

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH)

YAZICILAR HOLDİNG
ANONİM ŐİRKETİ

**Interim Condensed Consolidated Financial Statements as of
March 31, 2010**

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

Interim Condensed Consolidated Financial Statements as of March 31, 2010

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(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

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

	Notes	Unreviewed March 31, 2010	Audited December 31, 2009
ASSETS			
Current Assets		3.467.941	3.620.895
Cash and Cash Equivalents	6	218.365	311.651
Financial Instruments	7	370.894	303.638
Reserve Deposits at Central Bank	41.1	70.243	69.942
Banking Loans (net)	41.2	2.245.988	2.409.552
Trade Receivables (net)	10.1	186.334	143.914
Financial Lease Receivables (net)	12.1	133.659	139.148
Derivative Financial Instruments – Assets	41.5	6.680	7.237
Due From Related Parties (net)	37.1	15.629	11.812
Other Receivables (net)	11.1	45.070	46.109
Biological Assets (net)	14	10.200	9.453
Inventories (net)	13	109.712	123.023
Receivables from Construction Contracts in Progress (net)	15	-	-
Other Current Assets	26.1	55.167	45.416
Non-Current Assets		2.230.780	2.153.546
Financial Instruments	7	221.996	237.685
Banking Loans (net)	41.2	358.880	324.525
Trade Receivables (net)	10.1	-	-
Financial Lease Receivables (net)	12.1	119.545	113.177
Derivative Financial Instruments – Assets	41.5	-	-
Due from Related Parties (net)	37.1	4.616	5.651
Other Receivables (net)	11.2	16.044	10.682
Investments Accounted Through Equity Method	16	1.125.511	1.090.393
Goodwill (net)	20	35.344	35.344
Investment Property (net)	17	17.345	12.355
Property, Plant and Equipment (net)	18	278.240	276.293
Intangible Assets (net)	19	12.693	7.191
Deferred Tax Assets	35.1	28.406	29.500
Other Non-Current Assets	26.2	12.160	10.750
TOTAL ASSETS		5.698.721	5.774.441

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

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

	Notes	Unreviewed March 31, 2010	Audited December 31, 2009
LIABILITIES			
Current Liabilities			
Short-Term Borrowings (net)	8	3.223.205	3.468.574
Current Portion of Long-Term Borrowings (net)	8	130.883	216.276
Financial Lease Obligations (net)	12.2	-	-
Other Financial Liabilities (net)	9	-	-
Trade Payables (net)	10.2	87.310	46.316
Banking Customer Deposits	41.3	2.416.232	2.528.901
Funds Borrowed	41.4	319.692	460.320
Blocked Accounts		51.309	40.922
Due to Related Parties (net)	37.2	1.581	2.402
Other Payables	11.3	25.783	29.395
Deferred Income from Construction Contracts in progress (net)	15	-	-
Provisions	22	12.089	22.347
Income Tax Payable	35.3	5.234	2.544
Derivative Financial Instruments – Liabilities	41.5	11.467	8.687
Provisions for the Employee Benefits	24	9.669	12.932
Other Current Liabilities (net)	26.3	99.129	46.736
Non-Current Liabilities			
Long-Term Borrowings (net)	8	326.583	232.664
Financial Lease Obligations (net)	12.2	11.032	24.521
Other Financial Liabilities (net)	9	-	-
Trade Payables (net)	10.2	-	-
Banking Customer Deposits	41.3	-	-
Funds Borrowed	41.4	285.972	180.736
Blocked Accounts		-	-
Due to Related Parties (net)	37.2	-	-
Other Payables	11.3	593	348
Provisions	22	-	-
Derivative Financial Instruments – Liabilities	41.5	-	-
Provisions for the Employee Benefits	24	14.446	14.012
Deferred Tax Liability	35.1	14.235	12.717
Other Liabilities (net)	26.3	305	330
EQUITY			
Equity Attributable to Equity Holders of the Parent			
Paid-in Share Capital	27	2.148.933	2.073.203
Adjustment to Share Capital and Equity Instruments	27	1.650.377	1.597.438
Share Premium		160.000	160.000
Revaluation Surplus		-	-
Share Premium		9.474	9.474
Revaluation Surplus	27	8.604	8.266
Restricted Reserves Allocated from Net Profit	27	14.080	14.080
Currency Translation Differences		4.259	(6.292)
Other Reserves		(1.842)	-
Net Income		43.854	230.336
Retained Earnings	27	1.411.948	1.181.574
Minority Interest			
		498.556	475.765
TOTAL LIABILITIES AND EQUITY		5.698.721	5.774.441

