Yazıcılar Holding
Anonim Şirketi

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

Consolidated Interim Financial Statements
As of March 31, 2007

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

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CONSOLIDATED BALANCE SHEET
As of March 31, 2007
(Currency– TRY unless otherwise indicated)

	Notes	**Current Period March 31, 2007**	Prior Period December 31, 2006
ASSETS			
Current Assets		**2.274.866.049**	2.332.168.489
Cash and Cash Equivalents	4	**166.063.031**	302.635.514
Marketable Securities (net)	5	**20.225.924**	17.693.987
Reserve Deposits at Central Bank	44.1	**36.304.500**	30.644.000
Banking Loans (net)	44.2	**653.108.367**	577.363.396
Trade Receivables (net)	7.1	**83.550.451**	58.873.500
Lease Receivables (net)	8.1	**47.738.382**	45.207.287
Derivative Financial Instruments – Assets	44.5	**1.972.500**	1.844.500
Due From Related Parties (net)	9.1	**15.938.359**	13.614.303
Other Receivables (net)	10.1	**23.488.297**	23.894.986
Biological Assets (net)	11	**6.118.763**	5.446.816
Inventories (net)	12	**119.569.794**	129.819.946
Receivables from Construction Contracts in Progress (net)		**-**	-
Deferred Tax Assets		**-**	-
Other Current Assets	15.1	**34.974.510**	25.445.093
Assets Related to Held for Sale Operations	35	**1.065.813.171**	1.099.685.161
Non-Current Assets		**1.156.961.618**	1.121.762.318
Marketable Securities (net)	5	**66.347.000**	54.814.500
Banking Loans (net)	44.2	**105.470.115**	95.023.961
Trade Receivables (net)	7.1	**69.149**	36.438
Lease Receivables (net)	8.1	**46.179.003**	45.953.484
Derivative Financial Instruments – Assets	44.5	**2.085.000**	1.515.500
Due from Related Parties (net)		**-**	-
Other Receivables (net)		**-**	-
Investments (net)	16	**768.278.408**	759.608.855
Positive/Negative Goodwill (net)	17	**17.672.128**	17.672.128
Investment Property (net)	18	**5.421.500**	5.109.000
Property, Plant and Equipment (net)	19	**123.297.340**	119.386.873
Intangible Assets (net)	20	**8.338.481**	10.118.899
Deferred Tax Assets	14	**2.062.111**	4.035.282
Other Non-Current Assets	15.2	**11.741.383**	8.487.398
TOTAL ASSETS		**3.431.827.667**	3.453.930.807

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)
Yazıcılar Holding Anonim Şirketi

CONSOLIDATED BALANCE SHEET
As of March 31, 2007
(Currency– TRY unless otherwise indicated)

	Notes	**Current Period March 31, 2007**	Prior period December 31, 2006
LIABILITIES			
Current Liabilities		**1.904.683.103**	1.967.120.477
Short-Term Borrowings (net)	6	**78.241.683**	63.597.333
Current Portion of Long-Term Borrowings (net)	6	**46.957.746**	42.027.104
Lease Obligations (net)	8.2	**2.208.644**	3.039.133
Other Financial Liabilities (net)		**-**	-
Trade Payables (net)	7.2	**53.477.082**	47.043.493
Deposits	44.3	**522.396.342**	551.412.102
Funds Borrowed	44.4	**208.821.000**	230.363.001
Blocked Accounts		**16.477.667**	19.826.000
Due to Related Parties (net)	9.2	**422.195**	490.314
Advances Received	21	**2.837.231**	2.291.152
Deferred Income from Construction Contracts in progress (net)		**-**	-
Provisions	23	**1.599.423**	313.699
Derivative Financial Instruments – Liabilities	44.5	**9.658.000**	6.029.500
Deferred Tax Liability		**-**	-
Other Liabilities (net)	15.3	**44.295.135**	39.655.303
Liabilities Related to Held for Sale Operations	35	**917.290.955**	961.032.343
Non-Current Liabilities		**181.456.066**	180.944.344
Long-Term Borrowings (net)	6	**21.157.457**	24.490.792
Lease Obligations (net)	8.2	**765.986**	780.138
Other Financial Liabilities (net)		**-**	-
Trade Payables (net)		**-**	-
Deposits	44.3	**-**	8.500
Funds Borrowed	44.4	**142.133.500**	136.734.001
Blocked Accounts		**-**	-
Due to Related Parties (net)		**-**	-
Advances Received	21	**2.735.290**	2.319.040
Provisions	23	**10.096.389**	11.579.182
Deferred Tax Liability	14	**3.156.795**	3.447.753
Other Liabilities (net)	15.3	**1.410.649**	1.584.938
MINORITY INTEREST		**266.839.754**	254.367.924
EQUITY		**1.078.848.744**	1.051.498.062
Capital	1, 25	**160.000.000**	40.000.000
Capital Participation Elimination		**-**	-
Capital Reserves		**114.653.060**	234.652.915
Share Premium	26	**9.467.670**	9.467.525
Income on Stock Disposals		**-**	-
Revaluation Fund		**-**	-
Financial Assets Value Increment Fund		**-**	-
Inflation Restatement Differences on Equity Items		**105.185.390**	225.185.390
Profit Reserves		**213.037.594**	214.792.423
Legal Reserves	27	**23.764.819**	23.764.819
Statutory Reserves	27	**42.856**	42.856
Extraordinary Reserves	27	**190.041.771**	190.041.771
Special Reserves	27	**14.640.370**	14.893.130
Gain on Sale of Investment and Property, Plant and equipment to be Transferred to Capital		**-**	-
Currency Translation Difference		**(15.452.222)**	(13.950.153)
Net Income		**28.089.595**	156.745.411
Accumulated Profits	28	**563.068.495**	405.307.313
TOTAL LIABILITIES AND EQUITY		**3.431.827.667**	3.453.930.807

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

CONSOLIDATED INCOME STATEMENT
For the three-month period ending on March 31, 2007
(Currency– TRY unless otherwise indicated)

	Notes	**Current Period March 31, 2007**	Prior Period March 31, 2006
OPERATING REVENUE			
Revenue (net)	36	**186.575.403**	219.384.386
Cost of Sales (-)	36	**(149.135.159)**	(178.221.860)
Interest Income (net)	36	**19.893.007**	13.669.877
Service Income (net)	36	**6.672.954**	4.713.656
Other Operating Income		**-**	-
GROSS OPERATING PROFIT		**64.006.205**	59.546.059
Operating Expenses (-)	37	**(43.447.971)**	(36.160.580)
PROFIT FROM OPERATIONS		**20.558.234**	23.385.479
Other Income	38.1,16.2,16.3	**27.961.481**	22.653.336
Other Expense (-)	38.2	**(8.075.998)**	(6.864.741)
Finance Expense (-)	39	**(6.138.515)**	(5.065.333)
OPERATING INCOME		**34.305.202**	34.108.741
Monetary Gain / (Loss)	40	**-**	-
Minority Interest	24	**(13.170.784)**	(10.186.199)
INCOME BEFORE TAX		**21.134.418**	23.922.542
Income Tax	41	**(3.719.635)**	(6.634.550)
INCOME FROM CONTINUING OPERATIONS		**17.414.783**	17.287.992
Income from held for sale operations	35	**10.674.812**	6.453.402
NET INCOME		**28.089.595**	23.741.394
Earnings Per Share (TRY) from held for sale operations	42	**0,1088**	0,1080
Earnings Per Share (TRY) from continuing operations	42	**0,0667**	0,0404

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the three-month period ending on March 31, 2007
(Currency – TRY unless otherwise indicated)

	Historical Issued Capital	Inflation Restatement Differences on Equity Items	Share Premium	Legal, Special and Extraordinary Reserves	Currency Translation Differences	Net Income	Accumulated Profits	Total Equity
January 1, 2007	**40.000.000**	**225.185.390**	**9.467.525**	**228.742.576**	**(13.950.153)**	**156.745.411**	**405.307.313**	**1.051.498.062**
Transfer of net income to the accumulated profit	**-**	**-**	**-**	**-**	**-**	**(156.745.411)**	**156.745.411**	**-**
Capital increase	**120.000.000**	**(120.000.000)**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Increase in share premium	**-**	**-**	**145**	**-**	**-**	**-**	**-**	**145**
Securities value increase funds	**-**	**-**	**-**	**(252.760)**	**-**	**-**	**-**	**(252.760)**
Change in consolidation structure			**-**	**-**	**-**	**-**	**1.015.771**	**1.015.771**
A participation's intra-group portion of gain from sales of its subsidiary to associate	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currency translation difference	**-**	**-**	**-**	**-**	**(1.502.069)**	**-**	**-**	**(1.502.069)**
Net income	**-**	**-**	**-**	**-**	**-**	**28.089.595**	**-**	**28.089.595**
March 31, 2007	**160.000.000**	**105.185.390**	**9.467.670**	**228.489.816**	**(15.452.222)**	**28.089.595**	**563.068.495**	**1.078.848.744**

	Historical Issued Capital	Inflation Restatement Differences on Equity Items	Share Premium	Legal, Special and Extraordinary Reserves	Currency Translation Differences	Net Income	Accumulated Profits	Total Equity
January 1, 2006	40.000.000	225.185.390	9.455.483	218.614.720	(41.097.697)	181.445.580	244.258.017	877.861.493
Transfer of net income to the accumulated profit	-	-	-	-	-	(181.445.580)	181.445.580	-
Capital increase	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
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
Change in consolidation structure	-	-	-	-	-	-	-	-
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	-	-	-	-	-	-	-
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)	23.741.394	427.856.645	909.764.099

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

(Convenience Translation of a Report and Financial Statements Originally Issued in Turkish)
Yazıcılar Holding Anonim Şirketi

CONSALIDATED STATEMENT OF CASH FLOWS
For the three-month period ending on March 31, 2007
(Currency – TRY unless otherwise indicated)

	Notes	Current Period March 31, 2007	Prior Period March 31, 2006
Cash flow from operating activities			
Net profit before minority interest, income tax and monetary gain/(loss) (before effect of deduction held for sales operations)		**47.326.014**	41.605.143
Adjustments for:			
Foreign exchange loss/(gain)		**400.706**	859.022
Gain from disposal of tangible and intangible assets		**1.673.433**	(274.805)
Depreciation and amortization (including goodwill)	19, 20	**4.805.038**	6.032.581
Provision for possible loan losses and impairment in receivables		**1.692.919**	5.504.742
Warranty, unpaid vacation pay and other provisions	15.3	**5.400.681**	-
Provision for employee termination benefits		**(126.838)**	1.119.796
Interest expenses		**15.903.142**	10.001.120
Gain on sale of marketable securities		**-**	-
Gain on sale of shares in associates, joint ventures and other investments		**-**	-
Equity income from investment in associates and joint ventures	16.2, 16.3, 38.1	**(14.987.380)**	(10.475.465)
Other non-cash income		**1.602.689**	706.251
Operating profit before changes in operating assets and liabilities		**63.690.404**	55.078.385
Net (increase)/decrease in marketable securities		**(26.742.485)**	41.472.696
Net decrease in reserve deposits at Central Bank		**(11.321.000)**	(6.263.000)
Net increase in banking loans		**(173.306.169)**	(145.436.770)
Net increase in trade and other receivables and due from related parties		**(34.852.892)**	(22.210.290)
Net (decrease)/increase in derivative financial instruments – assets		**(1.395.000)**	(710.000)
Net (increase)/decrease in inventories		**9.578.171**	16.850.293
Net changes in other assets		**(18.551.895)**	(8.848.548)
Net (decrease)/increase in trade and other payables and due to related parties		**8.622.238**	13.846.347
Net increase/(decrease) in banking customer deposits		**(58.048.519)**	115.919.203
Net increase in blocked accounts		**(6.696.666)**	1.237.872
Net increase in derivative financial instruments – liabilities		**7.257.000**	(256.000)
Retirement pay liability paid		**(300.955)**	(378.753)
Taxes paid		**(918.746)**	(909.845)
Net cash (used in) /provided by operating activities		**(242.986.514)**	59.391.590
Cash flows from investing activities			
Purchase of property, plant and equipment, investment property, intangible asset		**(10.459.890)**	(9.444.399)
Proceeds from sale of property, plant and equipment, and intangible asset		**1.025.700**	3.308.903
Proceeds from sale of investment		**-**	91.449
Purchase of investments		**(503.049)**	-
Payments to acquired minority interest		**-**	-
Capital increase of subsidiaries from minority shareholders		**-**	7.436.317
Sale of fixed assets held for resale		**-**	-
Net cash (used in) / provided by investing activities		**(9.937.239)**	1.392.270
Cash flows from financing activities			
Dividends from equity participations		**-**	-
Revenue from sale of marketable securities		**-**	-
Dividends paid		**-**	-
Increase in share premium		**-**	(2.952)
Addition to borrowings from banks and other institutions		**149.697.354**	94.545.233
Repayments of borrowings from banks and other institutions		**(173.194.323)**	(77.527.700)
Interest paid		**(4.800.387)**	(3.174.256)
Increase/(decrease) in special reserves		**(1.260.011)**	688.961
Net cash (used in) / provided by financing activities		**(29.557.367)**	14.529.286
Currency translation on cash and cash transaction		**(860.721)**	81.534
Net (decrease) /increase in cash and cash equivalents		**(283.341.841)**	75.394.680
Cash and cash equivalent at the beginning of period	4	**494.708.615**	141.862.819
Cash and cash equivalent at the end of period –from continuing operations	4	**166.063.031**	217.257.499
Cash and cash equivalent at the end of period –from held for sale operations	35	**45.303.743**	-
Total Cash and cash equivalent at the end of period		**211.366.774**	217.257.499

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

1. ORGANIZATION AND NATURE OF ACTIVITIES

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

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

The consolidated financial statements are authorized for issue by the Board of Directors on June 1, 2007.

