(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

YAZICILAR HOLDİNG
ANONİM ŞİRKETİ

Consolidated Interim Financial Statements
as of March 31, 2009

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Consolidated Interim Financial Statements as of March 31, 2009

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM BALANCE SHEET AS OF MARCH 31, 2009

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

	Notes	**Unaudited March 31, 2009**	Audited December 31, 2008
ASSETS			
Current Assets		**3.155.293**	3.605.513
Cash and Cash Equivalents	6	**248.082**	925.410
Investments in Securities	7	**169.295**	22.593
Reserve Deposits at Central Bank	41.1	**90.545**	96.913
Banking Loans (net)	41.2	**2.047.447**	1.943.650
Trade Receivables (net)	10.1	**161.835**	128.321
Lease Receivables (net)	12.1	**154.102**	148.814
Derivative Financial Instruments – Assets	41.5	**26.724**	25.105
Due From Related Parties (net)	37.1	**16.040**	10.262
Other Receivables (net)	11.1	**47.515**	44.453
Biological Assets (net)	14	**6.056**	6.209
Inventories (net)	13	**131.806**	183.762
Receivables from Construction Contracts in Progress (net)	15	**-**	-
Other Current Assets	26.1	**55.846**	70.021
Non-Current Assets		**2.207.808**	2.207.182
Investments in Securities	7	**334.358**	287.396
Banking Loans (net)	41.2	**425.667**	434.076
Trade Receivables (net)	10.1	**-**	-
Lease Receivables (net)	12.1	**119.172**	127.811
Derivative Financial Instruments – Assets	41.5	**-**	3.807
Due from Related Parties (net)	37.1	**5.819**	6.107
Other Receivables (net)	11.2	**9.978**	9.491
Investments Accounted Through Equity Method	16	**987.879**	941.021
Goodwill (net)	20	**35.344**	56.595
Investment Property (net)	17	**12.839**	9.265
Property, Plant and Equipment (net)	18	**251.574**	257.239
Intangible Assets (net)	19	**6.208**	43.863
Deferred Tax Assets	35.1	**4.743**	10.278
Other Non-Current Assets	26.2	**14.227**	20.233
TOTAL ASSETS		**5.363.101**	5.812.695

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM BALANCE SHEET AS OF MARCH 31, 2009

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

	Notes	**Unaudited March 31, 2009**	Audited December 31, 2008
LIABILITIES			
Current Liabilities		**3.326.348**	3.812.012
Short-Term Borrowings (net)	8	**182.771**	311.571
Current Portion of Long-Term Borrowings (net)	8	**58.970**	58.268
Lease Obligations (net)	12.2	**-**	-
Other Financial Liabilities (net)	9	**-**	-
Trade Payables (net)	10.2	**87.841**	80.027
Deposits	41.3	**2.322.548**	2.524.432
Funds Borrowed	41.4	**496.514**	671.243
Blocked Accounts		**28.568**	29.605
Due to Related Parties (net)	37.2	**1.402**	734
Other Payables	11.3	**27.481**	33.950
Deferred Income from Construction Contracts in progress (net)	15	**-**	-
Provisions	22	**12.970**	14.605
Tax Provision	35.3	**2.268**	437
Derivative Financial Instruments – Liabilities	41.5	**15.919**	27.385
Provisions for the Employee Benefits	24	**9.930**	8.646
Other Current Liabilities (net)	26.3	**79.166**	51.109
Non-Current Liabilities		**194.028**	197.011
Long-Term Borrowings (net)	8	**9.926**	22.927
Lease Obligations (net)	12.2	**-**	-
Other Financial Liabilities (net)	9	**-**	-
Trade Payables (net)	10.2	**-**	-
Deposits	41.3	**7.473**	7.164
Funds Borrowed	41.4	**150.950**	142.080
Blocked Accounts		**-**	-
Due to Related Parties (net)	37.2	**-**	-
Provisions	22	**651**	-
Derivative Financial Instruments – Liabilities	41.5	**-**	-
Provisions for the Employee Benefits	24	**12.668**	12.975
Deferred Tax Liability	35.1	**12.360**	11.865
Other Liabilities (net)	26.3	**-**	-
EQUITY		**1.842.725**	1.803.672
Equity of the Parent		**1.431.629**	1.411.224
Capital	27	**160.000**	160.000
Capital Participation Elimination	27	**-**	-
Share Premium		**9.474**	9.474
Value Increase Funds	27	**442**	4.940
Restricted Reserves Allocated from Net Profit	27	**12.110**	12.110
Currency Translation Differences		**16.894**	7.368
Net Income		**15.042**	159.833
Accumulated Profits	27	**1.217.667**	1.057.499
Minority Interest		**411.096**	392.448
TOTAL LIABILITIES AND EQUITY		**5.363.101**	5.812.695

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2009

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

	Notes	**Unaudited 01.01.2009 – 03.31.2009**	Unaudited 01.01.2008 – 03.31.2008
CONTINUING OPERATIONS			
Revenue (net)	28	**246.474**	278.636
Cost of Sales (-)	28	**(188.944)**	(209.163)
Service Income (net)	28	**9.361**	7.101
Gross Profit from Trading Operations		**66.891**	76.574
Interest and Other Income	28	**183.702**	128.624
Interest and Other Expense (-)	28	**(77.574)**	(44.229)
Gross Profit from Financial Sector		**106.128**	84.395
GROSS PROFIT		**173.019**	160.969
Marketing, Selling and Distribution Expenses (-)	29	**(24.992)**	(26.132)
General Administrative Expenses (-)	29	**(76.655)**	(54.379)
Research and Development Expenses (-)	29	**(171)**	(91)
Other Operating Income	31.1	**19.934**	10.150
Other Operating Expense (-)	31.2	**(3.468)**	(1.875)
OPERATING INCOME		**87.667**	88.642
Gain/(Loss) from Investments Accounted through Equity Method	16	**(17.296)**	19.297
Non-Operating Financial Income	32	**26.035**	13.467
Non-Operating Financial Expense (-)	33	**(53.141)**	(70.528)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		**43.265**	50.878
Tax Income/(Expense) from Continuing Operations		**(8.934)**	(7.310)
- Current Period Tax Expense (-)	35.2	**(7.788)**	(3.885)
- Deferred Tax Income/(Expense)	35.2	**(1.146)**	(3.425)
NET INCOME		**34.331**	43.568
Attributable to:			
- Minority Interests		**19.289**	12.041
- Equity Holders of the Parent		**15.042**	31.527
Earnings per share (full TRL)	36	**0,0940**	0,1970

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM COMPREHENSIVE INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2009

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

	Unaudited 01.01.2009 – 31.03.2009	Unaudited 01.01.2008– 31.03.2008
Net Income / (Loss)	**34.331**	43.568
Change in value increase funds of financial assets, tax net off	**(5.211)**	(1.108)
Change currency translation difference	**163**	481
Group's share in other comprehensive income of investments accounted through equity method, tax net off	**9.790**	48.672
Other Comprehensive Income (After tax)	**4.742**	48.045
Total Comprehensive Income	**39.073**	91.613
Attributable to:		
Minority interests	**19.003**	15.708
Equity holders of the parent	**20.070**	75.905

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2009**

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

	Historical Issued Capital	Share Premium	Value Increase Funds	Restricted Reserves Allocated from Net Profit	Currency Translation Differences	Net Income	Accumulated Profits	Equity of the Parent	Minority Interest	Total Equity
As of December 31, 2007	**160.000**	**9.467**	**15.800**	**8.780**	**(56.470)**	**242.245**	**850.346**	**1.230.168**	**328.329**	**1.558.497**
Transfer of net income to the accumulated profit	-	-	-	-	-	(242.245)	242.245	-	-	-
Capital increase of minority shareholders	-	-	-	-	-	-	-	-	10.065	10.065
Increase in share premium	-	5	-	-	-	-	-	5	3	8
Decrease in value of available for sale financial assets	-	-	(6.183)	-	-	-	-	(6.183)	36	(6.147)
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	-	-	-	-	-	(282)	(282)	(595)	(877)
Currency translation differences	-	-	-	-	50.561	-	-	50.561	3.631	54.192
Net income	-	-	-	-	-	31.527	-	31.527	12.041	43.568
As of March 31, 2008	**160.000**	**9.472**	**9.617**	**8.780**	**(5.909)**	**31.527**	**1.092.309**	**1.305.796**	**353.510**	**1.659.306**
As of December 31, 2008	**160.000**	**9.474**	**4.940**	**12.110**	**7.368**	**159.833**	**1.057.499**	**1.411.224**	**392.448**	**1.803.672**
Transfer of net income to the accumulated profit	-	-	-	-	-	(159.833)	159.833	-	-	-
Capital increase of minority shareholders	-	-	-	-	-	-	-	-	-	-
Decrease in value of available for sale financial assets	-	-	(4.498)	-	-	-	-	(4.498)	(990)	(5.488)
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	-	-	-	-	-	335	335	(355)	(20)
Currency translation differences	-	-	-	-	9.526	-	-	9.526	704	10.230
Net income	-	-	-	-	-	15.042	-	15.042	19.289	34.331
As of March 31, 2009	**160.000**	**9.474**	**442**	**12.110**	**16.894**	**15.042**	**1.217.667**	**1.431.629**	**411.096**	**1.842.725**

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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS PERIOD ENDED ON MARCH 31, 2009

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

	Notes	Unaudited March 31, 2009	Unaudited March 31, 2008
Cash flow from operating activities			
Income before tax from continuing operations		**43.265**	50.878
Adjustments for:			
Loss/(gain) from disposal of property, plant and equipment and intangible assets		**(106)**	(2.360)
Depreciation and amortization	17, 18, 19	**8.998**	6.011
Provision for possible loan losses and impairment in receivables		**13.495**	18.156
Warranty provision	22	**350**	(1.327)
Provision for label	22	**(1.819)**	75
Provision for vacation pay liability	24	**540**	2.846
Provision for employee termination benefits	24	**1.702**	1.123
Provision for premium	24	**1.126**	4.615
Other provisions		**(326)**	4.266
Provision for inventories	13	**(1.422)**	-
Foreign exchange loss/(gain)		**23.080**	47.263
Interest expenses		**19.763**	15.798
(Gain)/loss from investments accounted through equity method and joint ventures		**17.296**	(19.297)
Income from share sales of subsidiary	31.1	**(12.512)**	-
Other non-cash items		**1.951**	(1.290)
Operating profit before changes in operating assets and liabilities		**115.381**	126.757
Net (increase)/decrease in investments in securities		**(198.874)**	11.363
Net (increase)/decrease in reserve deposits at Central Bank	41.1	**6.368**	(2.694)
Net (increase)/decrease in banking loans		**(106.311)**	(415.713)
Net increase in trade and other receivables and due from related parties		**(25.025)**	(68.810)
Net (decrease)/increase in derivative financial instruments – assets	41.5	**2.188**	(9.172)
Net (increase)/decrease in inventories	13, 14	**27.225**	8.107
Net changes in other assets		**(1.706)**	10.631
Net (decrease)/increase in trade and other payables and due to related parties		**35.051**	(23.624)
Net increase/(decrease) in banking customer deposits		**(202.312)**	(22.865)
Net increase in blocked accounts		**(1.037)**	(11.757)
Net (decrease)/increase in derivative financial instruments – liabilities	41.5	**(11.466)**	(17.653)
Employee termination benefits paid	24	**(800)**	(632)
Taxes paid		**(5.957)**	(5.188)
Net cash provided by operating activities		**(367.275)**	(421.250)
Cash flows provided by/(used in) investing activities			
Purchase of property, plant and equipment, investment property and intangible asset	18, 19	**(14.709)**	(15.017)
Proceeds from sale of property, plant and equipment, and intangible asset		**4.437**	19.962
Purchase of investments and participation in capital increase		**(15.574)**	(162)
Capital increase of subsidiaries from minority shareholders		**-**	10.065
Net cash (used in) / provided by investing activities		**(25.846)**	14.848
Cash flows from financing activities			
Addition to borrowings from banks and other institutions		**204.449**	363.770
Repayments of borrowings and interest from banks and other institutions (-)		**(488.818)**	(145.564)
Net cash (used in) / provided by financing activities		**(284.369)**	218.206
Currency translation on cash and cash transaction		**162**	480
Net (decrease) /increase in cash and cash equivalents		**(677.328)**	(187.716)
Cash and cash equivalent at the beginning of the period	6	**925.410**	452.744
Total cash and cash equivalent at the end of the period		**248.082**	265.028
Interest income		**4.469**	1.662
Dividend income		**-**	-

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

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

1. ORGANIZATION AND NATURE OF ACTIVITIES

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

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

The consolidated financial statements are authorized for issue by the Board of Directors on May 15, 2009, and are approved by the General Manager and the Finance Manager on behalf of Board of Directors. General Assembly and other regulatory institutions have the right to change the financial statements after the financial statements are issued.

Activities of the Group

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

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

The average number of personnel of the Group is 5.844 (December 31, 2008: 5.795).