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010

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

	Notes	Unreviewed 01.01.2010 – 31.03.2010	Unreviewed 01.01.2009– 31.03.2009
CONTINUING OPERATIONS			
Revenue (net)	28	254.897	246.474
Cost of Sales (-)	28	(193.300)	(188.944)
Service Income (net)	28	9.591	9.361
Gross Profit from Trading Operations		71.188	66.891
Interest and Other Income	28	105.237	168.627
Interest and Other Expense (-)	28	(43.845)	(77.574)
Gross Profit from Financial Operations		61.392	91.053
GROSS PROFIT		132.580	157.944
Marketing, Selling and Distribution Expenses (-)	29	(32.249)	(24.992)
General Administrative Expenses (-)	29	(48.628)	(76.655)
Research and Development Expenses (-)	29	(156)	(171)
Other Operating Income	31.1	3.713	19.934
Other Operating Expense (-)	31.2	(4.152)	(3.468)
OPERATING INCOME		51.108	72.592
Gain/(Loss) from Investments Accounted through Equity Method	16	25.063	(17.296)
Financial Income	32	18.232	41.110
Financial Expense (-)	33	(18.664)	(53.141)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS		75.739	43.265
Tax Income/(Expense) from Continuing Operations		(9.559)	(8.934)
- Current Period Tax Expense (-)	35.2	(6.874)	(7.788)
- Deferred Tax Income/(Expense)	35.2	(2.685)	(1.146)
NET INCOME FOR THE PERIOD		66.180	34.331
Attributable to:		66.180	34.331
- Minority Interests		22.326	19.289
- Equity Holders of the Parent		43.854	15.042
Earnings per share (full TRL)	36	0,27	0,09

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

INTERIM CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010

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

	Unreviewed 01.01.2010 – 31.03.2010	Unreviewed 01.01.2009 – 31.03.2009
Net Income	66.180	34.331
Change in revaluation surplus of available for sale financial assets, net of tax	(286)	(5.211)
Currency translation difference	(271)	163
Group's share in other comprehensive income of investments accounted through equity method, net of tax	12.018	9.790
Other Comprehensive Income/(Loss), (net of tax)	11.461	4.742
Total Comprehensive Income	77.641	39.073
Attributable to:		
Minority interests	22.898	19.003
Equity holders of the parent	54.743	20.070

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010**

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

	Paid-in Share Capital	Share Premium	Revaluation Surplus	Restricted Reserves Allocated from Net Profit	Currency Translation Differences	Other Reserves	Net Income	Retained Earnings	Attributable to Equity Holders of the Parent	Minority Interest	Total Equity
As of January 1, 2009	160.000	9.474	4.940	12.110	7.368	-	159.833	1.057.499	1.411.224	392.448	1.803.672
Transfer of net income to the retained earnings	-	-	-	-	-	-	(159.833)	159.833	-	-	-
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	-	335	335	(355)	(20)
Other comprehensive income/(expense)	-	-	(4.498)	-	9.526	-	-	-	5.028	(286)	4.742
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
As of January 1, 2010	160.000	9.474	8.266	14.080	(6.292)	-	230.336	1.181.574	1.597.438	475.765	2.073.203
Transfer of net income to the retained earnings	-	-	-	-	-	-	(230.336)	230.336	-	-	-
Effect of change in subsidiary consolidation rate	-	-	-	-	-	-	-	38	38	20	58
Minority share purchase of investments accounted through equity method (Note 3)	-	-	-	-	-	(1.842)	-	-	(1.842)	(127)	(1.969)
Other comprehensive income/(expense)	-	-	338	-	10.551	-	-	-	10.889	572	11.461
Net income	-	-	-	-	-	-	43.854	-	43.854	22.326	66.180
As of March 31, 2010	160.000	9.474	8.604	14.080	4.259	(1.842)	43.854	1.411.948	1.650.377	498.556	2.148.933

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**INTERIM CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010**