Activities of the Company / Group

The Company and its subsidiaries, joint ventures and associates will be referred in this report as the "Group" henceforth for the purposes of the consolidated financial statements.

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

The average number of personnel of the Group is 4.801 (December 31, 2006: 4.469).

List of Shareholders

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

	March 31, 2007		December 31, 2006	
	Paid-in Capital	**%**	Paid-in Capital	%
Yazıcı Families	**66.758.128**	**41,72**	16.689.532	41,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.599.952**	**33,50**	13.399.988	33,50
Publicly traded	**39.641.920**	**24,78**	9.910.480	24,78
Historical share capital	**160.000.000**	**100,00**	40.000.000	100,00

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

List of Subsidiaries

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

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			March 31, 2007	December 31, 2006
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	**67,91**	67,91
Alternatifbank A.Ş. (ABank) (*)	Turkey	Banking services	**61,48**	61,48
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	**61,48**	61,48
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	**64,43**	64,43
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (*) (***)	Turkey	Investment company	**27,45**	27,45
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	**67,73**	67,73
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada and Kia motor vehicles	**67,29**	67,28
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	**34,55**	34,55
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (*) (**)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	**38,63**	38,63
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (**)	Turkey	Distribution of the products of Adel, and other imported stationery products	**49,69**	49,69
Ana Gıda Otomotiv ve İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of olive oil under Kırlangıç and Madra Brands, sunflower and corn oil, and automotive trading	**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	**64,96**	64,96
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	**67,23**	67,23
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	Germany	Provides necessary market research of products abroad	**67,23**	67,23
Anadolu Restaurant İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management, ranch management	**67,91**	67,91
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	**67,91**	67,91
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık)	Turkey	Asset management	**67,90**	67,90

(*) Shares of ABank, Adel and AYO are currently traded on the Istanbul Stock Exchange.
(**) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar.
(***) Decrease is due to the change in ABank's effective consolidation rate of AYO.

List of Associates

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

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			March 31, 2007	December 31, 2006
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	**36,23**	36,23
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem)	Turkey	Provides consumer finance services	**33,95**	33,95

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

Investments in Joint Venture

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

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			March 31, 2007	December 31, 2006
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing of Isuzu brand commercial vehicles	**37,15**	36,99

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

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

The CMB with the resolution numbered 11/367 dated 17 March 2005 declared that companies operating in Turkey which prepare their financial statements in accordance with the CMB Accounting Standards (including the application of IFRS) effective 1 January 2005, will not be subject to the application of inflation accounting. Based on that declaration, in the accompanying financial statements, IAS 29 "Financial Reporting in Hyperinflationary Economies" was not applied beginning from 1 January 2005.

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

Functional and Reporting Currencies of Foreign Subsidiaries

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

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

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

		March 31, 2007	December 31, 2006
	Local Currency	**Functional Currency**	Functional Currency
AEH und Co.	EUR	**EUR**	EUR
Oyex	EUR	**EUR**	EUR

Foreign subsidiaries are established as foreign corporate entities.

Preparation of Financial Statements in Hyperinflationary Periods

According to the Wholesale Price Index determined by State Institute of Statistics, the cumulative inflation rate, covering the last three years is 69,7% and the annual inflation rate is 13,8% as of December 31, 2004. In connection with the announcement of the CMB No: 7642 and dated March 18, 2005, the financial statements are restated for the last time as of December 31, 2004 since the objective conditions required for the restatement have not been realized and the CMB predicts that the indication of the realization of these conditions in the future are mainly disappeared.

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

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

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

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

- Since the restatement activity has ended as of January 1, 2005, financial statements are shown by using the measuring unit effective on December 31, 2004.

- Monetary assets and liabilities shown in the consolidated financial statements as of December 31, 2004 are not restated since they are already shown by using the measuring unit effective on balance sheet date.

- The inflation adjusted share capital was derived by indexing cash contributions, dividends and reinvested transfers from statutory retained earnings from the date they were contributed until December 31, 2004.

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

Preparation of Financial Statements in Hyperinflationary Periods (cont'd)

- Non-monetary assets, liabilities and other shareholders' equity (except eliminated revaluation fund) are restated by applying the relevant conversion factors effective on December 31, 2004.

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

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

Basis of Consolidation

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

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2007.

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

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

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

The purchase method of accounting is used for acquired businesses.

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

Investment in Associates

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

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

Investment in Joint Venture

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

Comparative Information and Restatement of Prior Period Financial Statements

Consolidated financial statements of the Group have been prepared comparatively with the prior period in order to give information about financial position and performance. If the presentation or classifications of the financial statements are changed, in order to maintain consistency, financial statements of the prior periods are also reclassified in line with the related changes.

Offsetting

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

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

Adoption of New and Revised International Financial Reporting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the "IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on January 1, 2005 except for the ones that contradict with the CMB's decree regarding the required format, announced on December 20, 2004.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Non-Banking

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

Sale of goods

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

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

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

Banking

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

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

3.2 Inventories

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

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

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

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

3.3 Tangible Fixed Assets

Property, plant and equipment that are acquired before January 1, 2005 are carried with their restated cost as of December 31, 2004; and property, plant and equipment that are acquired after January 1, 2005 are carried with their cost after subtracting accumulated depreciation and impairment. Property, plant and equipment are depreciated principally on a straight-line basis. Land is not depreciated as it is deemed to have an indefinite life. The depreciation periods for property, plant and equipment, which approximate the useful lives of such assets, are as follows:

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

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

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

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

3.4 Intangible Fixed Assets

(i) Goodwill and amortization

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. Goodwill arising from the acquisitions before March 31, 2004 was amortized on a straight-line basis over its useful economic life of 5 years until December 31, 2004. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Starting from January 1, 2005, the goodwill arising from the business combinations before March 31, 2004 is not amortized in accordance with IFRS 3. In accordance with IFRS 3, goodwill is tested for impairment at least annually.

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

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

3.4 Intangible Fixed Assets (cont'd)

(i) Goodwill and amortization (cont'd)

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

ii) Other intangible assets

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

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

3.5 Impairment of Assets

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

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

3.6 Borrowing Costs

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

3.7 Financial Instruments

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

Cash and Cash Equivalents

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

Marketable Securities

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

Trading Securities

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

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

3.7 Financial Instruments (cont'd)

Held-to-Maturity Securities

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

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

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

Available-for-Sale Securities

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

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

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

Trade Receivables and Payables

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

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

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

3.7 Financial Instruments (cont'd)

Trade Receivables and Payables (cont'd)

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

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

Loans and Advances to Customers

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

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

Borrowings and Customer Deposits

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

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

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

Repurchase and Resale Transactions

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

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

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

3.7 Financial Instruments (cont'd)

Derivative Financial Instruments

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

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

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

3.8 Business Combinations

None.

3.9 Foreign Currency Transactions

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

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

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

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

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

3.9 Foreign Currency Transactions (cont'd)

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

3.10 Earnings per Share

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

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

3.11 Subsequent Events

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

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

3.12 Provisions, Contingent Liabilities, Contingent Assets

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

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

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

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

3.12 Provisions, Contingent Liabilities, Contingent Assets (cont'd)

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

3.13 Changes in Accounting Policies, Accounting Estimates and Errors

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

3.14 Leases

The Group as a Lessee

Finance Lease

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

Operating Lease

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

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

3.14 Leases (cont'd)

The Group as a Lessor

Finance Lease

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

Operating Lease

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

3.15 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.

3.16 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 five major segments. Financial information on business segments is presented in Note 33.

3.17 Construction Agreements

None.

3.18 Discontinued Operations

Discontinued operations are part of a group which either are classified as held-for-sale or have been disposed of and whose activities and cash flow can be treated separable from the Group's whole activities and cash flows. Discontinued operations; represent separate business or geographical segment, are parts of the plans to sell or dispose thereof, or is a subsidiary acquired for selling. The Group's discontinued operations have been valued with the lower of the book values of related asset and liabilities of the discontinued operations, or fair value less costs to sell (Note 35).

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

3.19 Government Incentives

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

3.20 Investment Properties

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

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

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

3.21 Taxation and Deferred Tax

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

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

Current Tax

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

Deferred Tax

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

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

3.21 Taxation and Deferred Tax (cont'd)

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

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

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

3.22 Employee Termination Benefits

a) Defined Benefit Plan

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No. 19 (revised) "Employee Benefits" ("IAS 19").

The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

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.

3.23 Retirement Plans

None.

3.24 Agricultural Activities

None.

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

3.25 Statement of Cash Flows

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

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

3.26 Provisions for Possible Loan Losses and Lease Receivable Losses

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

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

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

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

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

3.27 Biological Assets

Cattles are classified under biological assets and reflected at fair value as of balance sheet dates.

4. CASH AND CASH EQUIVALENTS

	March 31, 2007	December 31, 2006
Non-Banking	**107.584.978**	87.996.791
Banking	**58.478.053**	214.638.723
Cash and cash equivalents in the consolidated statement of cash flows	**166.063.031**	302.635.514

Non-Banking

The details of cash and cash equivalents are as follows:

	March 31, 2007	December 31, 2006
Cash on hand	**1.332.451**	1.926.480
Cash in banks	**103.110.224**	83.288.073
Other	**3.142.303**	2.782.238
Total	**107.584.978**	87.996.791

	March 31, 2007			December 31, 2006		
	Amount	**Maturity**	**Interest rate**	Amount	Maturity	Interest rate
Cash in banks						
Demand	**7.383.195**			8.695.877		
-EUR	1.544.785	-	-	2.548.811	-	-
-USD	835.484	-	-	1.066.344	-	-
-TRY	4.920.541	-	-	4.987.203	-	-
-Other	82.385	-	-	93.519	-	-
Time	**95.727.029**			74.602.196		
-EUR	37.274.230	2 – 95 days	3,00% - 4,05%	12.423.235	4 - 29 days	3,80% - 3,95%
-USD	14.381.268	2 – 63 days	5,10% - %6,35%	14.089.904	4 - 61 days	5,00% - 6,35%
-TRY	44.071.531	2 – 29 days	17,25% - 19,95%	48.089.057	4 - 29 days	17,00% - 21,20%
Total	**103.110.224**			83.288.073		

4. CASH AND CASH EQUIVALENTS (cont'd)

Banking

	March 31, 2007	December 31 2006
Cash on hand	**7.152.000**	8.690.000
Balances with the Central Bank	**25.822.000**	34.128.500
Cash and balances with the Central Bank	**32.974.000**	42.818.500
Deposits with banks and other financial institutions	**17.699.230**	161.256.167
Reverse repurchase agreements	**6.658.902**	7.511.500
Interbank placements	**500.000**	2.253.500
Cheques given to collection	**645.921**	799.056
Other money market placements	**7.804.823**	10.564.056
Total	**58.478.053**	214.638.723

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

	March 31, 2007				December 31, 2006			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRY	**Foreign currency**	**TRY**	**Foreign currency**	TRY	Foreign currency	TRY	Foreign currency
Balances with the Central Bank	**12.249.000**	**13.573.000**	**-**	**-**	22.675.000	11.453.500	-	-
Deposits with banks and other financial institutions	**2.075.860**	**15.623.370**	**15,56%**	**3,70%**	11.825.616	149.430.551	14,33%	4,84%
Reverse repurchase agreements	**6.658.902**	**-**	**18,31%**	**-**	7.511.500	-	17,86%	-
Interbank placements	**500.000**	**-**	**18,30%**	**-**	2.253.500	-	15,18%	-
Total	**21.483.762**	**29.196.370**			44.265.616	160.884.051		

5. MARKETABLE SECURITIES

	March 31, 2007	December 31, 2006
Non-Banking	**9.645.924**	8.876.487
Banking	**76.927.000**	63.632.000
Total	**86.572.924**	72.508.487

Non-Banking

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

5. MARKETABLE SECURITIES (cont'd)

Banking

Trading Securities

	March 31, 2007		December 31, 2006	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments – TRY				
Turkish government bonds	**3.415.000**	**18,87%**	4.000.000	19,85%
Turkish treasury bills	**-**	**-**	50.000	19,09%
Debt instruments – FX				
Eurobonds issued by the Turkish government	**-**	**-**	-	-
Total	**3.415.000**		4.050.000	
Others				
Equity securities – listed in ISE (*)	**8.977.500**	**-**	6.895.500	-
Total	**8.977.500**		6.895.500	
Total trading securities	**12.392.500**		10.945.500	

(*) Equity securities include Alternatif Yatırım Ortaklığı A.Ş. shares actively traded in ISE and amounting to TRY 6.804.953 (December 31, 2006: TRY 6.230.215).

