONTINUING OPERATIONS

None

36. OPERATING INCOME

	March 31, 2006	March 31, 2005
Non-banking –net	224.098.042	129.238.198
Sales Income	219.384.386	124.555.246
Service Income (*)	4.713.656	4.682.952
Banking – interest income- net	27.339.754	28.291.575
Total	251.437.796	157.529.773

(*) Service income consists of AEH and Anadolu Bilişim’s service income

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37. OPERATING EXPENSES

	March 31, 2006	March 31, 2005
Non-banking	29.317.032	21.166.458
Banking	13.687.095	20.813.000
Total	43.004.127	41.979.458

Non-Banking

	March 31, 2006	March 31, 2005
General Administrative Expenses	16.931.073	12.628.036
Selling and marketing expenses	12.385.959	8.538.422
Total	29.317.032	21.166.458

Banking

	March 31, 2006	March 31, 2005
General Administrative Expenses	12.025.095	10.968.000
Banking foreign exchange (gains)/losses, net	1.662.000	9.845.000
Total	13.687.095	20.813.000

38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS

38.1 OTHER OPERATING INCOME AND GAIN

	March 31, 2006	March 31, 2005
Income from associates	10.789.932	8.264.319
Trading income	4.974.000	1.026.000
Foreign exchange gain	1.615.003	2.771.149
Dividend income	6.674	103.137
Interest income	3.399.198	3.115.961
Gain on sale of fixed assets	274.805	10.608
Gain from valuation of marketable securities	7	320
Transportation income	542.233	375.028
After sales service income	823.235	705.039
Other	2.401.544	3.008.846
Total	24.872.520	19.380.407

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38.2 OTHER OPERATING EXPENSE AND LOSS

	March 31, 2006	March 31, 2005
Foreign exchange loss	1.703.440	2.994.048
Donations	753.000	626.177
Loss from associates	314.467	908.350
Discount interest expense	1.001.002	285.885
Provision for loan losses	1.375.742	-
Other	2.036.702	1.569.326
Total	7.184.353	6.383.786

39. FINANCIAL EXPENSES

	March 31, 2006	March 31, 2005
Interest expense	3.821.381	3.050.750
Foreign exchange loss	2.222.868	2.094.390
Other	250.584	1.035.068
Total	6.294.833	6.180.208

40. MONETARY GAIN/LOSS

CMB has ceased the application of inflation accounting as of January 1, 2005. Therefore there is no monetary gain or loss recognised in the consolidated income statement for the period ended March 31, 2006. (March 31, 2005: YTL 16.344.770)

41. INCOME TAXES

	March 31, 2006	March 31, 2005
Current tax expense	6.016.853	3.970.040
Deferred tax expense	1.660.697	1.557.672
Total	7.677.550	5.527.712

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.

In 2005, the effective corporate tax rate in Turkey is 30% (2004 - 33%). Corporate tax returns are required to be filed until the fifteenth of the fourth month following the year-end and paid in one installment until the end of the related month. The tax legislation provides for a temporary tax of 30% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final 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.

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41. INCOME TAXES (continued)

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. Inflation accounting application has been ceased effective from January 1, 2005.

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.

10% withholding applies to dividends distributed by resident corporations to resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax. Dividend distributions by resident corporations to resident corporations are not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Capital gains derived from cash sales of participation shares that have been held for at least two years are exempt from corporation tax if the gains are added to share capital.

Effective from January 1, 2006, Investment Allowance application was terminated by a law enacted on 8 April 2006. However, taxpayers can deduct the investment allowances transferred from the previous years within 3 years; which is the upper limit. In the same way, investments started in previous years and investments with economical and technical integrity can also utilize this deduction benefit within 3 year.

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.

	March 31, 2006	March 31, 2005
Net profit for the period	23.741.394	17.242.821
Number of shares	40.000.000	20.475.019
Earnings per share	0,59	0,84

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.