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

	Notes	Unreviewed	
		March 31, 2010	March 31, 2009
Cash flow from operating activities			
Income before tax from continuing operations		75.739	43.265
Adjustments for:			
(Gain)/loss from disposal of property, plant and equipment, intangible assets and investment property		(146)	(106)
Depreciation and amortization	17, 18, 19, 30	9.834	8.998
Provision for possible loan losses and impairment in receivables	10.1, 12.1, 41.2	6.642	13.495
Provision for warranty	22	(1.977)	350
Provision for label	22	(7.798)	(1.819)
Provision for vacation pay liability		1.026	540
Provision for employee termination benefits	24	1.163	1.702
Provision for bonus	24	(4.289)	1.126
Other provisions		2.458	(326)
Provision for inventories/(reversal)	13	722	(1.422)
Foreign exchange loss/(gain)		(8.145)	23.080
Interest expenses		3.720	19.763
Gain from investments accounted through equity method		(25.063)	17.296
Gain on sale of share in subsidiary	31.1	-	(11.811)
Net decrease/(increase) in derivative financial instruments – assets	41.5	557	2.188
Net (decrease)/increase in derivative financial instruments – liabilities	41.5	2.780	(11.466)
Other non-cash income		(23)	1.250
Operating profit before changes in operating assets and liabilities		57.200	106.103
Net (increase) in financial assets		(51.853)	(198.874)
Net decrease/(increase) in reserve deposits at Central Bank	41.1	(301)	6.368
Net (increase)/(decrease) in banking loans		125.225	(106.311)
Net decrease/(increase) in trade and other receivables and due from related parties		(48.739)	(25.025)
Net decrease/(increase) in inventories		11.842	27.225
Net decrease/(increase) in other assets		(15.484)	(1.706)
Net (decrease)/increase in trade and other payables and due to related parties		86.233	35.051
Net (decrease)/increase in banking customer deposits		(112.669)	(202.312)
Net increase/(decrease) in blocked accounts		10.387	(1.037)
Employee termination benefits paid	24	(729)	(800)
Taxes paid	35.3	(4.184)	(5.957)
Net cash (used in)/ provided by operating activities		56.928	(367.275)
Cash flows used in investing activities			
Purchase of property, plant and equipment, investment property and intangible asset	17, 18, 19	(30.442)	(14.709)
Proceeds from sale of property, plant and equipment, and intangible asset		8.254	4.437
Purchase of financial assets and participation in capital increase		-	(15.574)
Net cash used in investing activities		(22.188)	(25.846)
Cash flows (used in)/provided by financing activities			
Proceeds from borrowings from banks and other institutions		270.011	204.449
Repayments of borrowings and interest from banks and other institutions		(394.444)	(478.369)
Interest paid (-)		(3.385)	(10.449)
Net cash (used in)/provided by financing activities		(127.818)	(284.369)
Currency translation on cash and cash transaction		(208)	162
Net (decrease)/increase in cash and cash equivalents		(93.286)	(677.328)
Cash and cash equivalent at the beginning of the period	6	311.651	925.410
Total cash and cash equivalent at the end of the period		218.365	248.082
Interest income		1.473	4.469
Dividend income		-	-

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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2010

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

1. ORGANIZATION AND NATURE OF ACTIVITIES

Yazıcılar Holding A.Ş., a company incorporated in Istanbul, Turkey (“Yazıcılar” or the “Company”) is a holding company of which majority shares are owned by three Yazıcı families. Three Yazıcı families consist of Mr. Kamil Yazıcı, his two deceased brothers, their wives and children. The Company controls its subsidiaries through Anadolu Endüstri Holding (AEH) in which it has 68.00% stake. Certain shares of the Company are listed on the Istanbul Stock Exchange (ISE). The Company was incorporated in 1976.

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

The interim consolidated financial statements as of March 31, 2010 are authorized for issue by the Board of Directors on May 14, 2010, 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 consolidated financial statements are issued.

Activities of the Group

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

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

The average number of personnel of the Group is 5.919 (December 31, 2009: 6.007).

List of Shareholders

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

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

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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2010 (cont'd)

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

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

List of Subsidiaries

The subsidiaries included in consolidation and their shareholding percentages at March 31, 2010 and December 31, 2009 are as follows:

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

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

(2) AEH controls Adel and Ülkü through its shareholding of 56,89% and 68,78%, respectively. Moreover, Adel has 7,67% stake at Ülkü. As a result, Adel and Ülkü are controlled by Yazıcılar Holding A.Ş.