Investment Securities

	March 31, 2007		December 31, 2006	
	Amount	**Effective interest rate**	Amount	Effective interest rate
Available-for-sale securities at fair value-TRY				
Turkish treasury bills			-	-
Turkish government bonds	**10.720.500**	**18,54%**	34.882.000	18,54%
Available-for-sale securities at fair value-FX				
Eurobonds issued by the Turkish government	**-**	**-**	-	-
Total available-for-sale securities at fair value	**10.720.500**		34.882.000	
Held-to-maturity securities				
Debt Instruments-TRY				
Turkish treasury bills	**69.500**	**19,26%**	-	-
Turkish government bonds	**23.135.500**	**18,54%**	12.656.000	22,92%
Debt Instruments – FX				
Eurobonds issued by the Turkish goverment	**13.909.500**	**6,00%**	-	-
Total held-to-maturity securities	**37.114.500**		12.656.000	
Total investment securities	**47.835.000**		47.538.000	

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

	March 31, 2007	December 31, 2006
Trading securities	**255.000**	120.000
Available for sale securities	**14.931.500**	5.028.500
Held to maturity securities	**1.513.000**	-
Carrying value of securities given as collateral under repurchase agreement	**16.699.500**	5.148.500
Related repurchase liability	**15.918.500**	4.790.500

5. MARKETABLE SECURITIES (cont'd)

As of March 31, 2007, the carrying value of government securities kept in the Central Bank of Turkish Republic (the Central Bank) and in Istanbul Stock Exchange Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRY 3.942.954 and TRY 5.962.500 respectively (December 31, 2006: TRY 6.232.000 and TRY 5.962.500).

As of March 31, 2007, current marketable securities amounts to TRY 20.225.924 (December 31, 2006: TRY 17.693.987) and non-current marketable securities amounts to TRY 66.347.000 (December 31, 2006: TRY 54.814.500).

6. FINANCIAL BORROWINGS

	March 31, 2007	December 31, 2006
Bank borrowings	**78.241.683**	63.597.333
Current portion of long term borrowings	**46.957.746**	42.027.104
Short term borrowings	**125.199.429**	105.624.437
Bank borrowings	**21.157.457**	24.490.792
Long term borrowings	**21.157.457**	24.490.792
Total borrowings	**146.356.886**	130.115.229

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

	31 March, 2007		31 December, 2006	
Bank borrowings	**Amount**	**Interest rate**	Amount	Interest rate
Long Term	**21.157.457**		24.490.792	
USD	**2.095.045**	**7,3% - 7,7%**	1.579.038	4,6% - 5,9%
EUR	**19.062.412**	**4,1% - 6,9%**	22.911.754	4,1% - 5,1%
Short Term	**125.199.429**		105.624.437	
USD	**31.017.698**	**5,6% - 7,4%**	32.788.800	5,2% - 6,8%
EUR	**45.595.927**	**4,0% - 6,9%**	39.788.214	4,0% - 5,1%
TRY	**48.585.804**	**12,0% - 23,1%**	33.047.423	12,0% - 19,8%

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

	March 31, 2007	December 31, 2006
2008	**16.053.787**	5.934.270
2009	**5.103.670**	18.556.522
Total	**21.157.457**	24.490.792

7. TRADE RECEIVABLES AND TRADE PAYABLES

7.1 TRADE RECEIVABLES

Non-Banking

	March 31, 2007	December 31, 2006
Trade receivable (*)	**54.210.345**	42.697.837
Notes receivable and post-dated cheques	**31.220.786**	18.067.594
Less: Provision for doubtful trade receivables	**(1.880.680)**	(1.891.931)
Total	**83.550.451**	58.873.500

(*) As of March 31, 2007, discount amount in trade receivables is TRY 2.138.666 (December 31, 2006: TRY 909.616).

Movement of provision for doubtful trade receivables is as follows:

	March 31, 2007
January 1, 2007	**(1.891.931)**
Provisions	**(12.239)**
Collections	**23.490**
March 31, 2007	**(1.880.680)**

As of March 31, 2007, Group has TRY 69.149 of long term trade receivables (December 31, 2006: TRY 36.438).

7.2 TRADE PAYABLES

	March 31, 2007	December 31, 2006
Non-Banking (*)	**45.294.993**	44.656.099
Banking	**1.748.500**	2.030.000
Total	**47.043.493**	46.686.099

(*) As of March 31, 2007, discount amount in trade payables is TRY 213.917 (December 31, 2006: TRY 177.606).

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

8. LEASE RECEIVABLES AND OBLIGATIONS

8.1 LEASE CONTRACTS RECEIVABLE

Gross investments in finance leases receivables are as follows:

	March 31, 2007	December 31, 2006
Within 1 year	**58.585.796**	55.592.002
1 – 5 years	**52.008.908**	51.773.068
Minimum financial lease receivables, gross	**110.594.704**	107.365.070
Less: Unearned interest income	**(15.441.819)**	(15.190.569)
Net investment in finance leases	**95.152.885**	92.174.501
Less: Reserve for doubtful financial lease receivables	**(1.235.500)**	(1.013.730)
Minimum financial lease receivables, net	**93.917.385**	91.160.771

Maturities of net investment in finance leases:

	March 31, 2007	December 31, 2006
Within 1 year	**47.738.382**	45.207.287
1 - 5 years	**46.179.003**	45.953.484
Total	**93.917.385**	91.160.771

	March 31, 2007		December 31, 2006	
	Amount	**Interest rate**	Amount	Interest rate
TRY	**21.115.971**	**16,62% - 35,96%**	19.558.862	16,42% - 45,41%
USD	**29.054.031**	**7,89% - 18,26%**	28.375.897	7,89% - 18,26%
EUR	**43.747.383**	**7,53% - 22,03%**	43.226.012	7,53% - 20,65%
Total	**93.917.385**		91.160.771	

As of March 31, 2007, collaterals obtained by the Company from certain lease customers in relation to minimum lease payments receivables amount to TRY 23.331.500, USD 16.841.758 and EUR 11.929.792 (December 31, 2006: TRY 22.792.000, USD 13.458.594, EUR 5.781.442). These collaterals consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

8. LEASE RECEIVABLES AND OBLIGATIONS (cont'd)

8.1 LEASE CONTRACTS RECEIVABLE (cont'd)

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

	March 31, 2007	December 31, 2006
Provision at beginning of period	**1.013.730**	865.000
Effect of held for sale operations	**-**	(432.500)
Provision	**384.500**	841.230
Collections	**(162.730)**	(260.000)
Write-off	**-**	-
Reserve at the end of period	**1.235.500**	1.013.730

8.2 FINANCE LEASE LIABILITIES

	March 31, 2007	December 31, 2006
Current	**2.208.644**	3.039.133
Non-Current	**765.986**	780.138
Total	**2.974.630**	3.819.271
USD – TRY equivalent	**2.974.630**	3.750.077
EUR – TRY equivalent	**-**	69.194

As of March 31, 2007, the effective interest rates are 4,5% - 11,3%.

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

	March 31, 2007	December 31, 2006
Within 1 year	**2.344.118**	3.253.253
1 - 5 years	**781.373**	796.366
Total minimum lease obligations	**3.125.491**	4.049.619
Net minimum obligations	**3.125.491**	4.049.619
Unearned interest income (-)	**(150.861)**	(230.348)
Present value of minimum obligations	**2.974.630**	3.819.271

9. RELATED PARTY BALANCES AND TRANSACTIONS

9.1 DUE FROM RELATED PARTIES

	March 31, 2007	December 31, 2006
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**7.951**	2.577
Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) (1)	**1.971.623**	2.740.643
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	**1.027.355**	1.231.981
Tarbes Tarım Ürünleri ve Besicilik San.Tic.A.Ş. (Tarbes) (3)	**45.394**	58.275
Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (Anadolu Isuzu) (2)	**1.331.642**	1.282.174
Efes Holland Technical Management Consultancy (3)	**1.682.819**	1.713.912
ZAO Moscow Efes Brewery (Efes Moskow) (3)	**2.649.568**	1.453.761
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	**1.757.688**	447.106
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	**595.708**	560.500
OAO Amstar (3)	**213.458**	205.702
Efes Weifert Brewery d.o.o (Efes Weifert) (3)	**794.088**	804.082
Efes Zajecar Brewery d.o.o (Efes Zajecar) (3)	**780.285**	792.625
Krasny Vostok Group (3)	**506.371**	450.100
Effect of held for sale operations	**851.374**	805.234
Efes Vitanta Moldova Brewery S.A. (Efes Vitanta) (3)	**557.240**	11
JSC Amstar (3)	**309.759**	289.751
Other	**856.036**	775.869
Total	**15.938.359**	13.614.303

As of March 31, 2007 and December 31, 2006, loans given to related parties, which are included under "Banking Loans" in the financial statements, are TRY 1.162.745 and TRY 217.369 respectively. As of March 31, 2007, 1.310.308 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2006: TRY 934.337).

9.2 DUE TO RELATED PARTIES

	March 31, 2007	December 31, 2006
Anadolu Isuzu (2)	**144.258**	133.560
Anelsan (3)	**232.993**	264.060
Dividends payable	**12.134**	12.134
Effect of held for sale operations	**-**	3.681
Other	**32.810**	76.879
Total	**422.195**	490.314

As of March 31, 2007 and December 31, 2006, related party deposits, which are included under "Deposits" in the financial statements, are TRY 127.285.683 and TRY 51.837.801 respectively.

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

9.3 TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the three month periods ended March 31, 2007 and March 31, 2006 are as follows:

	March 31, 2007	March 31, 2006
Sales of goods and services, net		
Anadolu Efes (1)	**4.015.725**	3.036.162
Efpa (3)	**2.169.305**	1.963.531
Tarbes (3)	**598.495**	288.672
Anadolu Isuzu (2)	**1.778.416**	1.992.150
Efes Holland Technical Management Consultancy (3)	**-**	393.927
Efes Breweries International B.V. (3)	**1.633.954**	1.243.185
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (5)	**-**	181.474
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem) (1)	**86.751**	101.933
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	**126.243**	51.196
Coca Cola Satış ve Dağıtım A.Ş. (3)	**156.573**	3.760
Efes Vitanta Moldova Brewery SA (3)	**544.658**	-
Other	**367.632**	474.324
Total	**11.477.752**	9.730.314

	March 31, 2007	March 31, 2006
Purchases of goods and other charges		
Anadolu Isuzu (2)	**878.816**	1.442.673
Anelsan (3)	**-**	80.608
Efpa (3)	**61.799**	1.448
Other	**26.505**	142
Total	**967.120**	1.524.871

	March 31, 2007	March 31, 2006
Interest and other financial income (included banking revenues and foreign exchange losses)		
Anadolu Efes (1)	**17.845**	15.273
Coca Cola İçecek A.Ş. (3)	**63.430**	30.105
Anadolu Isuzu (2)	**19.685**	27.342
Anadolu Cetelem (1)	**-**	109.375
Other	**33.638**	9.482
Total	**134.598**	191.577

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

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

	March 31, 2007	March 31, 2006
Interest and other financial expense (included banking direct cost and foreign exchange losses) paid to		
Anadolu Efes (1) (*)	**3.648.070**	2.070.444
Anadolu Isuzu (2)	**129.253**	65.100
Efpa (3)	**54.640**	168.194
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	**54.943**	10.039
Tarbes (3)	**17.769**	15.684
Efes Pilsen Spor Kulübü	**373.951**	177.561
Özilhan Sınai Yatırım A.Ş.	**280.091**	199.036
Other	**40.352**	80.689
Total	**4.599.069**	2.786.747

(*) Interest rates for TRY deposits are between 17,0% - 19,8% and for USD deposits are between 5,0% - 5,5%.

	March 31, 2007	March 31, 2006
Interest and other financial expense (included financial income / expense and foreign exchange losses) paid to		
Anadolu Efes (1)	**-**	8.548
Efes Sınai (5)	**-**	2.507
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**18.000**	69.231
Anelsan (3)	**8.872**	-
Total	**26.872**	80.286

	March 31, 2007	March 31, 2006
Miscellaneous sales included in other income (including dividend received)		
Anadolu Efes (1)	**69.948**	107.437
Polinas (5)	**5.063**	4.779
Coca Cola İçecek (3)	**1.907**	1.800
Efpa (3) (*)	**544.544**	310.246
Anadolu Isuzu (2)	**40.772**	110.764
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	**-**	36.887
Other	**12.021**	40.395
Total	**674.255**	612.308

(*) Sales to Efpa include TRY 528.271 of car rental and car maintenance revenues (March 31, 2006: TRY 274.721).

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

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

	March 31, 2007	March 31, 2006
Interest and other financial income (included in financial income/expense and foreign exchange losses) received from		
Kamil Yazıcı Yönetim ve Danışma (4)	**9.444**	35.340
Efes Sınai (5)	**-**	18.340
Other	**-**	3.227
Total	**9.444**	56.907

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

Compensation of Key Management Personnel of the Group.

As of March 31, 2007, members of the top management received remuneration and fees amounting to TRY 2.390.084 (March 31, 2006: TRY 3.262.180).

Other

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

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

10. OTHER RECEIVABLES AND PAYABLES

10.1 OTHER RECEIVABLES

	March 31, 2007	December 31, 2006
Non-Banking	**23.488.297**	23.894.986
Banking	**-**	-
Total	**23.488.297**	23.894.986

10. OTHER RECEIVABLES AND PAYABLES (cont'd)

10.1 OTHER RECEIVABLES (cont'd)

Non-Banking

	March 31, 2007	December 31, 2006
Receivables from loans given (*)	**22.340.177**	23.091.590
Other	**1.148.120**	803.396
Total	**23.488.297**	23.894.986

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

11. BIOLOGICAL ASSETS

Biological assets having a worth of TRY 6.118.763 (December 31, 2006: TRY 5.446.816) consist of cattle in the farm.