List of Shareholders

As of March 31, 2009 and December 31, 2008 the composition of shareholders and their respective percentage of shareholding rates can be summarized as follows:

	March 31, 2009		December 31, 2008	
	Amount	**%**	Amount	%
Yazıcı Families	**65.280**	**40,80**	65.280	40,80
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.600**	**33,50**	53.600	33,50
Publicly traded (*)	**41.120**	**25,70**	41.120	25,70
Historical share capital	**160.000**	**100,00**	160.000	100,00

(*) The TRL 2.906 amount of the publicly traded portion 1,816% is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

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

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

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at March 31, 2009 and December 31, 2008 are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			March 31, 2009	December 31, 2008
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	**68,00**	68,00
Alternatifbank A.Ş. (ABank) (1)	Turkey	Banking services	**61,75**	61,75
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	**61,64**	61,64
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	**64,94**	64,94
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (1) (3)	Turkey	Investment company	**32,48**	31,36
Alternatif Portföy Yönetimi A.Ş. (Alternatif Portföy) (5)	Turkey	Portfolio management	**-**	61,64
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Import, distribution and marketing of Lada and Kia motor vehicles and operating lease	**68,00**	68,00
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Production of industrial engines	**67,93**	67,93
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Import of Lada, Geely and Kia motor vehicles	**67,38**	67,38
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik) (4)	Turkey	Distribution of Samsung-branded consumer durables in Turkey	**34,65**	34,65
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (1) (2)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	**38,68**	38,68
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (2)	Turkey	Distribution of the products of Adel, and other imported stationery products	**49,76**	49,76
Ana Gıda İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Production and marketing of olive oil under Kırlangıç, Komili and Madra Brands, sunflower and corn oil, and automotive trading	(*)	68,00
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	Arrangement of travelling and organization facilities of the Group	**51,60**	51,60
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	IT, internet and e-commerce services	**65,53**	65,53
Oyex Handels GmbH (Oyex)	Germany	Trading of various materials used in the Group	**67,32**	67,32
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	Germany	Provides necessary market research of products abroad	**67,32**	67,32
Anadolu Restoran İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management, ranch management	**68,00**	68,00
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Restaurant chain management	**68,00**	68,00
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık)	Turkey	Asset management	**67,99**	67,99
Anadolu Taşıt Ticaret A.Ş. (Anadolu Taşıt)	Turkey	Industrial and commercial operations in automotive sector	**68,00**	68,00
Anadolu Araçlar Ticaret A.Ş. (Anadolu Araçlar)	Turkey	Import, distribution and marketing of Geely motor vehicles	**68,00**	68,00
Anadolu Termik Santralleri A.Ş. (Anadolu Termik)	Turkey	Production of electricity	**68,00**	68,00
AES Toptan Elektrik Tic. A.Ş. (AES Elektrik)	Turkey	Whole sale and retail sale of electricity and/or its capacity	**68,00**	68,00
AEH Sigorta Acenteliği A.Ş. (AEH Sigorta)	Turkey	Insurance agency	**68,00**	68,00
Anatolia Energy B.V. (Anatolia Energy) (6)	Netherlands	Production of electricity	**68,00**	68,00

(*) Closing transactions corresponding to the shareholding agreement between SEEF Foods and Ana Gıda has been completed as of March 4, 2009. With the share transfer, Ana Gıda has been recognized within joint venture framework and added to the consolidated interim financials with equity method by the Group.

(1) Shares of ABank, Adel and AYO are currently traded on the ISE.
(2) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar.
(3) Decrease is due to the change in ABank's effective consolidation rate of AYO.
(4) Anadolu Motor and AEH have 50,00% and 1,00% shareholding at Anadolu Elektronik respectively. As a result, Anadolu Elektronik is controlled by Yazıcılar.
(5) A Yatırım has 99,99% shareholding rate at Alternatif Portföy established in August 13, 2008. The indirect shareholding rate of Yazıcılar is 61,64%. As of March 11, 2009 liquidation decision of Alternatif Portföy has been registered on the Trade Registry Gazette and striked off the register.
(6) AEH has 100,00% shareholding at Anatolia Energy established in March 20, 2009. The indirect shareholding rate of Yazıcılar is 68,00%.

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

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

Investment in Associate

The associate included in consolidation by equity method and its shareholding percentages at March 31, 2009 and December 31, 2008 are as follows:

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			March 31, 2009	December 31, 2008
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	**36,27**	36,24

Investments in Joint Ventures

The investments in joint ventures included in consolidation by equity method and their shareholding percentages at March 31, 2009 and December 31, 2008 are as follows:

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			March 31, 2009	December 31, 2008
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing and selling of Isuzu brand commercial vehicles	**37,56**	37,48
Ana Gıda	Turkey	Production and marketing of olive oil under Kırlangıç, Komili and Madra brands	**37,57**	(*)
Aslancık Elektrik Üretim ve Tic. Ltd. Şti. (Aslancık)	Turkey	Electricity production	**17,00**	17,00
D Tes Elektrik Enerjisi Toptan Satış A.Ş. (D Tes)	Turkey	Electricity wholesale	**17,00**	17,00

(*) Closing transactions corresponding to the shareholding agreement between SEEF Foods and Ana Gıda has been completed as of March 4, 2009. With the share transfer, Ana Gıda has been recognized within joint venture framework and added to the consolidated interim financials with equity method by the Group.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. The consolidated financial statements have been prepared from the statutory financial statements of the Company's subsidiaries' in accordance with CMB Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Adjustment entries are mainly; application of consolidation accounting, booking of business combinations, calculation of deferred tax, calculations of severance payments and other provisions. Excluding financial assets of carrying value and assets or liabilities from business combinations, financial statements are prepared in accordance with cost basis accounting.

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

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

Standards. Accordingly, the consolidated financial statements of the Company as at and for the year ended 31 December 2007 had been prepared in accordance with the alternative methods allowed by the CMB.

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

Basis of Preparation of Financial Statements (cont'd)

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

Functional and Reporting Currency

The functional and presentation currency of the Company in Turkey is TRL. Effective from January 1, 2005 concurrent with the removal of six zero digits, the new currency unit of Turkey was introduced as New Turkish Lira (New TRY). The Government resolved to remove the "New" phrase in the local currency unit effective from January 1, 2009. Accordingly the Company's functional and presentation currency as of March 31, 2009 is TRL and comparative figures for the prior year(s) have also been presented in TRL, using the conversion rate of New TRL 1= TRL 1.

In accordance with CMB announcement No.11/367 dated March 17, 2005; since the objective conditions for the application of restatement is no longer available and since CMB foresees that the probability of the re-occurrence of the conditions is remote, lastly the financial statements as of December 31, 2004 have been subject to the restatement per IAS 29 (Financial Reporting in Hyperinflationary Economies). Therefore, the non-monetary assets, liabilities and shareholders' equity including share capital reported in the balance sheet as of March 31, 2009 and December 31, 2008 are derived by indexing the additions occurred until December 31, 2004. The additions after December 31, 2004 are carried with their nominal amounts.

Functional and Local Currencies of Foreign Subsidiaries

The foreign subsidiaries maintain their books of accounts in accordance with the laws and regulations in force in the countries in which they are registered and necessary adjustments and reclassifications made for the fair presentation in accordance with IFRS. The assets and liabilities of foreign subsidiaries are translated into Turkish Lira using the relevant foreign exchange rates prevailing at the balance sheet date.

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

		March 31, 2009	December 31, 2008
	Local Currency	**Functional Currency**	Functional Currency
AEH und Co.	EUR	**EUR**	EUR
Oyex	EUR	**EUR**	EUR
Anatolia Energy	EUR	**EUR**	EUR

Foreign subsidiaries are established as foreign corporate entities.

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

Classifications Made in Consolidated Financial Statements for the Year 2008

With respect to the improvement in "IAS 16 Property, plant and equipment standard" issued by International Accounting Standards Committee on May 2008, in order to be consistent with the current year's presentation, proceeds amount of TRL 951 has been classified as "Sales" account while the cost of TRL 435 has been classified as "Cost of sales" yielding net amount of TRL 516 from sale of operational leasing fixed assets which has been classified as "Other operating income" in consolidated interim financial statements as of March 31, 2008.

Changes in Accounting Policies

New standards and interpretations

The accounting policies considered during the preperation of the consolidated interim financial statements as of March 31, 2009 are applied consistently with the consolidated financial statements as of December 31, 2008, except the new statndards and IFRIC interpretations summarized below. These standards and interpretations have no effect on the financial position or performance of the Group, only the presantation of additional explanations are required.

The application of new and revised International Financial Reporting Standards

The new standards which are effective as of January 1, 2009 and changes and interpretations of current standards are as follows:

IAS 23, "(Revised) Borrowing Costs" (Effective for fiscal periods beginning on or after January 1, 2009).

The change is the removal of the option of immediately recognised as an expense borrowing costs that related to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalize borrowing costs as part of the cost of such assets. In conformity with transition to the standard, the Group will adopt the changes in the future periods. If any, the standard applies to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after January 1, 2009. There will be no amendment on the borrowing costs which are expensed until the mentioned date. Group states that related changes will not effect the financial statements.

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

IFRS 8 replaces IAS 14 "Segment Reporting" and adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is projects the effects of the interpretation on the consolidated financial statements.

IAS 1, "Presentation of Financial Statements" (Revised) (Effective for fiscal periods beginning or after January 1, 2009).

IAS 1 has been revised to enhance the usefulness of information in the financial statements. The main changes from the previous version are; an entity must present all non-owner changes in equity in a separate line and present a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. In addition, a statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income" is introduced. Group applies the related changes about the consolidated financial statements, with respect to the changes made in mandatory reporting format of CMB.

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

IFRS 2, "Share Based Payments (Revised) - Qualifying and Cancellation" (Effective for fiscal periods beginning on or after January 1, 2009).

Standard clarifies two issues: Definition of 'Vesting Conditions' and the concept of 'Non-vesting Conditions' for the arrangements other than performance and service conditions. This standard also states that, if neither the Group nor the counterparty has the choice as to whether to meet a non-vesting condition, a failure to meet this non-vesting condition does not have any accounting effect, similar to the treatment of market conditions. IFRS 2 will not have any effect on the financial statements of the Group.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements: (Both revisions will be effective for financial years beginning on or after 1 January 2009).

The amendments to IFRS 1 allows an entity to determine the 'cost' of investments in subsidiaries, joint ventures or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment requires all dividends from a subsidiary, joint venture or associate to be recognized in the income statement in the separate financial statement. This interpretation must be applied prospectively. The new requirements does not effect on the Group's financial statements but only effect the parent company's solo financial statements.

IFRIC 15 - "Agreements for the Construction of Real Estate", (Issued on 3 July 2008 and is effective for annual periods beginning on or after 1 January 2009)

Addresses the divergence in construction of real estate accounting treatment whether under the scope of IAS 11 and IAS 18 or not and clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognized if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. This interpretation is not valid for the Group.

Amendments to IAS 32 and IAS 1: "Puttable Financial Instruments and Obligations Arising on Liquidation" (Effective for fiscal periods beginning of after January 1, 2009).

The change in IAS 32 considers that some puttable financial instruments and financial instruments that impose on the issuer an obligation to deliver a pro-rata share of net assets of the entity only on liquidation are equity. The change in IAS 1 recommends that the puttable financial instruments should be described and explained in detail. It is expected that this interpretation will not have any effect on the financial statements of the Group.

"Amendments to IFRS 7 'Financial Instruments: Disclosures" - (Effective for annual periods beginning on or after January 1, 2009)

The amended IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Group is currently assessing the effect of the interpretation on the consolidated financial statements.

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

The standards which are published but are not effective and are not early adopted by the Group as of the date of authorization of the consolidated financial statements, and the changes and interpretations to the current standards are as follows :

IAS 39 Financial Instruments: Recognition and Measurement- Eligible Hedged items (Effective for fiscal periods beginning on or after January 1, 2009)

It determines how hedging accounting principles will be applied in financial hedging instruments in inflation issues. Since the Group has not hedging accounting, the amendment has no effect in financial statements.

IFRS 3, Business Combinations and IAS 27 Consolidated and Separate Financial Statements (revised) (Effective for annual periods beginning on or after July 1, 2009).

Revised IFRS 3 and revised IAS 27 are published by IASC at January 10, 2008. Revised IFRS 3 (IFRS 3R) requires various changes for the accounting of business combinations, booking of goodwill and reporting of the financial results of the period related to the mergers. The related changes require that the costs associated to the purchase to be expensed and on the contingent cases considered at the purchase, to consider the fair value changes incurred at the subsequent period in the income statement other than adjusting in the goodwill. Revised IAS 27 (IAS 27R) requires that the changes in the shareholding of the subsidiaries should be treated as change in equity movement. As a result, the related change in equity movement would have no impact on the goodwill or the profit or loss. Besides, this standard provides changes in accounting of the standard subsidiary losses and the accounting of the loss on the control in the subsidiaries. This standard will be applied prospectively.

IFRIC 17 "Distributions of Non-cash Assets to Owners" (Effective for annual periods beginning on or after 1 July 2009 and must be applied prospectively)

The interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash. The Group is currently assessing the effect of the interpretation on the consolidated financial statements.

IFRIC 18 "Transfers of Assets from Customers" (Effective for annual periods beginning on or after 1 July 2009)

The standard provides guidance on how to account for items of property, plant and equipment or cash for the acquisition or construction of such items received from customers. The Group is currently assessing the effect of the interpretation on the consolidated financial statements.