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43. CASH FLOW STATEMENT

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

44. OTHER ISSUES

44.1 RESERVE DEPOSITS AT CENTRAL BANK

	March 31, 2006	December 31, 2005
Reserve Deposits		
- New Turkish Lira	546.000	475.000
- Foreign Currency	66.845.000	60.653.000
Total	67.391.000	61.128.000

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

As of March 31, 2006 and December 31, 2005, reserve deposit rates applicable for new Turkish lira deposits are 6% and 11% for foreign currency deposits.

As of March 31, 2006, the interest rates applied for new Turkish lira and foreign currency reserve deposits are 10,12 % and 2,18 % (December 31, 2005: 10,3% and 1,8%) respectively.

44.2 BANKING LOANS

	March 31, 2006						
	Amount				Effective interest rate		
	New Turkish Lira	Foreign Currency	Foreign Currency Indexed	Total	New Turkish Lira	New Turkish Lira	Foreign Currency
Corporate loans (*)	539.522.575	209.049.978	241.303.259	989.875.812	19,3%	6,9%	7,4%
Consumer loans	21.596.089	-	685.373	22.281.462	25,7%	-	-
Total performing loans	561.118.664	209.049.978	241.988.632	1.012.157.274			
Loans in arrears	47.994.103	-	-	47.994.103	-	-	-
Less: Reserve for possible loan losses	(34.104.832)	-	-	(34.104.832)	-	-	-
Total	575.007.935	209.049.978	241.988.632	1.026.046.545			
	December 31, 2005						
	Amount				Effective interest rate		
	New Turkish Lira	Foreign Currency	Foreign Currency Indexed	Total	New Turkish Lira	New Turkish Lira	Foreign Currency
Corporate loans (*)	480.636.241	183.033.334	191.688.200	855.357.775	20,1%	6,8%	7,4%
Consumer loans	17.529.000	-	-	17.529.000	23,4%	-	-
Total performing loans	498.165.241	183.033.334	191.688.200	872.886.775			
Loans in arrears	42.943.000	-	-	42.943.000	-	-	-
Less: Reserve for possible loan losses	(31.387.000)	-	-	(31.387.000)	-	-	-
Total	509.721.241	183.033.334	191.688.200	884.442.775			

(*) Corporate loans include restructured loans which amount YTL 9.050.000 (December 31, 2005: YTL 10.569.000).

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44.2 BANKING LOANS (continued)

Movements in the reserve for possible loan losses:

	March 31, 2006	December 31, 2005
Reserve at beginning of year	31.387.000	22.114.000
Provision for possible loan losses	3.833.000	18.786.000
Collections	(1.090.000)	(9.397.000)
Loans written off and sold during the year	(25.168)	(116.000)
Reserve at the end of year	34.104.832	31.387.000

Abank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of March 31, 2006 interest accrued on the restructured loans amounted to YTL 2.110.000 (December 31, 2005: YTL 2.112.000)

Reserve for impairment also includes YTL 5.647.000 (December 31, 2005: YTL 4.941.000) provided on a portfolio basis as of March 31, 2006.

As of March 31, 2006, loans and advances on which interest is not being accrued or where interest is suspended, amounted to YTL 47.994.000 (December 31, 2005: YTL 42.943.000).

The YTL 886.004.321 amount of 'Banking Loans' covers (December 31, 2005: YTL 770.271.845) current loans and YTL 140.042.224 amount covers (December 31, 2005: YTL 114.170.930) non-current loans.