12. INVENTORIES

	March 31, 2007	December 31, 2006
Raw materials	**18.522.056**	15.928.754
Work-in-progress	**5.093.441**	6.373.829
Finished goods	**11.761.464**	14.590.305
Merchandise	**49.923.917**	48.906.198
Supplies and others	**1.939.622**	1.732.498
Advances given (*)	**32.329.294**	42.288.362
Total	**119.569.794**	129.819.946

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

13. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION CONTRACTS

None (December 31, 2006: None).

14. DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities are as follows:

	March 31, 2007	December 31, 2006
Deferred tax assets	**2.062.111**	4.035.282
Deferred tax liabilities (-)	**(3.156.795)**	(3.447.753)
Net deferred tax assets	**(1.094.684)**	587.529

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

Movements in deferred tax during the period are as follows:

	Balance January 1, 2007	Credited/(charged) to income statement	**Balance March 31, 2007**
Fixed assets	(3.250.282)	551.666	**(2.698.616)**
Inventory	22.097	(15.848)	**6.249**
Carry forward tax loss (**)	3.038.500	(103.309)	**2.935.191**
Allowance for retirement pay liability	1.147.911	(176.199)	**971.712**
Financial leases	635.591	(356.659)	**278.932**
Investment incentive	11.088.259	195.709	**11.283.968**
Other	1.159.562	30.627	**1.190.189**
Net deferred tax (liability)/asset	13.841.638	125.987	**13.967.625**
Reclassification to special reserves due to change in accounting policy Note 2)	-	(31.122)	**-**
Allowance for deferred tax (*)	(13.254.109)	(1.808.200)	**(15.062.309)**
Total	587.529	(1.713.335)	**(1.094.684)**

(*) As of March 31, 2007, the Group management decided not to recognize a portion of deferred tax assets in the future based on future business plans of ABank and ALease. For this reason, TRY 15.062.309 of deferred tax assets have not been recognized in the consolidated financial statements (December 31, 2006: TRY 13.254.109).

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

	March 31, 2007	December 31, 2006
2007	**12.625.637**	12.637.500
2008	**1.000.000**	1.000.000
Total	**13.635.637**	13.637.500
Tax Rate	**20% -30%**	20% - 30%
Deferred Tax Assets	**2.935.191**	3.038.500

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

15.1 OTHER CURRENT ASSETS

	March 31, 2007	December 31, 2006
Non-Banking	**29.144.101**	22.422.274
Banking	**5.830.409**	3.022.819
Total	**34.974.510**	25.445.093

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

15.1 OTHER CURRENT ASSETS (cont'd)

Non-Banking

	March 31, 2007	December 31, 2006
Prepaid taxes	**2.598.272**	3.277.506
Prepaid expenses	**15.883.831**	11.647.956
VAT receivable	**4.919.652**	7.047.545
Other current assets	**5.742.347**	449.267
Total	**29.144.102**	22.422.274

Banking

	March 31, 2007	December 31, 2006
Prepaid expenses and transitory accounts	**4.074.909**	1.314.819
Prepaid taxes	**9.500**	6.500
VAT of leased assets	**1.111.000**	1.067.000
Receivables from insurance policies	**306.000**	398.500
Receivables from sale of investments	**329.000**	236.000
Total	**5.830.409**	3.022.819

15.2 OTHER NON-CURRENT ASSETS

	March 31, 2007	December 31, 2006
Non-Banking	**1.882.383**	1.994.398
Banking (*)	**9.859.000**	6.493.000
Total	**11.741.383**	8.487.398

(*) As of March 31, 2007, it presents TRY 1.466.000 of fixed assets that will be leased (December 31, 2006: TRY 867.500).

15.3 OTHER CURRENT LIABILITIES

	March 31, 2007	December 31, 2006
Non-Banking	**28.439.172**	27.030.232
Banking	**15.855.963**	12.625.071
Total	**44.295.135**	39.655.303

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

15.3 OTHER CURRENT LIABILITIES (cont'd)

Non-Banking

	March 31, 2007	December 31, 2006
Taxes payable other than income tax	**6.138.059**	10.349.923
Salaries and wages payable	**1.278.894**	1.399.559
Accrued expenses	**19.451.052**	14.050.371
Deferred income	**340.754**	364.539
Other payables and liabilities	**1.230.413**	865.840
Total	**28.439.172**	27.030.232

The details of the accrued expenses are as follows:

Accrued expenses	**March 31, 2007**	December 31, 2006
Warranty provisions (*)	**10.242.435**	10.228.479
Premium provisions	**2.233.489**	4.042
Label provisions	**2.177.311**	1.791.260
Dealer sales premium provision	**1.883.141**	68.261
Unused vacation provision	**2.074.212**	1.038.032
Other provisions	**840.464**	920.297
Total	**19.451.052**	14.050.371

(*) Reliable statistical information on warranty provisions is obtained as of June 30, 2006 for the first time and provision for warranties has been recognized after that date

As of March 31, 2007, other long term liability amounts to TRY 1.410.649 (December 31, 2006: TRY 1.584.938) is presented in the financial statements.

Banking

	March 31, 2007	December 31, 2006
Payment orders	**6.351.500**	5.124.000
Taxes payable (excluding income tax)	**3.454.500**	3.874.500
Transitory accounts	**454.500**	808.000
Advances from customers	**2.116.781**	1.890.500
Others	**3.478.682**	928.071
Total	**15.855.963**	12.625.071

16. FINANCIAL ASSETS

	March 31, 2007	December 31, 2006
Financial assets, available-for-sale	**6.889.899**	6.889.899
Investments	**694.663.349**	681.325.556
Joint ventures	**66.725.160**	71.393.400
Total	**768.278.408**	759.608.855

16.1 FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Ownership (%)	**March 31, 2007**	Ownership (%)	December 31, 2006
Polinas Plastik Sanayi ve Ticaret A.Ş. (Polinas)	**10,57**	**6.275.510**	10,57	6.275.510
Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	**0,48**	**94.767**	0,48	94.767
Coca Cola İçecek A.Ş.	**18,21**	**31.339**	18,21	31.339
Syrian Soft Drinks (*)	**33,96**	**411.708**	33,96	411.708
Other		**76.575**		76.575
Available for sale investments - non current		**6.889.899**		6.889.899

(*) Syrian Soft Drinks was established with 50% participation of AEH on June 22, 2006. As of March 31, 2007, the entity's financial statements are not accounted for under the equity method of accounting due to immateriality.

16.2 INVESTMENTS IN ASSOCIATES

			March 31, 2007			December 31, 2006		
Entity	Principle Activities	Country of business	**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	**694.663.150**	**36,23**	**15.312.838**	680.539.937	36,23	102.996.380
Anadolu Cetelem	Provides consumer finance services	Turkey	**199**	**33,95**	**(785.619)**	785.619	33,95	471.153
TOTAL			**694.663.349**		**14.527.219**	681.325.556		103.467.533

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

16. INVESTMENTS (cont'd)

16.2 INVESTMENTS IN ASSOCIATES (cont'd)

Summary financial statements of associates are as follows :

Anadolu Efes (Thousand TRY)	**March 31, 2007**	December 31, 2006
Total Assets	**4.081.915**	3.961.147
Total Liabilities	**2.371.860**	2.287.539
Net Assets	**1.710.055**	1.673.608
Group's interest in net assets	**694.663**	680.540
Revenues	**530.667**	1.249.605
Net Income	**39.517**	269.020
Group's share in net income	**15.313**	102.996

Anadolu Cetelem (Thousand TRY)	**March 31, 2007**	December 31, 2006
Total Assets	**89.985**	103.214
Total Liabilities	**90.368**	101.643
Net Assets	**(383)**	1.571
Group's interest in net assets	**-**	786
Revenues	**5.879**	25.816
Net Income	**(1.954)**	942
Group's share in net income	**(785)**	471

16. INVESTMENTS (cont'd)

16.3 INVESTMENTS IN JOINT VENTURE

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

			March 31, 2007			December 31, 2006		
Entity	Principle activities	Country of Business	**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	**66.725.160**	**37,15**	**460.161**	71.393.400	36,99	8.767.265
TOTAL			**66.725.160**		**460.161**	71.393.400		8.767.265

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

Company purchased 39.932 shares of Anadolu Isuzu in consideration of between TRY 12,00-12,90 price from ISE Whole Sales Market on January 16, 2007 and March 20, 2007. As a result, Group's effective Anadolu Isuzu participation rate is increased by 0,16 points. The Group's share in goodwill arising from this acquisition based on the consolidated financials of Anadolu Isuzu is TRY 279.641. This amount is followed under the carrying value of Anadolu Isuzu.

Summary financial statements of associates are as follows :

Anadolu Isuzu (Thousand TRY)	**March 31, 2007**	December 31, 2006
Total Assets	**302.210**	290.248
Total Liabilities	**126.565**	100.887
Net Assets	**176.645**	189.361
Group's interest in net assets	**66.725**	71.393
Revenues	**86.722**	401.502
Net Income	**1.217**	23.532
Group's share in net income	**460**	8.767

17. POSITIVE/NEGATIVE GOODWILL

Positive Goodwill	**March 31, 2007**	December 31, 2006
Cost	**69.051.963**	69.051.963
Accumulated depreciation	**(51.379.835)**	(51.379.835)
Net carrying amount	**17.672.128**	17.672.128

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

18. INVESTMENT PROPERTIES

	March 31, 2007	December 31, 2006
January 1	**5.109.000**	2.166.000
Disposal of investment property	**(218.000)**	(564.000)
Additions to investment properties	**551.000**	3.527.500
Provision for impairment	**(20.500)**	(20.500)
Total	**5.421.500**	5.109.000

Investment property consists of a building and parcels of land. According to a report prepared by an independent valuation firm, the fair value of such property is TRY 7.193.932 as of March 31, 2007 (December 31, 2006, TRY 6.317.934).

19. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment during the period ended as of March 31, 2007 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2007	**7.104.921**	**50.333.416**	**153.022.689**	**29.190.840**	**11.907.107**	**13.271.646**	**43.677.056**	**752.113**	**309.259.788**
Additions	11.454	8.100	2.195.987	4.455.234	324.533	-	343.439	2.246.808	9.585.555
Disposals	-	-	(3.371)	(763.276)	(8.607)	-	(315)	(604.793)	(1.380.362)
Held for sale operations	-	-	(247.198)	-	(73.644)	-	(75.000)	-	(395.842)
March 31, 2007	**7.116.375**	**50.341.516**	**154.968.107**	**32.882.798**	**12.149.389**	**13.271.646**	**43.945.180**	**2.394.128**	**317.069.139**
Accumulated depreciation									
January 1, 2007	**1.309.539**	**12.817.596**	**123.212.544**	**6.833.207**	**6.700.181**	**12.132.232**	**26.867.616**	**-**	**189.872.915**
Depreciation charge for the year	23.051	276.986	1.666.686	1.299.261	411.063	27.184	655.136	-	4.359.367
Disposals	-	-	(2.619)	(201.628)	(8.607)	-	(26)	-	(212.880)
Held for sale operations	-	(44.762)	(96.295)	(3.536)	(45.509)	-	(57.501)	-	(247.603)
March 31, 2007	**1.332.590**	**13.049.820**	**124.780.316**	**7.927.304**	**7.057.128**	**12.159.416**	**27.465.225**	**-**	**193.771.799**
Net carrying amount	**5.783.785**	**37.291.696**	**30.187.791**	**24.955.494**	**5.092.261**	**1.112.230**	**16.479.955**	**2.394.128**	**123.297.340**

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at March 31, 2007 is TRY 24.880.111. Tangible assets under financial lease are pledged against the related financial liabilities.

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

Movements of property, plant and equipment during the year ended as of December 31, 2006 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2006	6.956.684	52.799.440	156.288.653	15.654.994	27.664.066	13.344.299	44.902.966	582.882	318.193.984
Additions	226.647	6.550.139	8.924.535	16.450.967	3.763.103	161.163	4.310.228	5.899.289	46.286.071
Additions via subsidiary purchase	(66.410)	(63.693)	(8.226.707)	(2.264.596)	(1.648.837)	(233.816)	(10.138)	(5.730.058)	(18.244.255)
Disposals	(12.000)	(8.952.470)	(3.963.792)	(650.525)	(17.871.225)	-	(5.526.000)	-	(36.976.012)
December 31, 2006	7.104.921	50.333.416	153.022.689	29.190.840	11.907.107	13.271.646	43.677.056	752.113	309.259.788
Accumulated depreciation									
January 1, 2006	1.256.099	12.381.837	128.684.046	5.414.933	24.394.325	12.271.266	29.426.450	-	213.828.956
Depreciation charge for the year	85.491	1.171.581	5.386.585	3.792.628	1.190.021	94.549	2.230.875	-	13.951.730
Additions via subsidiary purchase	(32.051)	(34.545)	(7.785.371)	(1.741.399)	(1.596.293)	(233.583)	(3.210)	-	(11.426.452)
Disposals	-	(701.277)	(3.072.716)	(632.955)	(17.287.872)	-	(4.786.499)	-	(26.481.319)
December 31, 2006	1.309.539	12.817.596	123.212.544	6.833.207	6.700.181	12.132.232	26.867.616	-	189.872.915
Net carrying amount	5.795.382	37.515.820	29.810.145	22.357.633	5.206.926	1.139.414	16.809.440	752.113	119.386.873

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at December 31, 2006 is TRY 24.835.236. Tangible assets under financial lease are pledged against the related financial liabilities.