"Amendments to IFRIC 9 and IFRS 39 Embedded Derivatives" (Effective for annual periods beginning on or after June 30, 2009)

According to these amendments, entities must assess whether to separate an embedded derivative from a host contract in the case where the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. The amendments to IFRIC 9 require an assessment to be made either when the entity first became party to the contract or when a change in the terms of the contract significantly modifies expected cash flows. The Group expects that this interpretation will have no impact on the Group's consolidated financial statements.

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

Improvements to IFRS

In May 2008, the International Accounting Standard Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each Standard and despite some differences generally will be effective for the periods after January 1, 2009. The Group has not early adopted the following amendments and does not expect these amendments to impact the consolidated financial statements of the Group significantly, except IAS 1, IAS 28, IAS 36 and IAS 10.

IAS 1 "Presentation of Financial Statements": assets and liabilities classified as held for trading are not automatically classified as current in the balance sheet.

IAS 16, "Property, Plant and Equipment" : replace the term "net selling price" with "fair value less costs to sell".

IAS 23, "Borrowing Costs": the definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one - the interest expense calculated using the effective interest rate method calculated in accordance with IAS 39.

IAS 28 "Investment in associates": If an associate is accounted for at fair value in accordance with IAS 39, only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies.

In terms of impairment analysis, an investment in associate is assessed as a single cash generating unit. As a result, there is no need to make impairment analyisis for the goodwill in the investment seperately.

IAS 31, "Interest in Joint Ventures": if a joint venture is accounted for at fair value, in accordance with IAS 39, only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expense will apply.

IAS 36 "Impairment of Assets": When discounted cash flows are used to estimate "fair value less cost to sell" additional disclosure is required about the discount rate, consistent with disclosures required when the discounted cash flows are used to estimate "value in use".

IAS 38, "Intangible Assets": expenditure on advertising and promotional activities is recognized as an expense when the Group either has the right to access the goods or has received the service.

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

IFRS 7, "Financial Instruments" Disclosures: Removal of the reference to 'total interest income' as a component of finance costs.

IAS 8, "Accounting Policies, Change in Accounting Estimates and Errors": clarification that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.

IAS 10 "Events after the Reporting Period": Clarification that dividends declared after the end of the reporting period is not an obligation.

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

IAS 18, "Revenue": replacement of the term 'direct costs' with 'transaction costs' as defined in IAS 39.

IAS 19, "Employee Benefits", revised the definition of 'past service costs': return on plan assets and short term and other long-term employee benefits. Amendment to plans that result in a reduction in benefits related to future services are accounted for as curtailment. Deleted the reference to the recognition of contingent liabilities to ensure consistency with IAS 37.

IAS 20, "Accounting for Government Grants and Disclosures of Government Assistance": loans granted in the future with no or low interest rates will not be exempt from the requirement to impute interest. The difference between the amount received and the discounted amount is accounted for as government grant. Also, revised various terms used to be consistent with other IFRS.

IAS 27, "Consolidated and Separate Financial Statement": when a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.

IAS 29, "Financial Reporting in Hyperinflationary Economies": revised the reference to the exception to measure assets and liabilities at historical costs, such that it notes property, plant and equipment as being example, rather than implying that it is a definitive list. Also, revised various terms used to be consistent with other IFRS.

IAS 34, "Interim Financial Reporting": earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.

IAS 39 "Financial Instruments: Recognition and Measurement": Changes in the position of derivative instruments do not constitute a reclassification and consequently, financial instruments may be reclassified into or out of the classification of at fair value through profit or loss. The IAS 39 reference to the need to designate hedging instruments at the segment level has been removed from IAS 39. On cessation of fair value hedge accounting, the use of a revised effective interest rate is needed.

IAS 40 "Investment Property": Property under construction or development for future use is classified as investment property. If the fair value cannot be calculated reliably, the continuing construction is carried at cost, until the fair value can be calculated or the construction is completed. Also, revised of the conditions for a voluntary change in accounting policy to be consistent with IAS 8 and clarified that the carrying amount of investment property held under lease is the valuation obtained increased by any recognized liability.

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

IAS 41 "Agriculture": The reference to the requirement to use the pre-tax market discount rate to determine fair value has been removed. The inability to consider "additional biological transformation" when calculating fair value using discounted cash flows has been removed. The term "point-of-sale costs" has been replaced with the term "costs to sell".

"IFRS 5 Non-current Assets Held for Sale and Discontinued Operations": when a subsidiary is held for sale, all of its assets and liabilities will be classified as held for sale under IFRS 5, even when the entity retains a non-controlling interest in the subsidiary after the sale.

Basis of Consolidation

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

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

The consolidated financial statements of the Group include Yazıcılar Holding A.Ş. and subsidiaries under its control. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

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

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

The purchase method of accounting is used for acquired businesses.

Investments in Associates

The Group's investments in associates are accounted 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.

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

The investments accounted through equity method are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates. The effect of the amounts that has not reflected to the profit or loss of the associate on the equity of the associate, may require an adjustment on the book value of the associate. Group's share in these changes is directly being recorded in Group's equity.

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

Investments in Joint Ventures

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

Offsetting

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

Use of Estimates and Assumptions

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

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

Provision for doubtful receivables

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

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

Provision for inventories

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

Impairment of intangible assets with indefinite useful life and goodwill

According to the determined accounting policies, the Group performs impairment test for intangible assets with indefinite useful life and goodwill annually or when circumstances indicate that the carrying value may be impaired. As of December 31, 2008, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recovarable amount is determined taking the value in use calculation as basis.

Employee termination benefit

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

Warranty provision

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

Summary of Significant Accounting Policies

2.1 Revenue Recognition

Non-Banking

Revenue is recognized on accrual basis 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.

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

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

Summary of Significant Accounting Policies (cont'd)

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

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

Banking

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

According to the related regulations, the interest accrual and discount of doubtful credits and other receivables are not considered and included in interest income till they are collected.

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

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of the underlying transaction. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate of the loan.

2.2 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:

Motor vehicles imported by Çelik Motor is valued over specific costing for each vehicle.

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.3 Tangible 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.

2.4 Intangible Assets

(i) Goodwill and amortization

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. The carrying values of 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 and/or after 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.

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

Summary of Significant Accounting Policies (cont'd)

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

(ii) Other intangible assets

Intangible assets acquired separately from a business are capitalized at cost. Intangible assets 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 period in which it is incurred.

Useful lives of intangible assets are determined with or without a time-bound.

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.

Intangibles with useful life without a time-bound (Komili and Kırlangıç brands), are not subject to amortization. However, they are put through annual impairment test. Evaluation of useful life without a time-bound is being done in every year. If the circumstances supporting the time indicated have been abated, conversion to useful life with a time-bound will be done prospectively.

2.5 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.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Borrowing Costs

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

2.7 Financial Instruments

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

Cash and Cash Equivalents

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

Accounting as of Transaction and Delivery Dates

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

Investments in 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.

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

Summary of Significant Accounting Policies (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 ISE 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 can not be measured reliably are recognized at cost less impairment.

Trade Receivables and Payables

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

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.

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.

2.8 Foreign Currency Transactions

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

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

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

Summary of Significant Accounting Policies (cont'd)

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

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

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

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

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

2.9 Earnings per Share

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

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

2.10 Subsequent Events

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.11 Provisions, Contingent Liabilities, Contingent Assets

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

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

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

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

2.12 Changes in Accounting Policies, Accounting Estimates and Errors

Changes in accounting policies or determined accounting errors are applied retroactively and the consolidated 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.

2.13 Leases

The Group as a Lessee

Finance Lease

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

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

Summary of Significant Accounting Policies (cont'd)

Operating Lease

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

The Group as a Lessor

Finance Lease

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

2.14 Related Parties

Parties are considered related to the Group if;

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.15 Segmental Information

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

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

2.16 Government Incentives

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

2.17 Investment Properties

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

2.18 Taxation and Deferred Tax

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

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

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

Summary of Significant Accounting Policies (cont'd)

Current Tax

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

Deferred Tax

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

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

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.

2.19 Employee Termination Benefits

Defined Benefit Plan

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

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

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

Summary of Significant Accounting Policies (cont'd)

Defined Contribution Plan

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

2.20 Statement of Cash Flows

In statement of cash flow, cash flows are classified according to operating, investment and finance activities. Cash and cash equivalents are indicated with the sum of interest accruals and acquisition costs.

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.

2.21 Provisions for Possible Loan Losses and Lease Receivable Losses

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

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

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

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

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

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.

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

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

Summary of Significant Accounting Policies (cont'd)

2.22 Biological Assets

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

3. BUSINESS COMBINATIONS

Transactions related to period March 31, 2009

On November 25, 2008, a Subscription and Shareholders Agreement was signed between AEH and Ana Gıda, subsidiaries of the Company, and SEEF Foods S.A.R.L (Seef Foods) - owned by Southeast Europe Equity Fund II (B) L.P. and controlled by Bedminster Capital Management LLC- regarding SEEF Foods' partnership in Ana Gıda. In accordance with the foresaid agreement, SEEF Foods would have participated in the capital increase of Ana Gıda, contributing with EUR 30 million in return for 39% shares. However, on November 25, 2008, an amended Subscription and Shareholders Agreement was signed between SEEF Foods and AEH-Ana Gıda, governing SEEF Foods' EUR 25 million contribution to Ana Gıda - in addition AEH's contribution of 5 million Euros – in return for 44,75% shares. The closing transactions regarding this agreement were completed on March 4, 2009. Accordingly, a total of EUR 30 million capital increase was held in Ana Gıda; EUR 25 million paid by SEEF Foods and EUR 5 million by AEH and consequently SEEF Foods became the owner of 44,75% shares in Ana Gıda. According to the new shareholding structure and the articles of agreement, Group has classified Ana Gıda as joint venture and included in consolidation through equity method. Income amounting to TRL 12.512 as a result of this transaction, has been recorded in Other operating income account in note 31.1.

Transactions related to year 2008

On October 31, 2008, the Company purchased Komili brand name, stocks, supplier contracts, domain name, intellectual property and business information (Komili brand) from a company in Turkey. Komili brand is a well known and reputable brand for olive oil in Turkey.

The fair value of the identifiable assets and liabilities of Komili brand as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Previous carrying value	Fair value recognized on acquisition
Inventories	4.125	4.125
Intangibles – net (Note 19)	-	33.000
Total net assets acquired	4.125	37.125
Goodwill arising on acquisition (Note 20)		21.251
Net cash out flow		58.376

The goodwill of TRL 21.251 comprises the value of expected synergies arising from the acquisition of the Komili brand and the high reputation of the Komili.

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

4. JOINT VENTURES

Joint Ventures

			March 31, 2009			December 31, 2008		
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 and selling of Isuzu brand commercial vehicles	Turkey	**66.060**	**37,56**	**(5.754)**	71.609	37,48	(180)
Ana Gıda	Production and marketing of olive oil under Kırlangıç, Komili and Madra Brands, sunflower and corn oil	Turkey	**50.147**	**37,57**	**(2.319)**	-	-	-
Aslancık	Production of electricity	Turkey	**3.186**	**17,00**	**544**	2.642	17,00	(172)
D Tes	Wholesale of electricity	Turkey	**10**	**17,00**	**(12)**	22	17,00	(38)
			119.403		**(7.541)**	74.273		(390)

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

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

AEH, a subsidiary of the Company, has acquired 27.107 Anadolu Isuzu shares with varying prices in the range of TRL 2,80-2,84 from ISE in February 2009. As a consequence of the foresaid transaction, Group's share in Anadolu Isuzu has improved to 37,56% by increasing 0,08 point.

Summary financial statements of the Group's joint venture Anadolu Isuzu are as follows:

Anadolu Isuzu	**March 31, 2009**	December 31, 2008
Total assets	**318.911**	359.415
Total liabilities	**148.410**	173.939
Net assets	**170.501**	185.476
Group's interest in net assets	**66.060**	71.609
Revenues	**28.009**	496.764
Net income/(loss) of the period	**(14.973)**	(468)
Group's share in net income/(loss) of the joint venture	**(5.754)**	(180)

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

5. SEGMENT REPORTING

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.