44.3 DEPOSITS

Deposits from other banks

	March 31, 2006				December 31, 2005			
	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	55.000	6.710.000	-	-	113.000	830.000	-	-
Time	600.000	5.372.000	13,10%	5,00%	2.004.000	21.668.000	15,20%	3,06%
Total	655.000	12.082.000			2.117.000	22.498.000		

Customer deposits

	March 31, 2006				December 31, 2005			
	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	9.214.000	18.100.000	-	-	8.860.000	21.899.000	-	-
Time	154.570.000	316.049.000	15,65%	4,92%	124.476.000	264.939.000	16,65%	4,46%
	163.784.000	334.149.000			133.336.000	286.8		
Commercial and other								
Demand	47.132.536	34.328.889	-	-	27.969.622	58.570.532	-	-
Time	142.054.111	91.483.585	13,27%	4,44%	93.233.763	57.326.001	13,36%	4,12%
Total	189.186.647	125.812.474			121.203.385	115.8		
Total	352.970.647	459.961.474			254.539.385	402.7		

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44.3 DEPOSITS (continued)

Other money market deposits

	March 31, 2006				December 31, 2005			
	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	4.993.139	-	10,90%	-	4.132.000	-	10,00%	-
-Due to banks	148.864.000	-	11,54%	-	170.877.000	-	12,85%	-
	153.857.139	-			175.009.000	-		
Interbank deposits	7.013.861	-	13,52%	-	13.723.000	-	15,00%	-
Other money market deposits	-	-	-	-	-	-	-	-
Total	160.871.000	-			188.732.000	-		

44.4 FUNDS BORROWED

	March 31, 2006				December 31, 2005			
	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	Yabancı Para
Short-term								
Fixed interest	59.714.921	316.835.296	13,28%-17,75%	4,02%-6,75%	23.693.949	155.859.200	13,19% - 17,75%	4,02% - 6,75%
Floating interest	-	46.204.671	-	3,28%-7,16%	-	225.005.000	-	4,09%-6,73%
Medium-long term								
Fixed interest	535.314	13.888.000	17,75%	4,24%	512.000	11.654.000	17,75%	3,56% - 4,89%
Floating interest	-	34.657.686	-	3,73%-6,94%	-	22.709.000	-	4,26% - 6,75%
Total	60.250.235	411.585.653			24.205.949	415.227.200		
Total funds borrowed	471.835.888				439.433.149			

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

	March 31, 2006		December 31, 2005	
	Fixed Rate	Floating Rate	Fixed Rate	Floating Rate
2006	3.045.000	-	-	-
2007	3.485.314	19.588.106	4.211.000	9.741.000
2008	-	4.300.000	7.955.000	5.008.000
Thereafter	7.893.000	10.769.580	-	7.960.000
Total	14.423.314	34.657.686	12.166.000	22.709.000

Letters of guarantee denominated in foreign currency, YTL equivalent of which amounts to YTL 6.573.445 (December 31, 2005: YTL 6.573.000) were given to the lending institutions as collateral against the loans obtained.

As of March 31, 2006 EUR 790.984 (December 31, 2005: EUR 780.905) of the short-term foreign currency borrowing equivalent of YTL 1.282.000 (December 31, 2005: YTL 1.240.000) is borrowed by issuing promissory note to the related bank.

The YTL amount of 422.754.888 'Deposits' covers (December 31, 2005: YTL 404.558.149) current deposits and YTL 49.081.000 amount covers (December 31, 2005 : YTL 34.875.000) non-current deposits.

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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, 2006									
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 Months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	13.000	26.000	65.956.000	11.491.000	27.906.000	24.817.000	1.742.000	-	-
Forward sale contract	236.000	478.000	67.026.000	11.550.000	27.649.000	25.970.000	1.857.000	-	-
Currency swap purchase	178.000	143.000	142.992.000	142.992.000	-	-	-	-	-
Currency swap sale	-	127.000	143.094.000	143.094.000	-	-	-	-	-
Futures purchase	-	146.000	11.408.000	-	11.408.000	-	-	-	-
Futures sale	-	-	11.554.000	-	11.554.000	-	-	-	-
Futures interest purchase	-	35.000	2.685.000	-	2.685.000	-	-	-	-
Futures interest sale	-	-	-	-	-	-	-	-	-
Option purchase	31.000	10.000	109.400.000	100.568.000	8.098.000	734.000	-	-	-
Option sale	10.000	22.000	109.221.000	100.469.000	8.080.000	671.000	1.000	-	-
Interest Swap Purchase	152.000	-	26.854.000	-	-	-	-	26.854.000	-
Interest Swap Sale	163.000	9.000	26.380.000	-	-	-	-	26.380.000	-
Total	783.000	996.000	716.570.000	510.164.000	97.380.000	52.192.000	3.600.000	53.234.000	-