20. INTANGIBLE ASSETS

The intangible asset movement chart as of March 31, 2007 is as follows:

Cost	**Rights**	**Patents and licenses**	**Franchise**	**Other intangible assets**	**Total**
January 1, 2007	**25.199.998**	**10.677.061**	**1.051.246**	**612.102**	**37.540.407**
Additions	84.116	-	-	165.219	249.335
Disposals	-	(5.148.051)	-	-	(5.148.051)
Held for sale operations	(103.903)	-	-	-	(103.903)
March 31, 2007	**25.180.211**	**5.529.010**	**1.051.246**	**777.321**	**32.537.788**
Accumulated amortization					
January 1, 2007	**18.196.736**	**8.841.654**	**99.843**	**283.275**	**27.421.508**
Amortization charge for the year	262.033	155.495	17.000	11.143	445.671
Disposals	-	(3.616.969)	-	-	(3.616.969)
Discontinued operations	(50.903)	-	-	-	(50.903)
March 31, 2007	**18.407.866**	**5.380.180**	**116.843**	**294.418**	**24.199.307**
Net carrying amount	**6.772.345**	**148.830**	**934.403**	**482.903**	**8.338.481**

The intangible asset movement chart as of December 31, 2006 is as follows:

Cost	Rights	Patents and licenses	Franchise	Other intangible assets	Total
January 1, 2006	38.883.027	10.677.061	1.051.246	442.134	51.053.468
Additions	1.390.109	-	-	169.968	1.560.077
Additions via subsidiary purchase	(101.840)	-	-	-	(101.840)
Disposals	(14.971.298)	-	-	-	(14.971.298)
December 31, 2006	25.199.998	10.677.061	1.051.246	612.102	37.540.407
Accumulated amortization					
January 1, 2006	31.663.485	8.219.674	26.281	215.164	40.124.604
Amortization charge for the year	1.100.554	621.980	73.562	68.111	1.864.207
Additions via subsidiary purchase	(28.005)	-	-	-	(28.005)
Disposals	(14.539.298)	-	-	-	(14.539.298)
December 31, 2006	18.196.736	8.841.654	99.843	283.275	27.421.508
Net carrying amount	7.003.262	1.835.407	951.403	328.827	10.118.899

21. ADVANCES TAKEN

	March 31, 2007	December 31, 2006
Short term	**2.837.231**	2.291.152
Long term	**2.735.290**	2.319.040
Total	**5.572.521**	4.610.192

22. PENSION PLANS

None (December 31, 2006: None)

23. PROVISIONS

	March 31, 2007	December 31, 2006
Short term		
Income tax provision	**1.190.252**	102.699
Other	**409.171**	211.000
Total short term	**1.599.423**	313.699
Long term		
Provision for retirement pay	**8.463.389**	9.022.182
Other	**1.633.000**	2.557.000
Total long term	**10.096.389**	11.579.182
Total	**11.695.812**	11.892.881

Provision for Employee Termination Benefit

In accordance with the existing labour legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TRY 1.960,69 at March 31, 2007 and December 31, 2006, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

For the companies established in Turkey, as of March 31, 2007 and December 31, 2006, financial statements reflect a liability calculated using the Projected Unit Method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield on government bonds at the balance sheet date.

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

	March 31, 2007	December 31, 2006
Discount rate	**11%**	11%
Expected rates of salary/limit increases(inflation rate)	**5,71%**	5,71%

In addition, as of March 31, 2007 retirement pay liability provision was calculated as actuarial assumption considering the increase of maximum liability of TRY 1.960,69 for the related year in accordance with the inflation rate.

23. PROVISIONS (cont'd)

Retirement pay liability provision movements are as follows:

	March 31, 2007
January 1, 2007	**9.022.182**
Effect of held for sale operations	**-**
Interest cost	**248.110**
Charge for the year	**(501.448)**
Retirement pay paid	**(305.455)**
March 31, 2007	**8.463.389**

	December 31, 2006
January 1, 2006	13.472.300
Additions via subsidiary acquired	(1.983.743)
Interest cost	1.263.786
Actuarial loss	
Charge for the year	(2.243.481)
Paid	(1.486.680)
December 31, 2006	9.022.182

24. MINORITY INTEREST

Minority interest is separately classified in the financial statements.

25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION

	March 31, 2007		December 31, 2006	
	Paid-in Capital	**%**	Paid-in Capital	%
Yazıcı Families	**66.758.128**	**41,72**	16.689.532	41,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.599.952**	**33,50**	13.399.988	33,50
Publicly traded	**39.641.920**	**24,78**	9.910.480	24,78
Historical share capital	**160.000.000**	**100,00**	40.000.000	100,00
Restatement effect	**-**		68.908.781	
Total restated share capital	**160.000.000**		108.908.781	

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

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

	March 31, 2007		December 31, 2006	
	Share	**Amount**	Share	Amount
Beginning (January 1)	**40.000.000**	**40.000.000**	40.000.000	40.000.000
Issued shares				
-Inflation restatement of shareholders' equity	**120.000.000**	**120.000.000**	-	-
-Extraordinary reserves	**-**	**-**	-	-
-Income from sale of treasury stocks	**-**	**-**	-	-
Ending	**160.000.000**	**160.000.000**	40.000.000	40.000.000

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

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

The following table shows information as of March 31, 2007 with respect to the four classes of Yazıcılar shares. There have been changes in the group share information with a registration on February 2, 2007 and a declaration on February 7, 2007 via Turkish Trade Registry Gazette.

Class	Number of shares	% of capital	Number of Members on Board
A (Bearer)	87.818.037	54,89	1
B (Registered)	31.999.964	20,00	3
C (Registered)	19.235.049	12,02	1
D (Registered)	20.946.950	13,09	1
Total	**160.000.000**	**100,00**	**6**

26. CAPITAL RESERVES

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

Share Premiums	**Historical amount**	**Equity restatement differences**	**Restated amount**
March 31, 2007	**9.467.670**	**-**	**9.467.670**
December 31, 2006	9.467.525	-	9.467.525

27. PROFIT RESERVES

Legal Reserves

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

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

Based on the CMB 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.

CMB, announced the minimum dividend rate as 20% as defined in Article 5-1 of Decree No IV-27 "Dividend and Interim Dividend Regulations for Public Companies Subject to Capital Market Law" Companies Based on the decision of the General Assembly, the distribution of this minimum amount of the distributable profit can be made as cash or as bonus share or as a combination of a certain percentage of cash and bonus shares. In case the first dividend amount is less than 5% of paid/issued capital, the dividend amount can be retained instead of distribution.

In accordance with the CMB regulation dated February 25, 2005 Communiqué 7/242, when calculating the net distributable consolidated profit, the net profit of Subsidiaries that have not agreed in the general assembly to distribute dividend over the current year profits, will be deducted from the net consolidated profit.

According to the CMB communiqué XI-25, the profits of the associates, joint ventures, and affiliates, the financial statements of which are consolidated in accordance with communiqué Serial: XI No:25, should be considered during profit distribution of the parent company if dividend distribution is approved in the general assembly of such affiliates. The maximum amount of profits of affiliates that may be subject to profit distribution is the profit amount included in the consolidated financial statements of the parent company.

In accordance with the declaration of CMB dated 25 February 2005 and numbered 7/242, the companies which are subject to CMB regulations should distribute their profit stated in their financial statements prepared in accordance with CMB regulations at the minimum level set by the CMB if such minimum distributable profit is covered by the profit in the statutory financial statements. If the minimum distributable profit is not covered by the profit in the statutory financial statements, all profit in the statutory financial statements should be distributed. If the net result for the year in either of the financial statements prepared in accordance with CMB regulations or the statutory financial statements is loss, no profit distribution should be made.

For the purpose of profit distribution in accordance with related CMB regulations, items of statutory shareholders' equity such as "Share Capital, Share Premium, Legal Reserves, Other Reserves, Special Reserves, and Extraordinary Reserves" are presented at their historical amounts. The differences between the inflated and historical amounts of these items are presented in shareholders' equity as a total restatement difference.

27. PROFIT RESERVES (cont'd)

March 31, 2007	Historical amount	Equity restatement differences	Restated amount
Legal reserves	**23.764.819**	**7.959.930**	**31.724.749**
Statutory reserves	**42.856**	**356.718**	**399.574**
Extraordinary reserves	**190.041.771**	**96.852.186**	**286.893.957**
Special reserves	**14.640.370**	**16.556**	**14.656.926**

December 31, 2006	Historical Amount	Equity Restatement Differences	Restated Amount
Legal Reserves	23.764.819	59.051.149	82.815.968
Statutory Reserves	42.856	356.718	399.574
Extraordinary Reserves	190.041.771	96.852.186	286.893.957
Special Reserves	14.893.130	16.556	14.909.686

28. ACCUMULATED PROFITS

Accumulated profits are separately classified in the financial statements.

29. FOREIGN CURRENCY POSITION

Net foreign currency open position for the Group (excluding bank) as of March 31, 2007 is approximately TRY 50.832.812 (December 31, 2006: TRY 73.989.737). Net foreign currency accounts, currency units and TRY equivelents are shown below. Net foreign currency of banking group is disclosed in Note 44.6.

March 31, 2007	USD	EUR	Other	**Total**
Cash and cash equivalents	15.216.752	38.819.015	82.385	**54.118.152**
Trade receivables	1.468.180	576.272	45.424	**2.089.876**
Other non-current assets	207.007	11.824	-	**218.831**
Trade payables	(6.762.571)	(1.872.115)	2.120.727	**(6.513.959)**
Financial borrowings	(33.112.743)	(64.658.339)	-	**(97.771.082)**
Finance lease payables	(2.974.630)	-	-	**(2.974.630)**
Net Foreign Currency Open Position	**(25.958.005)**	**(27.123.343)**	**2.248.536**	**(50.832.812)**

30. GOVERNMENT INCENTIVES AND GRANTS

None

31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Non-Banking

Letters of guarantee given to suppliers, and custom offices are TRY 7.787.921 (December 31, 2006: TRY 7.712.287).

Collaterals given to banks for the loans of associates and other related parties are TRY 7.044.112 (December 31, 2006: TRY 7.044.112).

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

Non-Banking (cont'd)

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRY 7.531.051 (December 31, 2006: TRY 7.540.266).

Total letter of credits amount to TRY 1.194.366 (December 31, 2006: TRY 1.194.366).

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

The Group's guarantee, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRY 48.741.125, TRY 1.646.631, TRY 12.358.018 and TRY 275.150 respectively.

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

Banking

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

	March 31, 2007	December 31, 2006
Letters of guarantees		
- issued by ABank	**411.957.551**	374.373.053
Letters of credit	**90.620.000**	79.860.173
Acceptance credits	**16.094.500**	9.671.000
Other	**4.423.500**	4.783.500
Total non-cash loans	**523.095.551**	468.687.726
Other commitments (*)	**421.551.000**	200.090.000
Total	**944.646.551**	668.777.726

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

As of March 31, 2007, ALease obtained letters of guarantee amounting to TRY 73.500 (December 31, 2006: None).

Blocked Assets

As of March 31, 2007, the nominal values of the TRY denominated assets held by the Group in fiduciary, agency or custodian capacities amounted to TRY 63.609.500 (December 31, 2006: TRY 115.649.500) and foreign currency denominated assets amounted to TRY 19.190.000 (December 31, 2006: TRY 20.542.000).

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

Banking (cont'd)

Litigation

Damages claimed in the suits filed against the Group amount to TRY 304.000 (December 31, 2006: TRY 59.500), as of March 31, 2007. These mainly include matters relating to personal claims of customers and former employees of ABank. Although the outcome of these matters can not always be ascertained with precision, the Management, based on professional advice and also considering ABank's insurance coverage believes that no material liabilities are likely to result. Consequently, no provision has been provided for.

Other

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

32. BUSINESS COMBINATIONS

None.

33. SEGMENTAL INFORMATION

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

Thousand TRY March 31, 2007	Financial institutions	Automotive	Writing instruments and stationery	Food	Other	Unallocated	Elimination	Consolidated	Held for sale operations	Continuing operations
Sales to third-parties	39.786	97.110	18.754	63.548	11.052	2.395	-	232.645	(19.504)	213.141
Inter-segment sales	(698)	9.408	522	200	1.612	1.413	(12.457)	-	-	-
Total Sales	**39.088**	**106.518**	**19.276**	**63.748**	**12.664**	**3.808**	**(12.457)**	**232.645**	**(19.504)**	**213.141**
Gross Operating Income	**39.088**	**22.029**	**9.981**	**7.036**	**2.509**	**3.808**	**(941)**	**83.510**	**(19.504)**	**64.006**
Net Operating Income	**27.416**	**3.345**	**5.506**	**(1.167)**	**1.212**	**(1.145)**	**(941)**	**34.226**	**(13.668)**	**20.558**
Other income (*)	3.426	4.706	589	1.560	177	19.660	-	30.118	(2.156)	27.962
Other expense (**)	(1.605)	(1.616)	(1.857)	(2.432)	(346)	(1.062)	-	(8.918)	842	(8.076)
Finance expense	(3.257)	(3.015)	(488)	(399)	(239)	(702)	-	(8.100)	1.961	(6.139)
Income tax expense	(4.692)	(123)	(528)	-	(187)	(536)	-	(6.066)	2.346	(3.720)
Minority expense	(1.567)	(78)	-	-	-	(11.525)	-	(13.170)	-	(13.170)
Net Period Income	**19.721**	**3.219**	**3.222**	**(2.438)**	**617**	**4.690**	**(941)**	**28.090**	**(10.675)**	**17.415**
Total Assets	1.042.293	269.741	59.648	149.321	6.240	1.412.259	(573.487)	2.366.015	1.065.813	3.431.828
Total Liabilities	921.499	148.111	17.686	30.479	10.147	40.924	-	1.168.846	917.291	2.086.137
Fixed asset purchases	999	4.912	255	3.075	566	28	-	9.835	-	9.835
Depreciation and amortization	507	1.996	392	1.534	118	258	-	4.805	-	4.805

(*) Income recognized due to equity pick up adjustment from Anadolu Efes and Anadolu Isuzu that amounts for KTRY 15.773 recorded to other income in unallocated segment.