March 31, 2009	Financial institutions	Automotive	Writing materials and stationery	Food	Other	Unallocated	Elimination	Consolidated
Sales to third-parties	183.702	146.036	27.334	59.920	18.488	4.057	-	439.537
Inter-segment sales	1.115	888	453	153	1.493	2.431	(6.533)	-
Total Sales	**184.817**	**146.924**	**27.787**	**60.073**	**19.981**	**6.488**	**(6.533)**	**439.537**
GROSS PROFIT	**104.091**	**40.472**	**13.927**	**6.415**	**2.706**	**6.488**	**(1.080)**	**173.019**
Marketing, selling, and distribution expenses (-)	-	(18.908)	(3.733)	(1.799)	(552)	-	-	(24.992)
General administrative expenses (-)	(49.737)	(12.663)	(1.395)	(3.387)	(1.458)	(8.015)	-	(76.655)
Research and development expenses (-)	-	(128)	(43)	-	-	-	-	(171)
Other operating income	291	5.052	99	19	1.829	12.644	-	19.934
Other operating expense (-)	(2.185)	(326)	(402)	(374)	(68)	(113)	-	(3.468)
OPERATING INCOME	**52.460**	**13.499**	**8.453**	**874**	**2.457**	**11.004**	**(1.080)**	**87.667**
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	-	(17.296)	-	(17.296)
Non-operating financial income	11.196	8.727	12	347	690	5.063	-	26.035
Non-operating financial expense (-)	(28.674)	(16.209)	(470)	(68)	(309)	(7.411)	-	(53.141)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	**34.982**	**6.017**	**7.995**	**1.153**	**2.838**	**(8.640)**	**(1.080)**	**43.265**
Tax Income/(Expense) from Continuing Operations	**(6.285)**	**(859)**	**(1.472)**	**567**	**5**	**(890)**	**-**	**(8.934)**
- Income tax (-)	(3.854)	(1.175)	(2.147)	-	(161)	(451)	-	(7.788)
- Deferred tax income / (expense)	(2.431)	316	675	567	166	(439)	-	(1.146)
NET INCOME	**28.697**	**5.158**	**6.523**	**1.720**	**2.843**	**(9.530)**	**(1.080)**	**34.331**
Attributable to:								
- Minority interest	572	482	-	-	-	18.235	-	19.289
- Equity holders of the parent	28.125	4.676	6.523	1.720	2.843	(27.765)	(1.080)	15.042
Total Assets	**3.655.112**	**390.276**	**110.040**	**96.978**	**73.508**	**1.536.516**	**(499.329)**	**5.363.101**
Total Liabilities	**3.061.872**	**268.654**	**54.039**	**22.597**	**24.419**	**88.795**	**-**	**3.520.376**
Fixed asset purchases	104	4.684	115	4.687	881	152	-	10.623
Investment property purchases	4.086	-	-	-	-	-	-	4.086
Depreciation and amortization	1.495	4.687	363	2.119	182	117	-	8.963

(*) Expense recognized from Anadolu Efes, Anadolu Isuzu, Anagıda, Aslancık and D Tes amounting to TRL 17.296 is recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

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

5. SEGMENT REPORTING (cont'd)

March 31, 2008	Financial institutions	Automotive	Writing materials and stationery	Food	Other	Unallocated	Elimination	Consolidated
Sales to third-parties	128.624	147.912	25.577	95.890	13.483	2.875	-	414.361
Inter-segment sales	49	672	334	53	1.934	1.819	(4.861)	-
Total Sales	128.673	148.584	25.911	95.943	15.417	4.694	(4.861)	414.361
GROSS PROFIT	83.791	42.346	14.209	16.168	2.176	4.694	(2.415)	160.969
Marketing, selling, and distribution expenses (-)	-	(17.311)	(2.796)	(5.616)	(409)	-	-	(26.132)
General administrative expenses (-)	(26.969)	(12.010)	(2.212)	(5.862)	(1.265)	(6.061)	-	(54.379)
Research and development expenses (-)	-	(81)	(10)	-	-	-	-	(91)
Other operating income	313	6.388	1.687	63	456	1.243	-	10.150
Other operating expense (-)	(838)	(287)	(291)	(402)	(43)	(14)	-	(1.875)
OPERATING INCOME	56.297	19.045	10.587	4.351	915	(138)	(2.415)	88.642
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	-	19.297	-	19.297
Non-operating financial income	5.879	4.149	64	434	638	2.303	-	13.467
Non-operating financial expense (-)	(44.663)	(16.235)	(2.143)	(264)	(107)	(7.116)	-	(70.528)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	17.513	6.959	8.508	4.521	1.446	14.346	(2.415)	50.878
Tax Income/(Expense) from Continuing Operations	(3.260)	(2.709)	(1.243)	-	(332)	234	-	(7.310)
- Income tax (-)	-	(1.343)	(2.009)	-	(414)	(119)	-	(3.885)
- Deferred tax income / (expense)	(3.260)	(1.366)	766	-	82	353	-	(3.425)
NET INCOME	14.253	4.250	7.265	4.521	1.114	14.580	(2.415)	43.568
Attributable to:								
- Minority interest	(1.890)	2.213	-	-	-	11.718	-	12.041
- Equity holders of the parent	16.143	2.037	7.265	4.521	1.114	2.862	(2.415)	31.527
Total Assets	3.065.403	330.204	66.245	144.246	43.197	1.591.648	(640.151)	4.600.792
Total Liabilities	2.633.096	172.223	17.110	39.588	16.764	62.353	-	2.941.134
Fixed asset purchases	2.245	8.262	192	3.676	230	26	-	14.631
Investment property purchases	386	-	-	-	-	-	-	386
Depreciation and amortization	1.104	2.734	387	1.494	160	132	-	6.011

(*) Income recognized from Anadolu Efes and Anadolu Isuzu amounting to TRL 19.938 and expense from Aslancık and D Tes amounting to TRL 41 recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

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

5. SEGMENT REPORTING (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: Group's effective participation rate for Anadolu Efes is 36,27% (December 31, 2008: 36,24%). 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, 2009 and December 31, 2008 are reflected in "gain/loss from the investments accounted through equity method" line of the consolidated interim income statement as loss amount of TRL 9.755 and gain amount of TRL 15.511 respectively.

6. CASH AND CASH EQUIVALENTS

	March 31, 2009	December 31, 2008
Non-Banking	**57.974**	42.504
Banking	**190.108**	882.906
Cash and cash equivalents in the consolidated cash flow statement	**248.082**	925.410

<u>**Non-Banking**</u>

The details of cash and cash equivalents are as follows:

	March 31, 2009	December 31, 2008
Cash on hand	**1.268**	946
Cash in banks	**55.845**	40.278
Other	**861**	1.280
	57.974	42.504

	March 31, 2009			December 31, 2008		
	Amount	**Maturity**	**Interest rate**	Amount	Maturity	Interest rate
Cash in banks						
Demand						
-EUR	**25.024**	**-**	**-**	4.169	-	-
-USD	**15.496**	**-**	**-**	2.406	-	-
-TRL	**505**	**-**	**-**	2	-	-
-Other	**9.023**	**-**	**-**	1.761	-	-
Time	**30.821**			36.109		
-EUR	**27.263**	**87 days**	**0,75% - 9,50%**	27.191	2 - 180 days	1,65% - 9,50%
-USD	**-**	**-**	**-**	811	2 days	1,00% - 2,00%
-TRL	**3.558**	**2 – 23 days**	**10,50% - 13,00%**	8.107	2 - 33 days	14,50% - 23,00%
	55.845			40.278		

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

6. CASH AND CASH EQUIVALENTS (cont'd)

Banking

	March 31, 2009	December 31, 2008
Cash on hand	**25.581**	27.430
Balances with the Central Bank	**90.498**	87.245
Cash and balances with the Central Bank	**116.079**	114.675
Deposits with banks and other financial institutions	**56.871**	367.442
Reverse repurchase agreements	**17.158**	12.831
Interbank placements	**-**	387.958
Other money market placements	**17.158**	400.789
	190.108	882.906

As of March 31, 2009 and December 31, 2008 the interest rate range of deposits and placements are as follows:

	March 31, 2009				December 31, 2008			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign currency
Balances with the Central Bank	**45.073**	**45.425**	-	**-**	38.692	48.553	-	0,15%
Deposits with banks and other financial institutions	**9.606**	**47.265**	**12,00% - 12,50%**	**-**	5.279	362.163	15,75%- 18,00%	1,22%
Reverse repurchase agreements	**17.158**	**-**	**10,60%**	**-**	12.831	-	14,99%	-
Interbank placements	**-**		**-**	**-**	350.144	37.814	15,00%	1,00%
	71.837	**92.690**			406.946	448.530		

7. FINANCIAL ASSETS

	March 31, 2009	December 31, 2008
Non-Banking	**7.149**	13.554
Banking	**496.504**	296.435
	503.653	309.989

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

7. FINANCIAL ASSETS (cont'd)

Non-Banking

	March 31, 2009		December 31, 2008	
	Amount	**%**	Amount	%
Investment funds	**652**	**-**	7.054	-
Financial assets available for sale	**6.497**		6.500	
- Polinas Plastik ve Ticaret A.Ş. (Polinas)	**6.276**	**10,57**	6.276	10,57
- Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	**95**	**0,48**	95	0,48
- Other	**126**		129	
	7.149		13.554	

Banking

	March 31, 2009	December 31, 2008
Trading securities	**26.305**	31.768
Investment securities	**390.107**	252.116
Securities given as collateral under repurchase agreement	**80.092**	12.551
	496.504	296.435

Trading Securities

	March 31, 2009		December 31, 2008	
	Amount	**Effective interest rate %**	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments – TRL				
Turkish government bonds	**11.027**	**12,09%**	13.715	16,93%
Turkish treasury bills	**469**	**11,50%**	88	16,06%
Debt instruments – FX				
Eurobonds	**3.244**	**6,75%**	4.942	7,74%
	14.740		18.745	
Others				
Equity securities – listed in ISE	**11.565**	**-**	13.023	-
	11.565		13.023	
Total trading securities	**26.305**		31.768	

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

7. FINANCIAL ASSETS (cont'd)

Banking (cont'd)

Investment Securities

	March 31, 2009		December 31, 2008	
	Amount	**Effective interest rate (%)**	Amount	Effective interest rate (%)
Available-for-sale securities at fair value-TRL				
Turkish government bonds	**1.666**	**15,99%**	35.489	21,74%
Treasury bonds	**73.672**	**15,13%**	-	-
Available-for-sale securities at fair value-FX				
Eurobonds	**34.081**	**6,00%**	30.948	6,00%
Total available-for-sale securities at fair value	**109.419**		66.437	
Held to maturity securities				
Debt Instruments-TRL				
Turkish government bonds	**280.688**	**18,06%**	185.679	24,39%
Total held to maturity securities	**280.688**		185.679	
Total investment securities	**390.107**		252.116	

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

	March 31, 2009	December 31, 2008
Trading securities	**1.341**	662
Available for sale securities	**4.293**	8.297
Held to maturity securities	**74.458**	3.592
Carrying value of securities given as collateral under repurchase agreement	**80.092**	12.551
Related repurchase liability	**76.946**	11.729

As of March 31, 2009, the carrying value of government securities kept in the Central Bank of Turkey and in ISE Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRL 88.948 and the cost of it is TRL 88.394 (December 31, 2008: TRL 188.414 and TRL 178.114).

As of March 31, 2009, current investments in securities amounts to TRL 169.295 (December 31, 2008: TRL 22.593) and non-current investments in securities amounts to TRL 334.358 (December 31, 2008: TRL 287.396).

8. BORROWINGS

	March 31, 2009	December 31, 2008
Bank borrowings	**182.771**	311.571
Current portion of long term borrowings	**58.970**	58.268
Short term borrowings	**241.741**	369.839
Bank borrowings	**9.926**	22.927
Long term borrowings	**9.926**	22.927

Total borrowings	**251.667**	392.766

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

8. BORROWINGS (cont'd)

As of March 31, 2009, Group does not have any secured bank borrowings (December 31, 2008: None).

	March 31, 2009			December 31, 2008		
Short term	**Amount**	**Fixed interest rate**	**Floating interest rate**	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	**99.583**	**11,0% - 27,6%**	**-**	254.469	15,0% - 27,6%	-
Borrowing in foreign currency (EUR)	**98.448**	**5,0% - 11,0%**	**Euribor + (0,9% - 4,8%)**	68.573	4,9% -10,5%	Euribor + (0,9% - 5,0%)
Borrowing in foreign currency (USD)	**43.710**	**5,1% - 8,5%**	**Libor + 1,8%**	46.797	4,6% - 5,3%	Libor + (0,1% - 1,8%)
				369.839		

Long term				Amount	Fixed interest rate	Floating interest rate
Borrowing in foreign currency (EUR)	**9.926**	**5,3%**	**Euribor + (0,9% - 1,3%)**	13.171	5,3%	Euribor + (0,9% - 1,3%)
Borrowing in foreign currency (USD)	**-**		**-**	9.756	-	Libor + (0,1% - 0,5%)
	9.926			22.927		
	251.667			392.766		

Repayments schedules of long-term borrowings are as follows :

	March 31, 2009	December 31, 2008
2010	**8.620**	13.922
2011	**1.306**	9.005
	9.926	22.927

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

9. OTHER FINANCIAL LIABILITIES

None (December 31, 2008: None).

10. TRADE RECEIVABLES AND TRADE PAYABLES

10.1 Trade Receivables

	March 31, 2009	December 31, 2008
Trade receivables, net	**85.525**	129.165
Notes receivable and post-dated cheques, net	**77.578**	3.768
Less: Provision for doubtful trade receivables	**(1.268)**	(4.612)
	161.835	128.321

As of March 31, 2009, Group has no long term trade receivables (December 31, 2008: None).

Movement of provision for doubtful trade receivables is as follows:

	March 31, 2009	March 31, 2008
Balance at January 1,	**4.612**	2.237
Provisions	**113**	43
Reversal of provision (collections)	**(64)**	(54)
Change in scope of consolidation (*)	**(3.393)**	-
Balance at the end of the period	**1.268**	2.226

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

10.2 Trade Payables

	March 31, 2009	December 31, 2008
Non-Banking	**86.090**	78.997
Banking	**1.751**	1.030
	87.841	80.027

As of March 31, 2009, Group has no long term trade payables (December 31, 2008: None).