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

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44.6 FINANCIAL INSTRUMENTS

Banking

Financial Risk Management

General

To maintain and improve the soundness of its operations, Abank accords top management priority to upgrading its risk management systems and capabilities. According to Abank's "Risk Management Policy", Financial Risks are composed of Market, Credit and Liquidity risks. These risks are supervised by the "Bank Risk Committee" while the various Risk Committees and Risk Control Unit carry out the risk management related tasks.

Risk Management Policy includes details about the framework for defining, measuring, monitoring and managing the risks taken by the business units across Abank. Risk Management Policy covers,

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

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

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

Credit Risk

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

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44.6 FINANCIAL INSTRUMENTS (continued)

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

	March 31, 2006		December 31, 2005	
	Cash	Non-cash	Cash	Non-cash
Automotive	15.920.456	11.725.055	16.068.000	17.760.000
Chemical	25.299.538	13.504.865	32.856.000	12.933.000
Construction	87.711.438	115.933.871	70.287.000	98.965.000
Electrics and electronics	7.461.731	5.287.768	5.886.000	4.270.000
Finance	60.953.291	38.430.198	65.038.200	23.387.000
Food and beverage	67.408.622	41.820.762	54.452.612	40.594.000
Forest products and agriculture	25.857.319	2.815.476	20.175.000	4.275.000
Iron and steel, non-metal	54.687.382	47.162.482	43.641.000	43.521.000
Machinery	28.841.862	14.843.213	24.471.000	17.123.000
Mining	56.437.463	33.676.609	40.477.000	31.642.000
Paper	7.316.952	13.650.093	9.339.000	12.376.000
Petroleum	8.754.439	26.614.256	8.499.000	29.064.000
Production	60.661.417	31.420.899	51.621.167	29.405.000
Textile	119.386.206	49.397.062	116.653.000	39.305.000
Tourism	30.713.408	1.620.370	21.438.000	2.021.000
Trade	153.439.371	165.363.438	125.069.000	145.120.000
Transportation	57.218.950	27.881.754	38.534.000	28.364.000
Others	111.024.058	75.385.222	101.960.000	65.765.000
Corporate loans	979.093.903	716.533.393	846.464.979	645.890.000
Consumer loans	22.253.459		17.494.372	-
Interest accruals	10.809.912		8.927.370	-
Loans in arrears	47.994.103		42.943.348	-
Provision for possible losses	(34.104.832)		(31.387.294)	-
Total	1.026.046.545	716.533.393	884.442.775	645.890.000

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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, 2006						
Assets						
Cash and balances with the Central Bank	57.044	-	-	-	-	57.044
Deposits with banks and other financial	71.497	-	-	-	-	71.497
Other money market placements	1.913	-	-	-	-	1.913
Reserve deposits at the Central Bank	67.391	-	-	-	-	67.391
Trading securities	19.727	307	1.042	1.280	143.509	165.865
Investment securities	229	199.910	10.461	127	676	211.403
Originated loans and advances	615.941	3.774	151.899	120.124	142.671	1.034.409
Minimum lease payments receivable	14.341	10.621	13.945	24.872	53.580	117.359
Derivative financial instruments	262	102	95	9	315	783
Affiliates	-	-	-	-	2	2
Assets held for resale	-	-	-	-	4.252	4.252
Tangible assets	-	-	-	-	3.170	3.170
Intangible assets	-	-	-	-	870	870
Deferred tax assets	-	-	-	-	19.634	19.634
Other assets	6.579	1.271	52	103	2.624	10.629
Total Assets	854.924	215.985	177.494	146.515	371.303	1.766.221
Liabilities						
Deposits from other banks	12.737	-	-	-	-	12.737
Customers' deposits	761.175	60.518	3.968	28.075	-	853.736
Other money market deposits	160.871	-	-	-	-	160.871
Funds borrowed	68.077	31.580	67.721	256.955	49.131	473.464
Derivative financial instruments	356	214	413	4	9	996
Other liabilities and provisions	62.144	53	48	106	14.147	76.498
Income taxes payable	-	-	-	-	-	-
Total Liabilities	1.065.360	92.365	72.150	285.140	63.287	1.578.302
Net liquidity gap	(210.436)	123.620	105.344	(138.625)	308.016	187.919
As at December 31, 2005						
Total assets	717.399	69.471	294.399	130.651	359.980	1.571.900
Total liabilities	883.780	105.855	59.716	278.612	44.877	1.372.840
Net liquidity gap	(166.381)	(36.384)	(234.683)	(147.961)	315.103	199.060