(**) Expense recognized due to equity pick up adjustment from Anadolu Cetelem that amounts for KTRY 785 recorded to other income in unallocated segment.

33. SEGMENTAL INFORMATION (cont'd)

Thousand TRY March 31, 2006	Financial institutions	Automotive	Writing materials and stationery	Food	Other	Unallocated	Elimination	Consolidated	Held for sale operations	Continuing operations
Sales to third-parties	27.341	151.163	14.022	50.275	6.465	2.172	-	251.438	(13.670)	237.768
Inter-segment sales	(50)	-	2.410	-	1.270	655	(4.285)	-	-	-
Total Sales	27.291	151.163	16.432	50.275	7.735	2.827	(4.285)	251.438	(13.670)	237.768
Gross Operating Income	27.291	33.408	7.781	4.502	1.691	2.827	(4.285)	73.215	(13.670)	59.545
Net Operating Income	13.601	15.470	6.790	(1.739)	568	(193)	(4.285)	30.212	(6.826)	23.386
Other income (*)	5.252	3.582	183	568	92	15.195	-	24.872	(2.219)	22.653
Other expense (**)	81	(3.125)	(800)	(478)	(23)	(2.839)	-	(7.184)	319	(6.865)
Finance expense	(2.459)	(1.725)	(735)	(336)	(12)	(1.028)	-	(6.295)	1.230	(5.065)
Income tax expense	(2.086)	(4.619)	(712)	-	(292)	31	-	(7.678)	1.043	(6.635)
Minority expense	(1.599)	385	-	-	-	(8.972)	-	(10.186)	-	(10.186)
Net Period Income	12.790	9.968	4.726	(1.985)	333	2.194	(4.285)	23.741	(6.453)	17.288
Total Assets	1.757.625	201.605	52.042	149.408	11.566	1.279.084	(597.024)	2.854.306	-	2.854.306
Total Liabilities	1.535.847	89.933	19.806	26.098	8.815	39.805	-	1.720.304	-	1.720.304
Fixed asset purchases	163	2.912	2.485	3.859	6	20	-	9.445	-	9.445
Depreciation and amortization	494	1.796	377	3.109	47	209	-	6.032	-	6.032

(*) Income recognized due to equity pick up adjustment from Anadolu Efes and Anadolu Isuzu that amounts for KTRY 10.790 recorded to other income in unallocated segment.

(**) Expense recognized due to equity pick up adjustment from Anadolu Cetelem that amounts for KTRY 314 recorded to other income in unallocated segment.

33. SEGMENTAL INFORMATION (cont'd)

Geographical Segments

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

Investment in associates and joint ventures: Company's effective participation rate for Anadolu Efes is 36,23% (December 31, 2006: 36,23%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and bottling of soft drinks under Coca Cola trademark principally in Turkey, East Europe and Middle Asia. The result of these operations, as of March 31, 2007 and March 31, 2006 are reflected in "other income and expenses" line of the consolidated income statement as TRY 15.312.838 and TRY 9.181.096 respectively.

34. SUBSEQUENT EVENTS

According to its board decision dated March 12, 2007, AEH decided to sell its 50% stake in Syrian Soft Drinks to Efes Invest Holland B.V, for a total cash consideration of TRY 411.000. The transfer of shares has been finalized as of April 25, 2007.

Anadolu Alpha Gayrimenkul Ticaret A.Ş., (Anadolu Alpha) was established with the participation of AEH, Anadolu Motor, Çelik Motor and ABH, with paid-in-capital of TRY 50.000. The establishment of Anadolu Alpha has been registered on April 2, 2007 and announced on Turkish Trade Registry Gazette dated April 12, 2007 and numbered 6786. The ownership structure of the Anadolu Alpha is as follows:

	April 6, 2007 Paid-in capital - TRY	%
AEH	20.000	40
Anadolu Motor	3.000	6
Çelik Motor	1.000	2
ABH	1.000	2
Alpha Bank A.E.	25.000	50
Total	**50.000**	**100**

AEH purchased 156.953 Abank shares, at per share price of TRY 2,43, for a total cash consideration of TRY 381.396 on April 30, 2007. As a result, Group's effective participation rate in Abank increased to 61,54%, up by 0,06 points.

During board meetings of AEH, Çelik Motor ve Anadolu Motor, dated May 1, 2007, it was decided that
- Abank and Alease shares and various real estate owned by AEH, Çelik Motor and Anadolu Motor will be split, through being placed as capital-in-kind into Anadolu Alpha with their registered values,
- the related contract covering the split will be prepared,
- the split will be based on financial statements as April 29,2007,
- and the necessary applications the regulatory bodies will be made in regard of the split process.

Following the completion of the split, remaining Abank and Alease shares owned by AEH will be sold to Anadolu Alpha an cash basis.

34. BİLANÇO TARİHİNDEN SONRAKİ OLAYLAR (devamı)

According to its board decision dated, May 10, 2007, AEH decided to form a consortium with Polinas Plastik San. ve Tic. A.Ş. and Yıldız Holding A.Ş. in order to take part in the privatization tender of Petkim Petrokimya Holding A.Ş through block sale of 51% stake. AEH will have 12% share in the consortium to be established and the management of AH has been authorized fully to carry out all tranactions in relation with the above-mentioned tender process.

Anadolu Isuzu increased its paid-in capital from TRY 16.946.471 to TRY 25.419.707, through the use of internal funds. The capital has been registered on April 27, 2007 and announced on the Turkish Trade Registry Gazette dated May 2, 2007 and numbered 6799

35. DISCONTINUED OPERATIONS

Held for Sale Operations

The Company's subsidiaries; AEH, Çelik Motor, Anadolu Motor, and its associate; Efes Pazarlama ve Dağıtım A.Ş. signed a share purchase agreement dated November 23, 2006 with Alpha Bank A.E. (Alpha Bank) to establish a joint venture company, subject to the condition that both parties having 50% share and equal representation in management.

Because control is anticipated to be 50% in the new company to be established, and criteria stated in IFRS 5, "Assets Held for Sale and Discontinued Operations" were fulfilled as of the balance sheet date; 50% of the real estate that are going to be assigned to the company to be established, ABank and ALease are reclassified as held for sale operations in consolidated financial statements as of March 31, 2007.

Due to the fact that the net book values of all assets and liabilities related to held for sale operations as of 31 March, 2007 are lower than the amount to be acquired from the sale transaction, there is no impairment which should be stated in these consolidated financial statements.

As of the release date of this report, "Turkish Competition Authority" communicated that the related transaction is approved in its letter dated March 13, 2007 and No:B.50.REK.0.08.00/120/194. Moreover, due diligence process of ABank is completed and the parties agreed that revision of the purchase price is not necessary. Share transfers are pending for legal approvals.

35. DISCONTINUED OPERATIONS (cont'd)

Held for sale operations (cont'd)

Total assets and liabilities related to held for sale operations are shown as one line as "Assets of Held for Sale Operations" and "Liabilities of Held for Sale Operations" in the consolidated balance sheet as of March 31, 2007 and December 31, 2006. Details of these items as of March 31, 2007 and December 31, 2006 are as follows:

	March 31, 2007	**December 31, 2006**
Current Assets	**799.988.736**	862.605.411
Cash and Cash Equivalents	45.303.743	192.073.101
Marketable Securities (net)	10.580.000	13.255.744
Reserve Deposits at Central Bank	36.304.500	30.644.000
Banking Loans (net)	653.108.367	577.363.395
Trade Receivables (net)	-	(200)
Lease Receivables (net)	47.739.000	45.207.286
Derivative financial instruments – Assets	1.972.500	1.844.500
Due From Related Parties (net)	(851.374)	(805.234)
Other Receivables (net)	5.832.000	3.022.819
Non-Current Assets	**265.824.435**	237.079.750
Marketable Securities (net)	66.347.000	50.376.256
Banking Loans (net)	105.470.115	95.023.962
Lease Receivables (net)	46.178.761	45.954.208
Derivative Financial Instruments – Assets	2.085.000	1.515.500
Positive/Negative Goodwill (net)	17.672.128	17.672.128
Investment Property (net)	5.421.500	5.109.000
Property, Plant and Equipment (net)	2.436.500	10.494.693
Intangible Assets (net)	8.691.431	432.003
Deferred Tax Assets	1.663.000	4.009.000
Other Non-Current Assets	9.859.000	6.493.000
Assets of Held for Sale Operations	**1.065.813.171**	1.099.685.161
Current Liabilities	**772.718.840**	820.796.883
Short-Term Borrowings (net)	(1.722.621)	(493.780)
Current Portion of Long-Term Borrowings (net)	(1.085.011)	(920.825)
Trade Payables (net)	2.085.500	1.748.500
Deposits	522.396.342	551.412.100
Funds Borrowed	208.821.000	230.363.000
Blocked Accounts	16.477.667	19.826.000
Derivative Financial Instruments – Assets	-	(3.681)
Provisions	232.000	211.000
Derivative Financial Instruments – Liabilities	9.658.000	6.029.500
Other Liabilities (net)	15.855.963	12.625.069
Non-Current Liabilities	**144.572.115**	140.235.460
Financial Liabilities (net)	(1.401.385)	(1.579.038)
Deposits	-	8.500
Funds Borrowed	142.133.500	136.733.998
Provisions	2.498.500	3.523.500
Other Liabilities (net)	1.341.500	1.548.500
Liabilities of Held for Sale Operations	**917.290.955**	961.032.343

35. DISCONTINUED OPERATIONS (cont'd)

Income and loss related to held for sale operations are shown as one line as 'Income from Held for Sale Operations' in the consolidated income statement as of March, 31 2007 and March, 31 2006. Details of these lines are as follows:

	March 31, 2007	March 31, 2006
Sales Revenue (net)	**(126.342)**	-
Interest Income (net)	**19.893.007**	13.669.877
Service Revenue (net)	**(262.565)**	-
Operating Expenses (-)	**(5.835.897)**	(6.843.547)
Other Income	**2.155.500**	2.219.184
Other Expense (-)	**(841.988)**	(319.612)
Finance Expense (-)	**(1.960.903)**	(1.229.500)
Taxes	**(2.346.000)**	(1.043.000)
Total	**10.674.812**	6.453.402

Summary cash flow of held for sale operations for the periods ended, March 31, 2007 and March 31, 2006 is as follows:

	March 31, 2007	March 31, 2006
Net cash (used in) by operating activities	**(95.986.136)**	(18.896.021)
Net cash provided by investing activities	**10.694.500**	24.736.743
Net cash provided by financing activities	**108.001.100**	16.909.195
Total	**22.709.464**	22.749.917

36. OPERATING INCOME

GROSS OPERATING PROFIT	March 31, 2007	March 31, 2006
Non-banking	**44.113.198**	45.876.182
Revenue net off cost of sales	**37.440.244**	41.162.526
Service Income (*)	**6.672.954**	4.713.656
Banking – net interest and banking service income	**19.893.007**	13.669.877
Total	**64.006.205**	59.546.059

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

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

	March 31, 2007	March 31, 2006
Depreciation of tangibles and amortization of intangibles		
Cost of sales	**1.368.478**	3.427.296
General administrative expenses	**2.996.180**	2.495.878
Selling and marketing expenses	**440.380**	109.407
Total	**4.805.038**	6.032.581

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

	March 31, 2007	March 31, 2006
Personnel expenses		
Cost of sales	**10.797.214**	8.905.240
General administrative expenses	**20.996.338**	20.027.308
Selling and marketing expenses	**2.184.347**	1.964.385
Total	**33.977.899**	30.896.933

37. OPERATING EXPENSES

	March 31, 2007	March 31, 2006
Non-banking	**36.503.659**	29.317.032
Banking	**6.944.312**	6.843.548
Total	**43.447.971**	36.160.580

Non-Banking

	March 31, 2007	March 31, 2006
General administrative expenses	**18.129.063**	16.931.073
Selling and marketing expenses	**18.312.562**	12.385.959
Research and development expenses	**62.034**	-
Total	**36.503.659**	29.317.032

37. OPERATING EXPENSES (cont'd)

Banking

	March 31, 2007	March 31, 2006
General administrative expenses	**4.982.812**	6.012.548
Foreign currency losses, net	**1.961.500**	831.000
Total	**6.944.312**	6.843.548

38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS

38.1 OTHER OPERATING INCOME AND GAIN

	March 31, 2007	March 31, 2006
Income from associates	**15.772.998**	10.789.932
Gains from capital market transactions	**418.500**	2.487.000
Foreign exchange gain	**3.493.388**	1.615.003
Dividend income	**-**	6.674
Interest income	**2.914.810**	3.381.198
Gain on sale of property, plant and equipment	**343.334**	274.805
Transportation income	**323.108**	542.233
After sales service income	**1.231.158**	823.235
Commission income	**676.209**	298.021
Distributor contribution share	**306.630**	413.000
Income from sales of marketable securities	**56.057**	7
Other income	**2.425.289**	2.022.228
Total	**27.961.481**	22.653.336

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

38.2 OTHER OPERATING EXPENSE AND LOSS

	March 31, 2007	March 31, 2006
Foreign exchange loss	**2.429.165**	1.703.440
Donation	**315.000**	751.500
Losses from associates	**785.619**	314.467
Discount interest expense	**1.583.832**	1.001.002
Subordinated loan	**-**	1.375.742
Losses on sale of property, plant and equipment	**2.016.767**	50.674
Other expenses	**945.615**	1.667.916
Total	**8.075.998**	6.864.741

39. FINANCE EXPENSES

	March 31, 2007	March 31, 2006
Interest expenses	**5.244.635**	3.121.383
Foreign exchange loss	**400.706**	1.693.368
Other expenses	**493.174**	250.582
Total	**6.138.515**	5.065.333

40. MONETARY GAIN/LOSS

The CMB has ceased the application of inflation accounting as of January 1, 2005. Therefore there is no monetary gain or loss recognized in the consolidated income statement for the six month periods ended March 31, 2007 and March 31, 2006.