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

11. OTHER RECEIVABLES AND PAYABLES

11.1 Other Short Term Receivables

	March 31, 2009	December 31, 2008
Non-Banking	**47.515**	44.453
-Receivables from credits (*)	**46.928**	43.719
-Other	**587**	734
Banking	**-**	-
	47.515	44.453

(*) The amount TRL 44.392 consists of the credits in AEH and ABank that are transferred to a subsidiary, Anadolu Varlık. The amount of provision for the related receivable at the end of period is TRL 5.926 (December 31, 2008: TRL 7.750).

11.2 Other Long Term Receivables

	March 31, 2009	December 31, 2008
Non-Banking	**1.996**	1.822
Banking		
-Collaterals given for derivatives and financial assets	**7.982**	7.669
	9.978	9.491

11.3 Other Short Term Payables

	March 31, 2009	December 31, 2008
Non-Banking	**9.633**	14.720
Banking	**17.848**	19.230
	27.481	33.950

Non-Banking

	March 31, 2009	December 31, 2008
Taxes payable	**6.477**	11.460
Due to personnel	**1.495**	1.706
Deposits and collaterals taken	**1.619**	1.529
Other	**42**	25
	9.633	14.720

Banking

	March 31, 2009	December 31, 2008
Taxes payable	**12.710**	13.824
Collaterals given for financial assets	**5.138**	5.406

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

	17.848	19.230

12. LEASE RECEIVABLES AND OBLIGATIONS

12.1 Lease Contracts Receivable

Gross investments in finance leases receivables are as follows:

	March 31, 2009	December 31, 2008
Not later than one year	**185.675**	179.158
Later than one year and not later than five years	**137.249**	147.453
Minimum financial lease receivables, gross	**322.924**	326.611
Less: Unearned interest income	**(43.004)**	(44.539)
Net investment in finance leases	**279.920**	282.072
Less: Reserve for doubtful financial lease receivables	**(6.646)**	(5.447)
Minimum financial lease receivables, net	**273.274**	276.625

Maturities of net investment in finance leases:

	March 31, 2009	December 31, 2008
Not later than one year	**154.102**	148.814
Later than one year and not later than five years	**119.172**	127.811
	273.274	276.625

	March 31, 2009		December 31, 2008	
	Amount	**Interest rate**	Amount	Interest rate
EUR	**146.816**	**7,05% - 22,75%**	148.939	5,97% - 19,22%
USD	**77.885**	**7,36% - 21,37%**	75.787	7,36% - 18,70%
TRL	**48.573**	**17,80% - 36,39%**	51.899	15,24% - 35,36%
	273.274		276.625	

As of March 31, 2009, collaterals obtained by the Group from certain lease customers in relation to minimum lease payments receivables consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

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

	March 31, 2009	December 31, 2008
Balance at January 1	**5.447**	2.237
Provision	**1.659**	43
Collections (-)	**(460)**	(54)

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

Balance at the end of the period	**6.646**	2.226

12. LEASE RECEIVABLES AND OBLIGATIONS (cont'd)

12.2 Finance Lease Liabilities

None (December 31, 2008: None).

13. INVENTORIES

	March 31, 2009	December 31, 2008
Raw materials	**15.825**	31.601
Work-in-progress	**4.076**	6.931
Finished goods	**13.160**	19.416
Merchandise	**87.083**	104.593
Goods in transit	**11.122**	23.476
Others	**1.352**	148
Provision for inventories (-)	**(812)**	(2.403)
	131.806	183.762

The movement of provision for inventories is as follows:

	March 31, 2009	March 31, 2008
Balance at January 1	**2.403**	-
Provision	**-**	-
Reversal	**(1.422)**	-
Change in scope of consolidation (*)	**(169)**	-
Balance at the end of the period	**812**	**-**

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

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

14. BIOLOGICAL ASSETS

Biological assets worth of TRL 6.056 (December 31, 2008: TRL 6.209) consist of cattle in the farm. Number of cattle additons is 1.693 unit and disposals is 1.380 unit for the period ended as of March 31, 2009 (December 31, 2008: Additions 6.993 unit , disposal 6.785 unit).

15. RECEIVABLES AND DEFERRED INCOME FROM CONSTRUCTION IN PROGRESS

None (December 31, 2008 : None)

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

16. INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	March 31, 2009	December 31, 2008
Investment	**868.476**	866.748
Joint ventures (Note 4)	**119.403**	74.273
	987.879	941.021

16.1 Investment in Associate

Entity	Principle Activities	Country of business	**March 31, 2009** **Carrying value**	**Ownership interest rate %**	**Group's share of income/ (loss)**	December 31, 2008 Carrying value	Ownership interest rate %	Group's share of income/(loss)
Anadolu Efes (*)	Production of beer	Turkey	**868.476**	**36,27**	**(9.755)**	866.748	36,24	119.706
			868.476			866.748		119.706

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

Summary financial statements of associates are as follows:

Anadolu Efes	**March 31, 2009**	December 31, 2008
Total assets	**5.356.783**	5.123.529
Total liabilities	**2.889.745**	2.607.878
Net assets	**2.467.038**	2.515.651
Group's interest in net assets	**868.476**	866.748
Revenues	**763.844**	3.668.917
Net income/(loss)	**(25.157)**	309.678
Group's share in net income of the associate	**(9.755)**	119.706

16.2 Investments in Joint Ventures

Entity	**Principle activities**	**Country of business**	**March 31, 2009** **Carrying value**	**Ownership interest rate %**	**Group's share of income/ (loss)**	December 31, 2008 Carrying value	Ownership interest rate %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	**66.060**	**37,56**	**(5.754)**	71.609	37,48	(180)
Ana Gıda (**)	Production and marketing of olive, sun flower and corn oils under Kırlangıç, Komili and Madra brands	Turkey	**50.147**	**37,57**	**(2.319)**	-	-	-
Aslancık	Production of electricity	Turkey		**3.186**	**17,00**	**544**	2.642	17,00
D Tes	Wholesale of electricity	Turkey	**10**	**10**	**17,00**	**(12)**	22	17,00
			123.385	**119.403**		**(7.541)**	74.273	

(*) Shares of Anadolu Isuzu are traded on the ISE.
(**) Change in scope of consolidation involves the effects of the change of in Ana Gıda's consolidation method in the fiscal year (Note 3).

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

17. INVESTMENT PROPERTY

	March 31, 2009	December 31, 2008
Balance at January 1	**9.265**	21.206
Additions	**4.086**	2.340
Disposal (-)	**(477)**	(14.160)
Depreciation	**(35)**	(121)
Balance at the end of the period	**12.839**	9.265

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 TRL 18.959 as of March 31, 2009 (December 31, 2008, TRL 13.264).

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

18. PROPERTY, PLANT AND EQUIPMENT (P,P&E)

Movements of property, plant and equipment during the three months period ending on March 31, 2009 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
January 1, 2009	43.112	77.074	178.664	80.139	34.758	14.450	75.686	5.535	509.418
Additions	-	-	1.518	4.308	553	4	637	3.390	10.410
Disposals	-	-	(216)	(5.155)	(46)	-	(864)	(1.397)	(7.678)
Change in scope of consolidation (*)	(323)	-	(815)	(140)	(297)	(22)	712	(4.033)	(4.918)
March 31, 2009	42.789	77.074	179.151	79.152	34.968	14.432	76.171	3.495	507.232
Accumulated depreciation									
January 1, 2009	1.631	15.617	139.043	20.293	24.043	12.452	39.100	-	252.179
Depreciation charge for the period	55	206	1.937	2.367	1.286	92	2.625	-	8.568
Disposals	-	-	(212)	(2.707)	(39)	-	(864)	-	(3.822)
Change in scope of consolidation (*)	-	-	(692)	(121)	(210)	(14)	(230)	-	(1.267)
March 31, 2009	1.686	15.823	140.076	19.832	25.080	12.530	40.631	-	255.658
Net carrying amount	41.103	61.251	39.075	59.320	9.888	1.902	35.540	3.495	251.574

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

Property, Plant and Equipment held under finance lease

The carrying amount of P,P&E held under finance leases at March 31, 2009 is TRL 26.158. According to the finance lease law, P,P&E under finance lease are owned by the finance lease company during the lease term. Hence, these P,P&E are regarded as colleterals by the finance lease company.

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

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

Movements of property, plant and equipment during the three months period ending on March 31, 2008 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, 2008	42.762	78.436	169.368	62.621	29.297	13.907	63.082	1.721	461.194
Additions	54	97	1.619	7.394	2.077	146	1.496	1.452	14.335
Disposals	-	(2.025)	(57)	(1.575)	(147)	-	-	(1.803)	(5.607)
March 31, 2008	42.816	76.508	170.930	68.440	31.227	14.053	64.578	1.370	469.922
Accumulated depreciation									
January 1, 2008	1.419	14.627	132.945	14.505	22.916	12.262	34.524	-	233.198
Depreciation charge for the period	50	185	1.941	1.801	507	49	1.070	-	5.603
Disposals	-	(88)	(40)	(776)	(147)	-	-	-	(1.051)
March 31, 2008	1.469	14.724	134.846	15.530	23.276	12.311	35.594	-	237.750
Net carrying amount	41.347	61.784	36.084	52.910	7.951	1.742	28.984	1.370	232.172

Property, plant and equipment held under finance lease

The carrying amount of P,P&E held under finance leases at March 31, 2008 is TRL 28.230. According to the finance lease law, P,P&E under finance lease are owned by the finance lease company during the lease term. Hence, these P,P&E are regarded as colleterals by the finance lease company.

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

19. INTANGIBLE ASSETS

Movements of intangible assets during the three months period ending on March 31, 2009 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2009	76.226	10.677	1.051	1.381	89.335
Additions	213	-	-	-	213
Change in scope of consolidation (*)	(36.844)	(5.148)	-	(85)	(42.077)
March 31, 2009	**39.595**	**5.529**	**1.051**	**1.296**	**47.471**
Accumulated amortization					
January 1, 2009	35.291	9.307	378	496	45.472
Amortization charge for the period	324	-	60	11	395
Change in scope of consolidation (*)	(603)	(3.927)	-	(74)	(4.604)
March 31, 2009	**35.012**	**5.380**	**438**	**433**	**41.263**
Net carrying amount	**4.583**	**149**	**613**	**863**	**6.208**

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

Movements of intangible assets during the three months period ending on March 31, 2008 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2008	41.293	10.677	1.051	1.204	54.225
Additions	199	-	-	97	296
March 31, 2008	41.492	10.677	1.051	1.301	54.521
Accumulated amortization					
January 1, 2008	33.917	9.075	152	449	43.593
Amortization charge for the period	324	19	13	52	408
March 31, 2008	34.241	9.094	165	501	44.001
Net carrying amount	7.251	1.583	886	800	10.520

20. GOODWILL

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.

	March 31, 2009	December 31, 2008
Non-Banking (*)	**-**	21.251
Banking	**35.344**	35.344
	35.344	56.595

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

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

21. GOVERNMENT INCENTIVES AND GRANTS

None (December 31, 2008: None).

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The provisions as of March 31, 2009 and December 31, 2008 are as follows:

	March 31, 2009	December 31, 2008
Non-Banking	**12.371**	13.840
Banking	**599**	765
	12.970	14.605

Non-Banking

	March 31, 2009	December 31, 2008
Warranty provisions	**6.086**	5.736
Label provisions	**5.610**	7.429
Litigation provisions	**675**	675
	12.371	13.840

Banking

	March 31, 2009	December 31, 2008
Litigation provisions	**469**	469
Others	**130**	296
	599	765

Group has TRL 651 long term provisions as of March 31, 2009. (December 31, 2008: None).

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

23. COMMITMENTS

Non-Banking

Letters of guarantee given to suppliers, Energy Market Regulatory Authority and custom offices are TRL 21.549 (December 31, 2008: TRL 27.924).

Collaterals given to banks for the loans of associates and other related parties are TRL 1.055 (December 31, 2008: TRL 945).

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRL 21.925 (December 31, 2008: TRL 13.145).

Total letter of credits amount to TRL 11.051 (December 31, 2008: TRL 3.317).

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

The Group's guarantee, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 57.468, TRL 2.322, TRL 14.333 and 1.531 (December 31, 2008: TRL 73.670, TRL 3.848, TRL 14.846 and TRL 858).

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.

The subsidiary Çelik Motor operates in vehicle operating lease business which has 1 – 3 years of rental period.

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, 2009	December 31, 2008
Letters of guarantees (Issued by Abank)	**1.078.135**	992.241
Letters of credit	**204.749**	214.078
Acceptance credits	**10.966**	16.924
Other	**19.974**	21.069
Total contingent liabilities	**1.313.824**	1.244.312
Other commitments (*)	**815.690**	500.169
	2.129.514	1.744.481

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

As of March 31, 2009, ALease has no letters of guarantees given for funds borrowed from banks and various leasing transactions (December 31, 2008: None).