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

Currency Risk

Abank centralized 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, 2006 the Abank's on balance sheet foreign currency short position is YTL 328.000 (December 31, 2005: YTL 11.599.000 -short position)

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44.6 FINANCIAL INSTRUMENTS (continued)

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

Thousands YTL	New Turkish Lira	US Dollars	EUR	Japanese Yen	Others	Total
As at March 31, 2006						
Assets						
Cash and balances with the Central Bank	23.825	29.066	4.051	-	102	57.044
Deposits with banks and other financial institutions	60.774	9.708	810	-	205	71.497
Other money market placements	1.913	-	-	-	-	1.913
Reserve deposits at the Central Bank	546	66.845	-	-	-	67.391
Trading securities	152.005	13.860	-	-	-	165.865
Investment securities	11.350	200.034	19	-	-	211.403
Originated loans and advances	580.017	268.333	185.710	-	349	1.034.409
Minimum lease payments receivable	30.576	40.167	46.616	-	-	117.359
Derivative financial instruments	783	-	-	-	-	783
Investments	2	-	-	-	-	2
Assets held for resale	4.252	-	-	-	-	4.252
Tangible assets	3.170	-	-	-	-	3.170
Intangible assets	870	-	-	-	-	870
Deferred tax assets	19.634	-	-	-	-	19.634
Other assets	5.662	3.808	1.159	-	-	10.629
Total assets	895.379	631.821	238.365	-	656	1.766.221
Liabilities						
Deposits from other banks	656	8.838	3.203	-	40	12.737
Customers' deposits	373.997	369.104	105.990	-	4.645	853.736
Other money market deposits	160.871	-	-	-	-	160.871
Funds borrowed	60.580	317.542	94.998	-	344	473.464
Derivative financial instruments	996	-	-	-	-	996
Other liabilities and provisions	51.479	12.012	12.596	-	411	76.498
Income taxes payable	-	-	-	-	-	-
Total liabilities	648.579	707.496	216.787	-	5.440	1.578.302
Net on-balance sheet position	246.800	(75.675)	21.578	-	(4.784)	187.919
Off-balance sheet position						
Net notional amount of derivatives	(30.275)	67.918	(17.807)	-	(4.694)	15.142
Non- cash loans	369.098	192.036	107.780	-	(31.459)	637.455
As at December 31, 2005						
Total assets	782.498	604.874	183.611	-	917	1.571.900
Total liabilities	517.959	658.624	189.993	-	6.264	1.372.840
Net on balance sheet position	264.539	(53.750)	(6.381)	-	(5.347)	199.060
Off-balance sheet position, net nominal amount	267.595	228.025	120.649	-	32.261	648.531

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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.