41. TAXATION

	March 31, 2007	March 31, 2006
Current tax expense	**2.006.300**	5.776.367
Deferred tax expense	**1.713.335**	858.183
Total	**3.719.635**	6.634.550

Corporate Tax

The Company and its subsidiaries operating in Turkey are subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group's results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The effective tax rates are %20 except for ALease is in 2007 (2006: 20%). Management of ALease has selected to use 30% as corporate income tax rate in order to benefit from investment incentives (2006: 30%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20% for 2007 (2006: 20%).

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. However, losses occurred cannot be deducted from the profit occurred in the prior years retroactively.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between April 1 and 25 following the close of the accounting year to which they relate. Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

41. TAXATION (cont'd)

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from April 24, 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from June 21, 2006. However until the resolution of council of ministers, it was used as 10%. After the resolution, declared in official journal in July 23, 2006, this rate is changed to 15% commencing from July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

Withholding tax at the rate of 19,8% is still applied to investment allowances relating to investment incentive certificates obtained prior to April 24, 2003. Subsequent to this date, companies can deduct 40% of the investments within the scope of the investment incentive certificate and that are directly related to production facilities of the company. The investments without investment incentive certificates do not qualify for tax allowance.

Investment incentive certificates are revoked commencing from January 1, 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of December 31, 2005 so as to be deducted from taxable income of subsequent profitable years. However the companies can deduct the carried forward outstanding allowance from 2007 and 2008 taxable income. The investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years.

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2007 and 2008 is 30%. If the Group cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

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

Adjusted Tax Calculations According to Inflation

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

42. EARNING PER SHARE

	March 31, 2007	March 31, 2006
Net profit of the year from continuing operation	**17.414.783**	17.287.992
Net profit of the year from held for sale operation	**10.674.812**	6.453.402
Weighted average number of shares	**160.000.000**	160.000.000
Earnings per share from continuing operations	**0,1088**	0,1080
Earnings per share from held for sale operations	**0,0667**	0,0404

As explained in detail in Note 25, the Company's share capital has been increased by TRY 120.000.000 to TRY 160.000.000 from equity reserves. Therefore, increased number of shares has been taken into consideration in earnings per share calculation for the current period and prior period presented.

43. CASH FLOW STATEMENT

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

44. OTHER ISSSUES

44.1 RESERVE DEPOSITS AT CENTRAL BANK

	March 31, 2007	December 31, 2006
Reserve Deposits at Central Bank		
- New Turkish Lira	**636.000**	644.500
- Foreign Currency	**35.668.500**	29.999.500
Total	**36.304.500**	30.644.000

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, 2007 and December 31, 2006, reserve deposit rates applicable for the TRY and foreign currency deposits are 11,00% and 6,00% respectively.

As of March 31, 2007, the interest rates applied for TRY and foreign currency reserve deposits are 13,12% and 2,52% (December 31, 2006: 13,12% and 2,52%) respectively.

44.2 BANKING LOANS

	March 31, 2007						
	Amount				Effective interest rate		
	TRY	Foreign currency	Foreign currency indexed	Total	TRY	Foreign currency	Foreign currency indexed
Corporate loans (*)	**422.560.089**	**136.637.893**	**193.578.000**	**752.775.982**	**24,56%**	**7,66%**	**8,16%**
Consumer loans	**7.956.500**	**-**	**307.000**	**8.263.500**	**20,98%**	**-**	**8,64%**
Total performing loans	**430.516.589**	**136.637.893**	**193.885.000**	**761.039.482**			
Loans in arrears	**18.181.500**	**-**	**-**	**18.181.500**	**-**	**-**	**-**
Less: Reserve for possible loan losses	**(20.642.500)**	**-**	**-**	**(20.642.500)**	**-**	**-**	**-**
Total	**428.055.589**	**136.637.893**	**193.885.000**	**758.578.482**			

	December 31, 2006						
	Amount				Effective interest rate		
	TRY	Foreign currency	Foreign currency indexed	Total	TRY	Foreign currency	Foreign currency indexed
Corporate loans (*)	374.033.720	132.266.637	157.793.500	664.093.857	24,7%	7,7%	8,1%
Consumer loans	9.180.000	-	1.032.000	10.212.000	21,1%	-	7,6%
Total performing loans	383.213.720	132.266.637	158.825.500	674.305.857			
Loans in arrears	19.025.000	-	-	19.025.000	-	-	-
Less: Reserve for possible loan losses	(20.943.500)	-	-	(20.943.500)	-	-	-
Total	381.295.220	132.266.637	158.825.500	672.387.357			

(*) Corporate loans include restructured loans which amount to TRY 2.701.000 (December 31, 2006: TRY 3.237.000).

44.2 BANKING LOANS cont'd)

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

	March 31, 2007	December 31, 2006
Reserve at beginning of year	**20.943.500**	31.387.000
Effect of held for sale operations	**-**	(15.693.500)
Provision for possible loan losses	**461.959**	11.374.000
Collections	**(728.618)**	(5.871.500)
Loans written off and sold during the year	**(34.341)**	(252.500)
Reserve at the end of year	**20.642.500**	20.943.500

ABank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of March 31, 2007 interest accrued on the restructured loans amounted to TRY 988.500 (December 31, 2006: TRY 1.206.000).

Provision for doubtful loans includes TRY 4.610.500 (December 31, 2006: TRY 4.730.500) provided on a portfolio basis as of March 31, 2007.

As of March 31, 2007, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRY 18.181.500 (December 31, 2006: TRY 19.025.000).

The TRY 653.108.367 amount of 'Banking Loans' covers (December 31, 2006: TRY 577.363.396) current loans and TRY 105.470.115 amount covers (December 31, 2006: TRY 95.023.961) non-current loans.

44.3 DEPOSITS

Deposits from other banks

	March 31, 2007				December 31, 2006			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRY	**Foreign currency**	**TRY**	**Foreign currency**	TRY	Foreign currency	TRY	Foreign currency
Demand	**21.500**	**3.714.000**	**-**	**-**	25.000	16.500	-	-
Time	**518.735**	**11.439.000**	**19,20%**	**5,42%**	3.020.500	-	18,54%	-
Total	**540.235**	**15.153.000**			3.045.500	16.500		

Customer deposits

	March 31, 2007				December 31, 2006			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRY	**Foreign currency**	**TRY**	**Foreign currency**	TRY	Foreign currency	TRY	Foreign currency
Saving								
Demand	**4.583.000**	**10.402.0**	**-**	**-**	4.358.000	11.087.000	-	-
Time	**159.041.000**	**130.152.5**	**19,28%**	**4,85%**	183.167.500	144.167.000	20,64%	5,20%
Total	**163.624.000**	**140.554.5**			187.525.500	155.254.000		
Commercial and other								
Demand	**17.853.075**	**26.310.5**	**-**	**-**	15.683.289	27.685.068	-	-
Time	**83.821.296**	**52.771.7**	**18,26%**	**4,14%**	84.363.911	66.005.334	18,89%	4,56%
Total	**101.674.371**	**79.082.2**			100.047.200	93.690.402		
Total	**265.298.371**	**219.636.73**			287.572.700	248.944.402		

44.3 DEPOSITS (cont'd)

Other money market deposits

	March 31, 2007				December 31, 2006			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign Currency	TRY	Foreign currency
Obligations under repurchase agreements:								
-Due to customers	**4.297.500**	**-**	**16,02%**	**-**	4.640.500	-	16,73%	-
-Due to banks	**11.621.000**	**-**	**17,84%**	**-**	482.000	-	16,65%	-
	15.918.500	**-**			5.122.500	-		
Inter-bank deposits	**5.849.500**	**-**	**17,84%**	**-**	6.719.000	-	18,03%	-
Other money market deposits	**-**	**-**	**-**	**-**		-	-	-
Total	**21.768.000**	**-**			11.841.500	-		

The TRY 522.396.342 amount of 'Deposits' covers current loans and there is not any long term loans. (December 31, 2006: TRY 551.412.102, TRY 8.500)

44.4 FUNDS BORROWED

	March 31, 2007				December 31, 2006			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Short-term	**23.763.814**	**185.057.186**			23.210.874	207.152.127		
Fixed interest	**23.763.814**	**80.210.218**	**14,30%-23,05%**	**4,82%-7,30%**	23.210.874	104.387.748	13,72-23,05%	4,82%-7,30%
Floating interest	**-**	**104.846.968**	**-**	**4,93%-7,37%**	-	102.764.379	-	4,93%-7,37%
Medium-long term	**1.154.447**	**140.979.053**			1.093.162	135.640.839		
Fixed interest	**1.154.447**	**8.336.000**	**23,80%**	**5,92%**	1.093.162	2.847.000	23,80%	6,51%
Floating interest	**-**	**132.643.053**	**-**	**5,23%-7,68%**	-	132.793.839	-	5,15%-7,91%
Total	**24.918.261**	**326.036.239**			24.304.036	342.792.966		
Total funds borrowed	**350.954.500**				367.097.002			

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

	March 31, 2007		December 31, 2006	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2007	**1.390.500**	**-**	691.500	-
2008	**8.099.946**	**100.924.977**	3.248.662	104.921.163
2009	**-**	**4.303.154**	-	3.211.561
2010	**-**	**3.380.423**	-	3.211.561
2011	**-**	**1.999.213**	-	1.798.704
2012	**-**	**22.035.287**	-	19.366.350
Later	**-**	**-**	-	284.500
Total	**9.490.446**	**132.643.054**	3.940.162	132.793.839

44.4 FUNDS BORROWED (cont'd)

Letters of guarantee denominated in foreign currency, TRY equivalent of which amounts to TRY 1.862.532 (December 31, 2006: TRY 1.901.000) were given to the lending institutions as collateral against the loans obtained.

As of March 31, 2007 TRY 1.410.887 (December 31, 2006: None) is borrowed by issuing promissory note to the related bank.

TRY amount of 208.821.000 'Funds Borrowed' covers (December 31, 2006: TRY 230.363.001) current deposits and TRY 142.133.500 amount covers (December 31, 2006: TRY 136.734.001) non-current deposits.

44.5 DERIVATIVES

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

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

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, 2007								
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	1.619.500	104.000	73.339.000	38.642.000	18.115.500	13.171.500	3.410.000	-	-
Forward sale contract	-	139.500	70.907.500	38.186.500	16.948.000	12.590.500	3.182.500	-	-
Currency swap purchase	-	129.500	136.467.000	32.994.000	13.861.000	75.750.500	13.861.500	-	-
Currency swap sale	-	8.557.500	150.317.500	33.043.000	15.223.000	85.581.500	16.470.000	-	-
Futures purchase	17.500	419.000	46.913.500	-	46.913.500	-	-	-	-
Futures sale	-	-	47.314.500	-	47.314.500	-	-	-	-
Futures interest purchase	-	-	-	-	-	-	-	-	-
Futures interest sale	27.500	-	4.158.500	-	4.158.500	-	-	-	-
Option purchase	23.000	285.000	39.155.000	30.254.500	6.197.000	1.110.500	1.593.000	-	-
Option sale	285.000	23.500	39.139.000	30.238.500	6.197.500	1.110.500	1.593.000	-	-
Interest Swap Purchase	94.000	-	13.861.000	-	-	-	-	13.861.000	-
Interest Swap Sale	1.991.000	-	13.190.000	-	-	-	-	13.190.000	-
Total	**4.057.500**	**9.658.000**	**634.763.000**	**203.358.500**	**174.928.500**	**189.315.000**	**40.110.000**	**27.051.000**	**-**

44.5 DERIVATIVES (cont'd)

	December 31, 2006								
	Fair value assets	Fair value liabilities	Notional amount in New Turkish Lira equivalent	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Derivatives held for trading									
Forward purchase contract	1.210.000	18.000	36.292.500	8.622.500	14.095.000	8.678.000	4.897.000	-	-
Forward sale contract	-	90.000	33.950.000	8.243.000	13.146.500	8.017.500	4.543.000	-	-
Currency swap purchase	134.000	204.500	313.475.000	249.770.500	24.844.000	14.131.000	24.729.500	-	-
Currency swap sale	-	4.903.500	321.672.500	249.825.500	26.554.000	15.224.000	30.069.000	-	-
Futures purchase	-	275.500	9.110.000	-	9.110.000	-	-	-	-
Futures sale	-	-	9.385.500	-	9.385.500	-	-	-	-
Futures interest purchase	-	-	-	-	-	-	-	-	-
Futures interest sale	-	-	-	-	-	-	-	-	-
Option purchase	150.500	360.000	81.046.500	42.381.000	30.785.500	6.760.500	1.119.500	-	-
Option sale	349.500	178.000	81.297.000	42.622.500	30.792.000	6.763.000	1.119.500	-	-
Sswap purchase	74.500	-	14.131.000	-	-	-	-	14.131.000	-
Swap sale	1.441.500	-	13.190.000	-	-	-	-	13.190.000	-
Total	3.360.000	6.029.500	913.550.000	601.465.000	158.712.500	59.574.000	66.477.500	27.321.000	-

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.