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

23. COMMITMENTS (cont'd)

Banking (cont'd)

Blocked Assets

As of March 31, 2009, the nominal values of the TRL denominated assets held by ABank in fiduciary, agency or custodian capacities amounted to TRL 942.346 (December 31, 2008: TRL 920.671) and foreign currency denominated assets amounted to TRL 36.040 (December 31, 2008: TRL 35.047).

Litigation

Damages claimed in the suits filed against ABank amount to TRL 1.163 (December 31, 2008: TRL 1.163), as of March 31, 2009. 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, has booked TRL 469 amount of litigation provision (December 31, 2008: TRL 469).

Other

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

24. PROVISIONS FOR THE EMPLOYEE BENEFITS

	March 31, 2009	December 31, 2008
Short term	**9.930**	8.646
Premium provisions	**5.487**	4.361
Vacation pay liability	**4.443**	4.208
Seniority pay liability	**-**	77
Long term	**12.668**	12.975
Employee termination benefits	**12.668**	12.828
Seniority pay liability	**-**	147
	22.598	21.621

Provision for Employee Termination Benefit

In accordance with the existing labour legislation, the Group 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 TRL 2,2601 at March 31, 2009 and TRL 2,1732 December 31, 2008, 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, 2009 and December 31, 2008, the consolidated 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.

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

24. PROVISIONS FOR THE EMPLOYEE BENEFITS (cont'd)

Provision for Employee Termination Benefit (cont'd)

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

	March 31, 2009	December 31, 2008
Discount rate	**12%**	12%
Expected rates of salary/limit increases (inflation rate)	**5,4%**	5,4%

In addition, as of March 31, 2009 retirement pay liability provision was calculated as actuarial assumption considering the increase of maximum liability of TRL 2,2601 for the related year in accordance with the inflation rate.

Retirement pay liability provision movements are as follows:

	March 31, 2009	March 31, 2008
Balance at January 1	**12.828**	11.361
Interest cost	**353**	312
Charge for the period (net)	**1.349**	811
Paid (-)	**(800)**	(632)
Change in scope of consolidation (*)	**(1.062)**	-
Balance at the end of the period	**12.668**	11.852

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

25. PENSION PLANS

None (December 31, 2008 : None).

26. OTHER ASSETS AND LIABILITIES

26.1 Other Current Assets

	March 31, 2009	December 31, 2008
Non-Banking	**44.072**	54.685
Banking	**11.774**	15.336
	55.846	70.021

<u>**Non-Banking**</u>

	March 31, 2009	December 31, 2008
Prepaid taxes	**33.339**	28.529
VAT receivable	**5.276**	20.571
Prepaid tax	**2.095**	3.470
Other current assets	**3.362**	2.115
	44.072	54.685

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

26. OTHER ASSETS AND LIABILITIES (cont'd)

26.1 Other Current Assets (cont'd)

Banking

	March 31, 2009	December 31, 2008
VAT receivable	**7.201**	12.556
Receivables from insurance policies	**1.553**	1.455
Prepaid tax	**115**	58
Prepaid expenses, transitory accounts and others	**2.905**	1.267
	11.774	15.336

26.2 Other Non-Current Assets

	March 31, 2009	December 31, 2008
Non-Banking	**846**	9.831
VAT receivable	**96**	9.148
Other	**750**	683
Banking	**13.381**	10.402
Prepaid expenses	**3.229**	3.696
VAT receivable	**4.895**	-
Other	**5.257**	6.706
	14.227	20.233

26.3 Other Current Liabilities

	March 31, 2009	December 31, 2008
Non-Banking	**37.735**	6.783
Banking	**41.431**	44.326
	79.166	51.109

Non-Banking

	March 31, 2009	December 31, 2008
Advances taken	**37.728**	6.716
Deferred income	**7**	20
Other payables	**-**	47
	37.735	6.783

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

26. OTHER ASSETS AND LIABILITIES (cont'd)

26.3 Other Current Liabilities (cont'd)

Banking

	March 31, 2009	December 31, 2008
Cheques in collection	**13.266**	13.436
Assets held for resale (*)	**10.920**	11.915
Advances taken from customers	**2.713**	1.953
Other	**14.532**	17.022
	41.431	44.326

(*) Collections from banking loans.

As of March 31, 2009, there has been no other long term liability amount presented in the consolidated financial statements (December 31, 2008: None).

27. EQUITY

Issued Capital / Capital - Participation Elimination

	March 31, 2009		December 31, 2008	
	Paid-in capital	**%**	Paid-in capital	%
Yazıcı Families	**65.280**	**40,80**	65.280	40,80
Kamil Yazıcı Yönetim ve Danışma A.Ş.	**53.600**	**33,50**	53.600	33,50
Publicly traded (*)	**41.120**	**25,70**	41.120	25,70
Historical share capital	**160.000**	**100,00**	160.000	100,00
Restatement effect	**-**		-	
Total restated share capital	**160.000**		160.000	

(*) The TRL 2.906 amount of the publicly traded portion 1,816% is owned by Kamil Yazıcı Yönetim ve Danışma A.Ş.

Movement of paid in capital as at March 31, 2009 and December 31, 2008 is as follows (historical amounts in TRL):

	March 31, 2009		December 31, 2008	
	Share	**Amount**	Share	Amount
Balance at January 1	**160.000**	**160.000**	160.000	160.000
-Inflation restatement of shareholders' equity	**-**	**-**	-	-
Balance at the end of the period	**160.000**	**160.000**	160.000	160.000

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

27. EQUITY (cont'd)

Issued Capital / Capital - Participation Elimination (cont'd)

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

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

Class	Number of shares	% of capital	Number of members on Board
A (Bearer)	87.818	54,89	1
B (Registered)	32.000	20,00	3
C (Registered)	19.235	12,02	1
D (Registered)	20.947	13,09	1
	160.000	**100,00**	**6**

Restricted Reserves Allocated from Net Profit, Value Increase Funds

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

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

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

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

27. EQUITY (cont'd)

Restricted Reserves Allocated from Net Profit, Value Increase Funds (cont'd)

Quoted companies are subject to dividend requirements regulated by the CMB as follows:

Based on the CMB Decree 7/242, dated February 25, 2005, if the amount of the profit distribution calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the entire amount of the net distributable profit should be distributed. It is stated that dividend distributions should not be made if there is a loss in either the financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

In accordance with the CMB decision number 1/6 dated January 9, 2009, it was resolved that the distribution of the income from operations in 2008 of publicly traded companies would be applied as 20% which is the minimum dividend distribution rate as disclosed in Communiqué IV- 27 article No:5. In accordance with the Communiqué No. IV-27. Corresponding distribution could be made by means of cash, non-cash or bonus share according to resolution taken in annual general meetings

It was also announced in the CMB decision number 1/6 that without considering the fact that a profit distribution has been declared in the general assemblies of the subsidiaries, joint ventures and associates, which are consolidated into the parent company's financial statements, the net income from these companies that are consolidated into the financial statements of the parent company can be considered when calculating the distributable amount, as long as the statutory reserves of these entities are sufficient for a such profit distribution. After completing these requirements, the parent company may distribute profit by considering the net income included in the consolidated financial statements prepared in accordance with Communiqué No. XI-29 of CMB.

Inflation adjustment to shareholders' equity can be netted-off against prior years' losses and used as an internal source for capital increase where extraordinary reserves can be netted-off against prior years' loss and used in the distribution of bonus shares and dividends to shareholders. However, inflation adjustment to shareholders' equity is subject to corporate tax in case of cash dividend distribution.

	March 31, 2009	December 31, 2008
Value increase funds	**442**	4.940

	March 31, 2009	December 31, 2008
Restricted reserves allocated from net profit	**12.110**	12.110

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

27. EQUITY (cont'd)

Accumulated Profits

As of March 31, 2009 and December 31, 2008 the summary of equity reserves, extraordinary reserves, other profit reserves, equity restatement differences, and accumulated profits are as follows:

	March 31, 2009	December 31, 2008
Equity reserves	**1.166**	1.166
Extraordinary reserves	**109.465**	109.465
Other profit reserves	**2.558**	2.558
Equity restatement differences	**160.382**	160.382
Accumulated profits	**944.096**	783.928
	1.217.667	1.057.499

Minority Interest

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

28. CONTINUING OPERATIONS

GROSS PROFIT	**March 31, 2009**	March 31, 2008
Non-Banking	**66.891**	76.574
Revenue net off cost of sales	**57.530**	69.473
Service Income (*)	**9.361**	7.101
Banking – Gross profit from financial sector operations	**106.128**	84.395
	173.019	160.969

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

29. OPERATING EXPENSES

	March 31, 2009	March 31, 2008
Non-Banking	**52.081**	53.637
Banking	**48.737**	26.965
	101.818	80.602

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

29. OPERATING EXPENSES (cont'd)

Non-Banking

	March 31, 2009	March 31, 2008
Marketing, selling and distribution expenses	**24.992**	26.132
General administrative expenses	**26.918**	27.414
Research and development expenses	**171**	91
	52.081	53.637

Banking

	March 31, 2009	March 31, 2008
General administrative expenses	**45.498**	24.499
Bank exchange loss, net	**4.239**	2.466
	49.737	26.965

30. EXPENSES BY NATURE

The amounts of depreciation and amortization expenses recorded in the consolidated interim income statement accounts are as follows:

	March 31, 2009	March 31, 2008
Depreciation and amortization expenses		
Cost of sales	**2.696**	1.670
Marketing, selling and distribution expenses	**883**	201
General administrative expenses	**5.380**	4.140
Research and development expenses	**4**	-
	8.963	6.011

The amounts of payroll expenses recorded in the consolidated interim income statement accounts are as follows:

	March 31, 2009	March 31, 2008
Payroll expenses		
Cost of sales	**13.588**	12.570
Marketing, selling and distribution expenses	**2.394**	2.860
General administrative expenses	**31.808**	30.656
Research and development expenses	**64**	-
	47.854	46.086

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

31. OTHER OPERATING INCOME/EXPENSE

31.1 Other Operating Income

	March 31, 2009	March 31, 2008
Income from share sales of subsidiary (*)	**12.512**	-
Reversal of provision for loan and other losses	**3.445**	1.577
Insurance damage income	**1.223**	727
After sales service income	**1.201**	197
Transportation income	**215**	484
Income from agreements-financial leasing	**181**	472
Gain on sale of property, plant and equipment	**87**	1.854
Commission income	**67**	97
Default income	**-**	278
Return of labels	**-**	988
R&D support income	**-**	462
Other income	**1.003**	3.014
	19.934	10.150

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

31.2 Other Operating Expense

	March 31, 2009	March 31, 2008
Provision for doubtful receivables	**1.295**	43
Financial leasing-agreement expenses	**841**	621
Donation	**445**	405
Losses on sale of property, plant and equipment	**124**	10
Other expense	**763**	796
	3.468	1.875

32. FINANCIAL INCOME

	March 31, 2009	March 31, 2008
Foreign exchange gain	**16.687**	11.555
Gain on sale of financial assets	**4.877**	24
Interest income	**4.469**	1.662
Other	**2**	226
	26.035	13.467

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

33. FINANCIAL EXPENSE

	March 31, 2009	March 31, 2008
Foreign exchange loss	**31.309**	50.472
Interest expense	**15.136**	8.965
Loss from capital market transactions	**595**	8.620
Other	**6.101**	2.471
	53.141	70.528

34. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (December 31, 2008: None).