Thousands YTL	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	No interest	Total
As at March 31, 2006							
Assets							
Cash and balances with the Central Bank	19.903	-	-	-	-	37.141	57.044
Deposits with banks and other financial institutions	64.777	-	-	-	-	6.720	71.497
Other money market placements	1.913	-	-	-	-	-	1.913
Reserve deposits at the Central Bank	67.391	-	-	-	-	-	67.391
Trading securities	32	392	57.627	1.280	86.837	19.697	165.865
Investment securities	59	210.071	762	127	214	170	211.403
Originated loans and advances	615.940	3.774	151.899	120.124	124.243	18.429	1.034.409
Minimum lease payments receivable	9.514	10.621	13.945	24.872	53.580	4.827	117.359
Derivative financial instruments	-	-	-	-	-	783	783
Affiliates	-	-	-	-	-	2	2
Tangible assets held for resale	-	-	-	-	-	4.252	4.252
Tangible assets	-	-	-	-	-	3.170	3.170
Intangible assets	-	-	-	-	-	870	870
Deferred tax asset	-	-	-	-	-	19.634	19.634
Other assets	-	-	-	-	-	10.629	10.629
Total Assets	779.529	224.858	224.233	146.503	264.874	126.324	1.766.221
Liabilities							
Deposits from other banks	5.972	-	-	-	-	6.765	12.737
Customers' deposits	648.264	60.518	3.968	28.075	-	112.911	853.736
Other money market deposits	160.871	-	-	-	-	-	160.871
Funds borrowed	81.440	254.858	55.906	59.227	22.033	-	473.464
Derivative financial instruments	-	-	-	-	-	996	996
Other liabilities and provisions	9.810	53	48	106	48	66.433	76.498
Income taxes payable	-	-	-	-	-	-	-
Total Liabilities	906.357	315.429	59.922	87.408	22.081	187.105	1.578.302
On balance sheet interest sensitivity gap	(126.828)	(90.571)	164.311	58.995	242.793	(60.781)	187.919
Off balance sheet interest sensitivity gap	-	(1.343)	-	-	-	-	(1.343)
Total interest sensitivity gap	(126.828)	(91.914)	164.311	58.995	242.793	(60.781)	186.576

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

March 31, 2006

(Currency – YTL unless otherwise indicated)

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.

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

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

March 31, 2006

(Currency – YTL unless otherwise indicated)

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, Abank uses ratios established by BRSA. These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing Abank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risk. As of March 31, 2006 Abank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 15,77% (December 31, 2005: 16,86%)

Non-Banking

Financial risk management objectives and policies

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

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

1) *Foreign currency risk*

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

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

		Exchange buying rate at January 1, 2006	Average exchange buying rate in the period	Exchange buying rate at March 31, 2006
YTL /USD	Turkey	1,3418	1,3257	1,3427
YTL /EUR	Turkey	1,5875	1,5935	1,6211
		Exchange selling rate at January 1, 2006	Average exchange selling rate in the period	Exchange selling rate at March 31, 2006
YTL /USD	Turkey	1,3483	1,3321	1,3492
YTL /EUR	Turkey	1,5952	1,6012	1,6289

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

March 31, 2006

(Currency – YTL unless otherwise indicated)

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.

Yazıcılar Holding Anonim Şirketi

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

March 31, 2006

(Currency – YTL unless otherwise indicated)

44.6 FINANCIAL INSTRUMENTS (continued)

5) Interest Rate Risk

The Group mainly enters into fixed based contracts in its financial borrowings. As of March 31, 2006, overwhelming majority of the Group's (non-banking) long-term debt was at fixed rates.

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

Fixed rate bank loans	3,58% - 7,10%
Fixed rate financial lease payables	4,50% - 11,33%

As of March 31, 2006 the effective interest range of Abanks' credit loans is as follows:

Short term YTL ;	
Fixed rate loans	13,28% - 17,75%
Variable rate loans	-

Short term foreign exchange denominated;	
Fixed rate loans	4,02% - 6,75%
Variable rate loans	3,28% - 7,16%

Long term YTL ;	
Fixed rate loans	17,75%
Variable rate loans	-

Long term foreign exchange denominated;	
Fixed rate loans	4,24%
Variable rate loans	3,73% - 6,94%

Fair Values

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

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

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

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