44.6 FINANCIAL INSTRUMENTS (cont'd)

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

	March 31, 2007		December 31, 2006	
	Cash	**Non-cash**	Cash	Non-cash
Automotive	**24.989.000**	**30.770.397**	27.343.935	29.993.226
Chemical	**17.055.000**	**15.536.500**	17.865.500	13.866.500
Construction	**90.832.000**	**111.579.000**	90.782.500	80.408.000
Electrics and electronics	**7.897.000**	**15.273.500**	5.989.000	5.016.000
Finance	**29.364.500**	**45.767.500**	32.215.000	45.410.000
Food and beverage	**59.089.693**	**57.192.013**	57.143.922	59.288.291
Forest products and agriculture	**17.799.000**	**5.066.500**	11.028.500	5.259.000
Iron and steel, non-metal	**39.376.500**	**27.354.500**	32.270.000	27.768.500
Machinery	**29.544.000**	**15.139.500**	24.111.000	12.205.000
Mining	**8.351.000**	**6.512.000**	9.480.000	3.433.500
Paper	**5.027.000**	**2.806.500**	4.271.500	3.176.500
Petroleum	**5.045.000**	**2.298.500**	2.248.000	2.286.500
Production	**43.292.000**	**23.986.000**	32.345.500	17.752.500
Textile	**90.502.500**	**18.030.500**	83.540.500	18.963.000
Tourism	**21.633.789**	**3.825.389**	15.450.500	3.726.889
Trade	**172.055.500**	**95.634.500**	130.662.500	97.905.500
Transportation	**32.046.000**	**12.694.500**	27.550.500	12.354.500
Others	**48.411.000**	**33.628.252**	49.010.500	29.874.320
Corporate loans	**742.310.482**	**523.095.551**	653.308.857	468.687.726
Consumer loans	**8.230.000**	**-**	10.170.000	-
Interest accruals	**10.500.000**	**-**	10.827.000	-
Loans in arrears	**18.180.500**	**-**	19.025.000	-
Provision for possible losses	**(20.642.500)**	**-**	(20.943.500)	-
Total	**758.578.482**	**523.095.551**	672.387.357	468.687.726

44.6 FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

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

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

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

Thousands TRY	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
As at March 31, 2007						
Assets						
Cash and balances with the Central Bank	88.369	-	-	-	-	88.369
Deposits with banks and other financial	14.268	-	-	-	-	14.268
Other money market placements	14.314	-	-	-	-	14.314
Reserve deposits at the Central Bank	72.609	-	-	-	-	72.609
Trading securities	17.448	355	29	3.059	4.403	25.294
Investment securities	-	42	218	10	128.290	128.560
Originated loans and advances	494.420	348.233	266.746	202.433	213.743	1.525.575
Leasing receivables	23.151	14.332	20.258	37.737	92.358	187.836
Derivative financial instruments	1.391	1.656	721	177	4.170	8.115
Associates	-	-	-	-	188	188
Assets held for resale	-	-	-	-	10.843	10.843
Tangible assets	-	-	-	-	4.873	4.873
Intangible assets	-	-	-	-	970	970
Deferred tax assets	-	-	-	-	3.326	3.326
Other assets	14.195	43	81	277	16.785	31.381
Total Assets	**740.165**	**364.661**	**288.053**	**243.693**	**479.949**	**2.116.521**
Liabilities						
Deposits from other banks	30.349	-	1.032	-	-	31.381
Customers' deposits	903.433	70.368	22.130	289	-	996.220
Other money market deposits	43.537	-	-	-	-	43.537
Funds borrowed	18.156	45.215	80.525	286.174	271.837	701.907
Derivative financial instruments	868	3.080	13.166	2.202	-	19.316
Other liabilities and provisions	70.626	-	-	-	8.077	78.703
Income taxes payable	-	-	-	-	-	-
Total Liabilities	**1.066.969**	**118.663**	**116.853**	**288.665**	**279.914**	**1.871.064**
Net liquidity gap	**(326.804)**	**245.998**	**171.200**	**(44.972)**	**200.035**	**245.457**
As at December 31, 2006						
Total assets	465.147	190.425	131.780	100.256	216.403	1.104.011
Total liabilities	573.507	74.363	34.132	169.497	139.692	991.191
Net liquidity gap	(108.360)	116.062	97.648	(69.241)	76.711	112.820

44.6 FINANCIAL INSTRUMENTS (cont'd)

Market Risk

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

Currency Risk

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

44.6 FINANCIAL INSTRUMENTS (cont'd)

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

Thousands TRY	New Turkish Lira	US Dollars	EUR	Japanese Yen	Others	Total
As at March 31, 2007						
Assets						
Cash and balances with the Central Bank	33.849	41.169	13.192	-	159	88.369
Deposits with banks and other financial institutions	1.465	10.665	2.050	-	88	14.268
Other money market placements	14.314	-	-	-	-	14.314
Reserve deposits at the Central Bank	1.272	71.337	-	-	-	72.609
Trading securities	25.294	-	-	-	-	25.294
Investment securities	100.741	27.819	-	-	-	128.560
Originated loans and advances	859.484	330.689	335.323	-	79	1.525.575
Minimum lease payments receivable	42.231	58.110	87.495	-	-	187.836
Derivative financial instruments	8.115	-	-	-	-	8.115
Investments	188	-	-	-	-	188
Assets held for resale	10.843	-	-	-	-	10.843
Tangible assets	4.873	-	-	-	-	4.873
Intangible assets	970	-	-	-	-	970
Deferred tax assets	3.326	-	-	-	-	3.326
Other assets	18.462	6.540	6.379	-	-	31.381
Total assets	**1.125.427**	**546.329**	**444.439**	**-**	**326**	**2.116.521**
Liabilities						
Deposits from other banks	1.082	25.852	2.526	-	1.921	31.381
Customers' deposits	542.732	327.316	115.574	-	10.598	996.220
Other money market deposits	43.537	-	-	-	-	43.537
Funds borrowed	49.874	524.148	127.885	-	-	701.907
Derivative financial instruments	19.316	-	-	-	-	19.316
Other liabilities and provisions	46.047	21.742	10.510	-	404	78.703
Income taxes payable	-	-	-	-	-	-
Total liabilities	**702.588**	**899.058**	**256.495**	**-**	**12.923**	**1.871.064**
Net on-balance sheet position	**422.839**	**(352.729)**	**187.944**	**-**	**(12.597)**	**245.457**
Off-balance sheet position						
Net nominal amount of derivatives	(171.660)	338.469	(174.801)	-	12.641	4.649
Non- cash loans	452.014	386.617	194.330	-	16.969	1.049.930
As at December 31, 2006						
Total assets	539.204	358.379	205.856	-	572	1.104.011
Total liabilities	368.032	488.896	129.768	-	4.495	991.191
Net on balance sheet position	171.172	(130.517)	76.088	-	(3.923)	112.820
Off –balance sheet position, net nominal amount	166.045	297.319	2.502	-	15.407	481.273

44.6 FINANCIAL INSTRUMENTS (cont'd)

Interest Rate Risk

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

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

Thousands TRY	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Non iterest bearing	Total
As at March 31, 2007							
Assets							
Cash and balances with the Central Bank	46.550	-	-	-	-	41.819	88.369
Deposits with banks and other financial institutions	8.994	-	-	-	-	5.274	14.268
Other money market placements	14.314	-	-	-	-	-	14.314
Reserve deposits at the Central Bank	72.609	-	-	-	-	-	72.609
Trading securities	53	355	137	3.059	4.296	17.394	25.294
Investment securities	21.088	42	54.994	10	52.426	-	128.560
Originated loans and advances	1.098.514	57.881	79.712	107.943	174.132	7.393	1.525.575
Minimum lease payments receivable	15.000	14.332	20.258	37.737	92.358	8.151	187.836
Derivative financial instruments	1.391	1.656	721	177	4.170	-	8.115
Associates	-	-	-	-	-	188	188
Tangible assets held for resale	-	-	-	-	-	10.843	10.843
Tangible assets	-	-	-	-	-	4.873	4.873
Intangible assets	-	-	-	-	-	970	970
Deferred tax asset	-	-	-	-	-	3.326	3.326
Other assets	5	7	28	174	205	30.962	31.381
Total Assets	**1.278.518**	**74.273**	**155.850**	**149.100**	**327.587**	**131.193**	**2.116.521**
Liabilities							
Deposits from other banks	22.878	-	1.032	-	-	7.471	31.381
Customers' deposits	782.527	70.368	22.130	289	-	120.906	996.220
Other money market deposits	43.537	-	-	-	-	-	43.537
Funds borrowed	23.805	384.361	138.429	91.692	63.620	-	701.907
Derivative financial instruments	868	3.080	13.166	2.202	-	-	19.316
Other liabilities and provisions	8.007	-	-	-	580	70.116	78.703
Income taxes payable	-	-	-	-	-	-	-
Total Liabilities	**881.622**	**457.809**	**174.757**	**94.183**	**64.200**	**198.493**	**1.871.064**
On balance sheet interest sensitivity gap	396.896	(383.536)	(18.907)	54.917	263.387	(67.300)	245.457
Off balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	**396.896**	**(383.536)**	**(18.907)**	**54.917**	**263.387**	**(67.300)**	**245.457**

44.6 FINANCIAL INSTRUMENTS (cont'd)

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

Thousands TRY	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	Non iterest bearing	Total
As at December 31, 2006							
Assets	31.330	-	-	-	-	21.340	52.670
Cash and balances with the Central Bank	147.959	-	-	-	-	4.245	152.204
Deposits with banks and other financial institutions	9.765	-	-	-	-	-	9.765
Other money market placements	30.644	-	-	-	-	-	30.644
Reserve deposits at the Central Bank	158	110	202	1.552	2.151	6.893	11.066
Trading securities	10.619	29.291	-	-	12.656	-	52.566
Investment securities	488.678	32.550	34.266	45.995	73.890	-	675.379
Originated loans and advances	6.024	6.970	9.994	18.166	45.955	4.055	91.164
Minimum lease payments receivable	-	-	-	-	-	3.360	3.360
Derivative financial instruments	-	-	-	-	-	94	94
Tangible assets held for resale	-	-	-	-	-	5.109	5.109
Tangible assets	-	-	-	-	-	2.244	2.244
Intangible assets	-	-	-	-	-	432	432
Deferred tax liabilities	-	-	-	-	-	4.009	4.009
Other assets	-	-	-	-	-	13.305	13.305
Total assets	**725.177**	**68.921**	**44.462**	**65.713**	**134.652**	**65.086**	**1.104.011**
Liabilities							
Deposits from other banks	3.021	-	-	-	-	42	3.063
Customers' deposits	436.183	61.024	1.747	249	9	59.870	559.082
Other money market deposits	11.842	-	-	-	-	-	11.842
Funds borrowed	47.697	32.214	217.830	67.917	1.441	-	367.099
Derivative financial instruments	-	-	-	-	-	6.030	6.030
Other liabilities and provisions	4.106	52	62	109	507	39.239	44.075
Income tax payable	-	-	-	-	-	-	-
Total liabilities	**502.849**	**93.290**	**219.639**	**68.275**	**1.957**	**105.181**	**991.191**
On balance sheet interest sensitivity gap	222.328	(24.369)	(175.177)	(2.562)	132.695	(40.095)	112.820
Off balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	**222.328**	**(24.369)**	**(175.177)**	**(2.562)**	**132.695**	**(40.095)**	**112.820**

44.6 FINANCIAL INSTRUMENTS (cont'd)

Operational Risk

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

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

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

Capital Adequacy

To monitor the adequacy of its capital, ABank uses ratios established by BRSA. These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing ABank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of March 31, 2007 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 13,04% (December 31, 2006: 13,05%).

Non-Banking

Financial risk management objectives and policies

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

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

1) Foreign currency risk

The Group's operations are predominantly performed in Turkey where the economy experiences high and variable levels of inflation.
The following table summarizes the exchange rate of New Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at January 1, 2007	Average exchange buying rate in the period	Exchange buying rate at March 31, 2007
TRY /USD	Turkey	1,4056	1,4039	1,3801
TRY /EUR	Turkey	1,8515	1,8393	1,8383

		Exchange selling rate at January 1, 2007	Average exchange selling rate in the period	Exchange selling rate at March 31, 2006
TRY /USD	Turkey	1,4124	1,4106	1,3868
TRY /EUR	Turkey	1,8604	1,8482	1,8472

44.6 FINANCIAL INSTRUMENTS (cont'd)

1) Foreign currency risk (cont'd)

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

2) Liquidity Risk

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

3) Credit Risk

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

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

4) Price Risk

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

5) Interest Rate Risk

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

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

Fixed rate bank loans	4,0% - 7,7%
Fixed rate financial lease payables	4,5% - 11,3%

44.6 FINANCIAL INSTRUMENTS (cont'd)

Fair Values

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

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

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

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