35. TAX ASSETS AND LIABILITIES

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

The corporation tax rate for the fiscal year is 20% in Turkey (2008 - 20%). Corporate tax returns are required to be filed until the fifteenth of the fourth month following the balance sheet date and paid in one installment until the end of the related month. The tax legislation provides for a provisional tax of 20% (2008 – 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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

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

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

35.1 Deferred Tax Assets and Liabilities

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

	March 31, 2009	December 31, 2008
Deferred tax asset	**4.743**	10.278
Deferred tax liability (-)	**(12.360)**	(11.865)
Total deferred tax asset / (liability), net	**(7.617)**	(1.587)

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

35. TAX ASSETS AND LIABILITIES (cont'd)

35.1 Deferred Tax Assets and Liabilities (cont'd)

The movement of net deferred tax liability as of the three months period ending on March 31, 2009 is as follows:

	Balance December 31, 2008	**Change in scope of consolidation**	**Recorded to income statement**	**Balance March 31,2009**
Fixed assets	**(17.564)**	**542**	**(945)**	**(17.967)**
Carry forward tax loss	**9.861**	**(4.695)**	**(1.617)**	**3.549**
Employee termination benefit	**2.565**	**(212)**	**178**	**2.531**
Financial leases	**(1.162)**	**-**	**460**	**(702)**
Investment incentive	**-**	**-**	**-**	**-**
Other	**4.713**	**(519)**	**778**	**4.972**
Net deferred tax (liability)/asset	**(1.587)**	**(4.884)**	**(1.146)**	**(7.617)**
Reclassification to value increase funds	**-**	-	-	**-**
Allowance for deferred tax	**-**	-	-	**-**
	(1.587)	**(4.884)**	**(1.146)**	**(7.617)**

The movement of net deferred tax asset as of the three months period ending on March 31, 2008 is as follows:

	Balance December 31, 2007	Recorded to income statement	Balance March 31, 2008
Fixed assets			
Inventory	(8.510)	419	(8.091)
Carry forward tax loss	1.839	-	1.839
Employee termination benefit	1.800	130	1.930
Financial leases	(903)	6	(897)
Investment incentive	23.511	-	23.511
Other	7.181	(3.633)	3.548
Net deferred tax (liability)/asset	24.918	(3.078)	21.840
Reclassification to value increase funds	-	(347)	-
Allowance for deferred tax	(24.658)	-	(24.658)
	260	(3.425)	(2.818)

35.2 Tax Expense

	March 31, 2009	March 31, 2008
Income tax expense	**7.788**	3.885
Deferred tax expense	**1.146**	3.425
	8.934	7.310

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

35. TAX ASSETS AND LIABILITIES (cont'd)

35.3 Tax Provision

	March 31, 2009	March 31, 2008
Balance at January 1	**437**	3.534
Income tax expense	**7.788**	3.885
Prepaid tax (-)	**(5.957)**	(5.188)
Balance at the end of the period	**2.268**	2.231

36. EARNING PER SHARE

	March 31, 2009	March 31, 2008
Net profit	**15.042**	31.527
Weighted average number of shares	**160.000.000**	160.000.000
Earning per share (full TRL)	**0,0940**	0,1970

37. RELATED PARTY BALANCES

37.1 Due from Related Parties

	March 31, 2009	December 31, 2008
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**8.208**	7.110
Anadolu Efes (1)	**3.788**	1.734
Anadolu Isuzu (2)	**1.103**	1.589
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	**1.390**	1.366
OAO Amstar (3)	**1.279**	1.133
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	**1.591**	291
ZAO Moscow Efes Brewery (Efes Moscow) (3)	**1.229**	521
Tarbes Tarım Ürünleri ve Besicilik San.Tic. A.Ş. (Tarbes) (3)	**798**	665
Coca-Cola İçecek A.Ş. (3)	**197**	186
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**41**	794
Krasny Vostok Group (3)	**-**	646
Other	**2.235**	334
	21.859	16.369

As of March 31, 2009, the loan amount given to related parties is TRL 8.553, which is included under "Banking Loans" in the consolidated interim financial statements (December 31, 2008: TRL 573). As of March 31, 2009, TRL 1.298 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2008: TRL 1.636).

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

37. RELATED PARTY BALANCES (cont'd)

37.1 Due from Related Parties

The current portion of due from related parties is amounting to TRL 16.040 (December 31, 2008: TRL 10.262), non-current portion is amounting to TRL 5.819 (December 31, 2008: TRL 6.107).

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

37.2 Due To Related Parties

	March 31, 2009	December 31, 2008
Anelsan Anadolu Elektronik Sanayii ve Ticaret A.Ş. (3)	**263**	263
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	**62**	75
Anadolu Isuzu (2)	**55**	257
Efpa (3)	**12**	79
Ortaklara ödenecek kar payı	**18**	18
Other	**992**	42
	1.402	734

There is no long term amount of due to related parties as of March 31, 2009 (December 31, 2008: None).

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

37.3 Related Party Transactions

Significant transactions with related parties during the period ended as of March 31, 2009 and March 31, 2008 are as follows:

	March 31, 2009	March 31, 2008
Sales of goods and services, net		
Anadolu Efes (1)	**6.592**	4.984
Efes Breweries International N.V. (3)	**5.528**	4.989
Coca-Cola Satış ve Dağıtım A.Ş. (3)	**1.940**	533
Efpa (3)	**1.578**	3.542
Anadolu Isuzu (2)	**1.325**	2.819
Tarbes (3)	**1.224**	618
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	**462**	162
Ana Gıda (2)	**399**	-
Efes Vitanta Moldova Brewery SA (3)	**266**	85
Other	**623**	775
	19.937	18.507

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

37. RELATED PARTY BALANCES (cont'd)

37.3 Related Party Transactions (cont'd)

	March 31, 2009	March 31, 2008
Purchases of goods and other charges		
Anadolu Isuzu (2)	**130**	1.230
Efpa (3)	**63**	95
Other	**451**	190
	644	1.515

	March 31, 2009	March 31, 2008
Interest and other financial income (banking)		
Ana Gıda (2)	**287**	-
Coca-Cola İçecek A.Ş. (3)	**88**	101
Anadolu Efes (1)	**73**	28
Anadolu Isuzu (2)	**56**	22
Other	**216**	8
	720	159

	March 31, 2009	March 31, 2008
Interest and other financial expense (banking)		
Anadolu Efes (1) (*)	**3.940**	2.262
Coca-Cola İçecek A.Ş. (3)	**736**	52
Özilhan Sınai Yatırım A.Ş. (5)	**687**	502
Anadolu Isuzu (2)	**497**	1.288
Tarbes (3)	**345**	90
Efes Pilsen Spor Kulübü (5)	**249**	474
Efpa (3)	**76**	65
Other	**1.015**	578
	7.545	5.311

(*) Interest rate range for TRL deposits are 10,00% and 13,50%, for USD deposits are 1,00% and 4,50%.

	March 31, 2009	March 31, 2008
Various sales included in other income (includes dividends taken)		
Anadolu Eğitim ve Sosyal Yardım Vakfı	**60**	-
Anadolu Isuzu (2)	**22**	29
Ana Gıda (2)	**16**	-
Anadolu Efes (1)	**2**	73
Coca-Cola İçecek A.Ş. (3)	**2**	2
Polinas (5)	**-**	14
Efpa (3)	**-**	13
Other	**6**	5
	108	136

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

37. RELATED PARTY BALANCES (cont'd)

37.3 Related Party Transactions (cont'd)

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

Compensation of Key Management Personnel of the Group

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

The details of benefits provided to the key management personnel during the periods ending on March 31, 2009 and March 31, 2008 are as follows:

	March 31, 2009	March 31, 2008
Short term benefits provided to key management personnel	**4.484**	4.738
Post-employement benefits	**84**	49
Total gain	**4.568**	4.787
Social Security Organization employer share	**88**	89

Other

The Company and its subsidiaries with the exception of McDonald's, Hamburger, 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.

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

Financial risk management objectives and policies

General

Banking

To maintain and improve the soundness of its operations, ABank accords top management priority to upgrading its risk management systems and capabilities. According to ABank's "Risk Management Policy", Financial Risks are composed of Market, Credit and Liquidity risks. These risks are supervised by the "Bank Risk Committee" while the various Risk Committees and Risk Control Unit carry out the risk management related tasks. Risk Management Policy includes details about the framework for defining, measuring, monitoring and managing the risks taken by the business units across ABank. Risk Management Policy covers,

- Sound and optimum capital allocation
- 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.

Market Risk

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

Credit Risk

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

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

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

Financial risk management objectives and policies (cont'd)

Banking (cont'd)

Currency Risk

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

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

	TRL	USD	EUR	Japonese Yen	Other	Total
March 31, 2009						
Assets						
Cash and balances with the Central Bank	55.928	52.900	6.733	-	518	116.079
Deposits with banks and other financial institutions	9.604	12.831	32.194	2.234	8	56.871
Other money market placements	17.158	-	-	-	-	17.158
Reserve deposits at the Central Bank	-	90.545	-	-	-	90.545
Trading securities	24.402	3.244	-	-	-	27.646
Investment securities	434.946	34.082	-	-	-	469.028
Originated loans and advances	1.382.825	657.028	461.778	-	428	2.502.059
Minimum lease payments receivable	48.573	80.495	151.630	-	-	280.698
Derivative financial instruments	26.387	337	-	-	-	26.724
Investments	17	-	-	-	-	17
Investment Property	12.839	-	-	-	-	12.839
Tangible assets	19.808	-	-	-	-	19.808
Intangible assets	2.183	-	-	-	-	2.183
Deferred tax assets	492	-	-	-	-	492
Other assets	42.358	2.618	1.671	-	-	46.647
Total Assets	**2.077.520**	**934.080**	**654.006**	**2.234**	**954**	**3.668.794**
Liabilities						
Deposits from other banks	10.256	11.447	3.792	-	119	25.614
Customers' deposits	1.275.468	727.250	306.515	2.908	1.838	2.313.979
Other money market deposits	81.167	-	-	-	-	81.167
Funds borrowed	71.968	305.375	269.694	-	427	647.464
Derivative financial instruments	15.919	-	-	-	-	15.919
Other liabilities and provisions	82.970	20.302	7.423	-	182	110.877
Total Liabilities	**1.537.748**	**1.064.374**	**587.424**	**2.908**	**2.566**	**3.195.020**
Net on-balance sheet position	**539.772**	**(130.294)**	**66.582**	**(674)**	**(1.612)**	**473.774**
Off-balance sheet position						
Net nominal amount of derivatives	(40.923)	124.830	(60.673)	663	1.649	25.546
Non- cash loans	657.660	485.273	160.676	2.020	8.195	1.313.824
December 31, 2008						
Total Assets	2.111.231	1.139.122	805.316	696	1.266	4.057.631
Total Liabilities	1.675.067	1.263.276	667.942	684	2.169	3.609.138
Net on-balance sheet position	436.164	(124.154)	137.374	12	(903)	448.493
Off-balance sheet position, net nominal amount	629.041	433.842	176.107	2.116	3.206	1.244.312

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

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

Financial risk management objectives and policies (cont'd)

Banking (cont'd)

Currency Risk (cont'd)

Currency risk sensitivity

The table below shows the Group's (Banking) sensitivity to the 10% change in the USD and EUR exchange rates. The positive amount shows the increase/decrease in profit /loss as a result of the 10% value increase /decrease of USD and EUR against TRL.

	Change in exchange rate %	Effect on profit / loss	
		March 31, 2009	**December 31, 2008**
USD	+/-10%	+/- 404	+/- 1.653
EUR	+/-10%	+/- 4.062	+/- 2.340

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. Relevant risk is measured with simulation based interest rate models. Applied limits on the risks posed by the asset- liability mismatches are derived from the capital set aside by the Board for Asset- Liability Management purposes.

Liquidity Risk

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

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

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

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

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

Financial risk management objectives and policies (cont'd)

Banking (cont'd)

Operational Risk

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

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

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

Capital Adequacy

To monitor the adequacy of its capital, ABank uses ratios established by Banking Regulation and Supervision Agency (BRSA). These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing ABank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of March 31, 2009 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 13,94% (December 31, 2008: 14,21%).

Non-Banking

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 Group also monitors the market price risk arising from all financial instruments.

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 Turkish Lira to 1 USD and 1 EUR:

		Exchange buying rate at December 31, 2008	Average exchange buying rate in the period	Exchange buying rate at March 31, 2009
TRL /USD	Turkey	1,5123	1,6478	1,6880
TRL /EUR	Turkey	2,1408	2,1525	2,2258

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

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

Financial risk management objectives and policies (cont'd)

Non-Banking (cont'd)

Foreign currency risk (cont'd)

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

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

March 31, 2009	TRL Equivalent (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables and due from related parties	5.419	1.155	1.559	-	-
2a. Monetary financial assets (cash and cash equivalents included)	43.296	307	19.219	-	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other current assets and receivables	1.863	645	348	-	-
4. Current assets (1+2+3)	**50.578**	**2.107**	**21.126**	**-**	**-**
5. Trade receivables and due from related parties	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	367	209	6	-	-
8. Non - current assets (5+6+7)	**367**	**209**	**6**	**-**	**-**
9. Total assets (4+8)	**50.945**	**2.316**	**21.132**	**-**	**-**
10. Trade payables and due to related parties	34.472	399	15.184	1	-
11. Short - term borrowings and current portion of long - term borrowings	142.158	25.894	44.230	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	**176.630**	**26.293**	**59.414**	**1**	**-**
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	9.926	-	4.460	-	-
16 a. Monetary other liabilities	380	225	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	**10.306**	**225**	**4.460**	**-**	**-**
18. Total liabilities (13+17)	**186.936**	**26.518**	**63.874**	**1**	**-**
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	**-**	**-**	**-**	**-**	**-**
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	**(135.991)**	**(24.202)**	**(42.742)**	**(1)**	**-**
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	**(138.221)**	**(25.056)**	**(43.096)**	**(1)**	**-**
22. Total fair value of financial instruments used to manage the foreign currency position					
23. Export	**16.242**	**3.892**	**4.603**	**-**	**-**
24. Import	**59.039**	**12.110**	**18.683**	**17**	**-**

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

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

Financial risk management objectives and policies (cont'd)

Non-Banking (cont'd)

Foreign currency risk (cont'd)

December 31, 2008	TRL Equivalent (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables and due from related parties	8.428	3.978	1.066	-	105
2a. Monetary financial assets (cash and cash equivalents included)	30.436	545	13.833	-	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other current assets and receivables	175	104	8	-	-
4. Current assets (1+2+3)	39.039	4.627	14.907	-	105
5. Trade receivables and due from related parties	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	331	210	6	-	-
8. Non - current assets (5+6+7)	331	210	6	-	-
9. Total assets (4+8)	39.370	4.837	14.913	-	105
10. Trade payables and due to related parties	32.689	434	14.959	4	-
11. Short - term borrowings and current portion of long - term borrowings	115.370	30.944	32.031	-	-
12a. Monetary other liabilities	-	-	-	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	148.059	31.378	46.990	4	-
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	22.927	6.451	6.152	-	-
16 a. Monetary other liabilities	363	240	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	23.290	6.691	6.152	-	-
18. Total liabilities (13+17)	171.349	38.069	53.142	4	-
19. Off balance sheet derivative items' net asset / (liability) position (19a-19b)	-	-	-	-	-
19a. Total hedged assets	-	-	-	-	-
19b. Total hedged liabilities	-	-	-	-	-
20. Net foreign currency asset / (liability) position (9-18+19)	(131.979)	(33.232)	(38.229)	(4)	105
21. Monetary items net foreign currency asset / (liability) position (=1+2a+5+6a-10-11-12a-14-15-16a)	(132.485)	(33.546)	(38.243)	(4)	105
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	71.183	26.664	17.339		-
24. Import	570.571	95.457	218.410	85	-

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

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

Financial risk management objectives and policies (cont'd)

Non-Banking (cont'd)

Foreign currency risk (cont'd)

	Foreign currency position sensitivity analysis	
	March 31, 2009	
	Income / loss	**Income / loss**
	Increase of the foreign currency	**Decrease of the foreign currency**
Increase / decrease in the USD against TRL by +/-10%:		
1- USD denominated net asset / liability	**(4.085)**	4.085
2- USD denominated hedging instruments(-)	**-**	-
3- Net effect in USD (1+2)	**(4.085)**	4.085
Increase / decrease in the EUR against TRL by +/-10%:		
4- Euro denominated net asset / liability	**(9.514)**	9.514
5- Euro denominated hedging instruments(-)	**-**	-
6- Net effect in Euro (4+5)	**(9.514)**	9.514
Increase / decrease in the other foreign currencies against TRL by +/-10%:		
7- Other foreign currency denominated net asset / liability	**-**	-
8- Other foreign currency hedging instruments(-)	**-**	-
9- Net effect in other foreign currency (7+8)	**-**	-
TOTAL (3+6+9)	**(13.599)**	13.599

	Foreign currency position sensitivity analysis	
	December 31, 2008	
	Income / loss	Income / loss
	Increase of the foreign currency	Decrease of the foreign currency
Increase / decrease in the USD against TRL by +/-10%:		
1- USD denominated net asset / liability	(5.026)	5.026
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	(5.026)	5.026
Increase / decrease in the EUR against TRL by +/-10%:		
4- Euro denominated net asset / liability	(8.184)	8.184
5- Euro denominated hedging instruments(-)	-	-
6- Net effect in Euro (4+5)	(8.184)	8.184
Increase / decrease in the other foreign currencies against TRL by +/-10%:		
7- Other foreign currency denominated net asset / liability	12	(12)
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	12	(12)
TOTAL (3+6+9)	(13.198)	13.198

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

Financial risk management objectives and policies (cont'd)

Non-Banking (cont'd)

Interest rate risk

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

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations.

Liquidity Risk

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

Capital Risk Management

Group aims to provide yield for its shareholders and benefit for its stakeholders while diminishing the cost of capital with a view to the optimal capital structure in order to furnish the permanace of Group's operatebility.

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

40. SUBSEQUENT EVENTS

In the General Assembly Meeting of Yazıcılar on April 30, 2009, dividend distribution of TRL 34.000 to shareholders has been adjudicated, which will be effective as of May 29, 2009.

41. OTHER ISSUES

41.1 Reserve Deposits at Central Bank

	March 31, 2009	December 31, 2008
Reserve Deposits at Central Bank		
- Foreign Currency	**90.545**	96.913
	90.545	96.913

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, 2009 and December 31, 2008, reserve deposit rates applicable for the TRL and foreign currency deposits are 6,00% and 11,00% respectively (December 31, 2008: 6,00% and 9,00%).

As of March 31, 2009, the interest rates applied for TRL reserve deposits are 8,40% whereas none for foreign currency reserve deposits (December 31, 2008: 12,00% and 0,15%).

41.2 Banking Loans

	March 31, 2009	December 31, 2008
Corporate loans (*)	**1.092.926**	879.998
Small business loans	**1.316.665**	1.425.438
Consumer loans	**10.664**	13.032
Other	**3.874**	4.025
Total performing loans	**2.424.129**	2.322.493
Non performing loans	**130.143**	128.893
Specific reserve for impairment	**(59.417)**	(49.255)
Portfolio reserve for impairment	**(21.741)**	(24.405)
	2.473.114	2.377.726

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

41. OTHER ISSUES (cont'd)

41.2 Banking Loans (cont'd)

	March 31, 2009						
	Amount				Effective interest rate		
	TRL	**Foreign currency**	**Foreign currency indexed**	**Total**	**TRL**	**Foreign currency**	**Foreign currency indexed**
Corporate loans (*)	**545.834**	**238.210**	**308.882**	**1.092.926**	**21,99%**	**9,41%**	**9,68%**
Small business loans	**754.104**	**251.187**	**311.374**	**1.316.665**	**23,87%**	**9,10%**	**10,08%**
Consumer loans	**1.267**	**-**	**9.397**	**10.664**	**35,06%**	**-**	**9,00%**
Other	**3.874**	**-**	**-**	**3.874**	**17,78%**	**-**	**-**
Total performing loans	**1.305.079**	**489.397**	**629.653**	**2.424.129**			

	December 31, 2008						
	Amount				Effective interest rate		
	TRL	Foreign currency	Foreign currency indexed	Total	TRL	Foreign currency	Foreign currency indexed
Corporate loans (*)	404.034	192.913	283.051	879.998	27,0%	9,8%	10,1%
Small business loans	801.909	256.399	367.130	1.425.438	27,8%	9,9%	10,7%
Consumer loans	1.135	-	11.897	13.032	31,7%	-	9,1%
Other	4.025	-	-	4.025	21,6%	-	-
Total performing loans	1.211.103	449.312	662.078	2.322.493			

(*) Corporate loans include restructured loans which amount to TRL 3.622 (December 31, 2008: TRL 2.530).

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

	March 31, 2009	March 31, 2008
Balance at January 1	**73.660**	65.786
Provision for possible loan losses	**12.708**	16.875
Collections (-)	**(4.225)**	(6.864)
Loans written off and sold during the year (-)	**(985)**	(3)
Balance at the end of the period	**81.158**	75.794

ABank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of March 31, 2009 interest accrued on the restructured loans amounted to TRL 2.130 (December 31, 2008: TRL 1.723).

Provision for doubtful loans includes TRL 21.741 (December 31, 2008: TRL 24.405) provided on a portfolio basis as of March 31, 2009.

As of March 31, 2009, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRL 130.143 (December 31, 2008: 128.893).

The TRL 2.047.447 amount of Banking Loans covers (December 31, 2008: TRL 1.943.650) current loans and TRL 425.667 amount covers (December 31, 2008: TRL 434.076) non-current loans.

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

41. OTHER ISSUES (cont'd)

41.3 Deposits

	March 31, 2009	December 31, 2008
Deposits from other banks	**25.614**	1.244
Customer deposits	**2.223.240**	2.513.020
Other money market deposits	**81.167**	17.332
	2.330.021	2.531.596

Deposits from other banks

	March 31, 2009				December 31, 2008			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign Currency
Demand	**18**	**4.386**	**-**	**-**	11	123	-	-
Time	**10.238**	**10.972**	**12,71%**	**0,40%**	1.110	-	21,30%	-
	10.256	**15.358**			1.121	123		

Customer deposits

	March 31, 2009				December 31, 2008			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign currency	TRL	Foreign Currency
Saving								
Demand	**10.298**	**15.069**	**-**	**-**	11.644	13.525	-	-
Time	**820.270**	**499.482**	**13,47%**	**4,56%**	957.585	565.448	22,24%	7,69%
	830.568	**514.551**			969.229	578.973		
Commercial and other								
Demand	**62.093**	**44.462**	**-**	**-**	52.201	42.605	-	-
Time	**329.234**	**442.332**	**12,54%**	**4,19%**	359.242	510.770	19,83%	7,15%
	391.327	**486.794**			411.443	553.375		
	1.221.895	**1.001.345**			718.578	947.666		

Other money market deposits

	March 31, 2009				December 31, 2008			
	Amount		**Effective interest rate**		Amount		Effective interest rate	
	TRL	**Foreign currency**	**TRL**	**Foreign currency**	TRL	Foreign Currency	TRL	Foreign Currency
Obligations under repurchase agreements:								
-Due to customers	**9.924**	**-**	**9,00%**	**-**	11.729	-	13,17%	-
-Due to banks	**67.022**	**-**	**10,43%**	**-**	-	-	-	-
	76.946				11.729			
Inter-bank deposits	**4.221**	**-**	**10,04%**	**-**	5.603	-	14,37%	-
	81.167				17.332			

The TRL 2.322.548 amount is the current portion of Deposits (December 31, 2008: TRL 2.524.432) and the TRL 7.473 amount in non-current portion of Deposits as of March 31, 2009 (December 31, 2008: TRL 7.164).

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

41. OTHER ISSUES (cont'd)

41.4 Funds Borrowed

	March 31, 2009				December 31, 2008			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Short-term	**71.968**	**424.546**			68.111	603.132		
Fixed interest	**71.968**	**271.900**	**16,25%-22,75%**	**4,66%-13,5%**	68.111	225.731	16,66%-22,75%	4,76%-13,5%
Floating interest	**-**	**152.646**	**-**	**3,15%-12,00%**	-	377.401	-	3,29%-12,62%
Medium-long term	**-**	**150.950**				142.080		
Fixed interest	**-**	**15.235**	**-**	**4,20%**	-	21.206	-	4,90%-12,64%
Floating interest	**-**	**135.715**	**-**	**3,15%-4,40%**	-	120.874	-	5,16%-6,08%
	71.968	**575.496**			68.111	745.212		
Total funds borrowed	**647.464**				813.323			

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

	March 31, 2009		December 31, 2008	
	Fixed rate	**Floating rate**	Fixed rate	Floating rate
2009	**6.425**	**-**	9.034	-
2010	**8.810**	**24.445**	12.172	29.821
2011	**-**	**17.242**	-	16.126
2012 and thereafter	**-**	**94.028**	-	74.927
	15.235	**135.715**	21.206	120.874

There is no letters of guarantee denominated in foreign currency given to the lending institutions as collateral against the loans obtained (December 31, 2008: None).

TRL amount of 496.514 Funds Borrowed covers (December 31, 2008: TRL 671.243) current deposits and TRL 150.950 amount covers (December 31, 2008: TRL 142.080) non-current deposits.

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

41. OTHER ISSUES (cont'd)

41.5 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, 2009								
	Fair value assets	**Fair value liabilities**	**Notional amount**	**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	**1.582**	**559**	**106.484**	**54.870**	**16.086**	**26.626**	**8.902**	**-**	**-**
Forward sale contract	**2.075**	**956**	**104.844**	**53.207**	**15.857**	**26.719**	**9.061**	**-**	**-**
Currency swap purchase	**3.280**	**1.663**	**196.387**	**190.638**	**-**	**5.749**	**-**	**-**	**-**
Currency swap sale	**-**	**-**	**194.394**	**188.638**	**-**	**5.756**	**-**	**-**	**-**
Futures purchase	**-**	**6.306**	**147.725**	**-**	**147.725**	**-**	**-**	**-**	**-**
Futures sale	**-**	**-**	**154.137**	**-**	**154.137**	**-**	**-**	**-**	**-**
Option purchase	**4.895**	**1.533**	**264.098**	**97.682**	**47.365**	**73.043**	**46.008**	**-**	**-**
Option sale	**1.536**	**4.902**	**262.950**	**96.565**	**47.365**	**73.022**	**45.998**	**-**	**-**
Futures interest sale									
Interest swap purchase	**339**	**-**	**135.040**	**101.280**	**33.760**	**-**	**-**	**-**	**-**
Interest swap sale	**12.849**	**-**	**102.323**	**76.723**	**25.600**	**-**	**-**	**-**	**-**
Interest purchase options	**-**	**-**	**136.000**	**-**	**136.000**	**-**	**-**	**-**	**-**
Interest sale options	**168**	**-**	**136.000**	**-**	**136.000**	**-**	**-**	**-**	**-**
	26.724	**15.919**	**1.940.382**	**859.603**	**759.895**	**210.915**	**109.969**		

	December 31, 2008								
	Fair value assets	Fair value liabilities	Notional amount	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	6.971	3.350	209.801	120.813	33.541	50.772	4.675	-	-
Forward sale contract	1.784	3.108	208.171	120.333	33.338	49.485	5.015	-	-
Currency swap purchase	9.316	2.748	176.035	107.616	31.579	36.840	-	-	-
Currency swap sale	-	-	166.666	105.997	30.423	30.246	-	-	-
Futures purchase	-	8.700	139.103	-	139.103	-	-	-	-
Futures sale	-	-	148.250	-	148.250	-	-	-	-
Option purchase	5.414	224	178.670	34.546	73.737	42.032	28.355	-	-
Option sale	74	5.225	180.193	34.493	75.314	42.032	28.354	-	-
Interest swap purchase	1.109	3.844	176.410	37.808	62.987	-	-	75.615	-
Interest swap sale	4.244	22	158.949	13.240	43.386	-	-	102.323	-
	28.912	27.385	1.745.273	574.846	674.683	251.407	66.399	177.938	-

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