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

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

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

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YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2010 (cont'd)

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

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

Investment in Associate

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

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

Joint Ventures

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

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

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate. The consolidated financial statements have been prepared from the statutory financial statements of the Company's subsidiaries' in accordance with Turkish Capital Market Board (CMB) Accounting Standards with certain adjustments and reclassifications for the purpose of fair presentation. Adjustment entries are mainly; application of consolidation accounting, booking of business combinations, booking of adjustments on financial instruments in accordance with IAS 39, calculation of deferred tax, calculations of employee termination benefits and other provisions. Except financial assets carried at fair value and assets or liabilities acquired through business combinations, financial statements are prepared on the historical cost basis.

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

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

Basis of Preparation of Financial Statements (cont'd)

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

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

The interim consolidated financial statements at March 31, 2010 have been prepared in accordance with compulsory reporting formats of CMB's "Communiqué on Financial Reporting in Capital Market" No: XI-29, published on April 9, 2008. The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2009.

Functional and Presentation Currency

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

In accordance with CMB announcement No.11/367 dated March 17, 2005; since the objective conditions for the application of restatement is no longer available and since CMB foresees that the probability of the re-occurrence of the conditions is remote, lastly the financial statements as of December 31, 2004 have been subject to the restatement. Therefore, the non-monetary assets, liabilities and shareholders' equity including share capital reported in the balance sheet as of March 31, 2010 and December 31, 2009 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.

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

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

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

Foreign subsidiaries are established as foreign corporate entities.

Reclassification Made to 2009 Consolidated Financial Statements

In order to be consistent with the current period's presentation, foreign exchange gain related to financial lease receivables amounting to TRL 15.075 in "Interest and Other Income" account has been classified as "Financial Income" in the interim consolidated income statement as of March 31, 2009.

Changes in Accounting Policies

New standards and interpretations

The accounting policies adopted in the preparation of the interim consolidated financial statements as at March 31, 2010 are consistent with those followed in the preparation of the consolidated financial statements of the prior year and for the year ended 31 December 2009, except for the adoption of new standards and IFRIC interpretations summarized below. These standards and interpretations, except IAS 1 and IFRS 8, have no effect on the financial position or performance of the Group, only the presentation of additional explanations are required.

The new standards, amendments and interpretations which are effective as at March 31, 2010 are as follows (issued in 2009 and applicable to December 31, 2009 year end financial statements):

Amendments to IFRS 2, "Share-based Payment" - Vesting Conditions and Cancellations

The purpose of this amendment is to give greater clarity in respect of vesting conditions and cancellations. The standard defines two subjects: The amendment defines a "Vesting condition" and a "Non-vesting condition" except for the performance and service conditions. The amendment does not have any effect on Group's financial performance.

Amendments to IFRS 7 – "Financial Instruments: Disclosures"

IFRS 7 has been amended to enhance disclosures about fair value measurement and liquidity risk. IFRS 7 now requires instruments measured at fair value to be disclosed by the source of the inputs in determining fair value, using three level hierarchy. Disclosures also require a full reconciliation of Level 3 instruments and transfers between Level 1 and Level 2. The minimum liquidity risk disclosures of IFRS 7 have also been amended. The Group has disclosed the amendments in "Financial Instruments, Nature And Level Of Risks Arising From Financial Instruments" disclosure.

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

IFRS 8 “Operating Segments”

IFRS 8 replaces IAS 14 “Segment Reporting” and adopts a full management approach to identifying, measuring and disclosing the results of its operating segments. The information reported is that which the chief operating decision maker uses internally for evaluating the performance of operating segments and allocating resources to those segments. When the information provided to management is recognized or measured on a different basis to IFRS information presented in the primary financial statements, entities need to provide explanations and reconciliations of the differences. The Group applied the related changes regarding operating segments, with respect to the changes in mandatory reporting format of CMB (Note 5).

Amendments to IAS 1 “Presentation of Financial Statements”

The statement of changes in equity includes only transactions with owners, defined as ‘holders of instruments classified as equity’. All non-owner changes are presented in equity as a single line, with details included in a separate statement. The introduction of a new statement of comprehensive income that combines all items of income and expense recognized in profit or loss together with ‘other comprehensive income’. Entities may choose to present all items in one statement, or to present two linked statements, a separate income statement and a statement of comprehensive income. The Group has presented both comprehensive income statement and income statement as two separate statements with respect to the changes in mandatory reporting format of CMB.

Amendments to IAS 23 “Borrowing Costs”

The revised Standard eliminates the option of expensing all borrowing costs and requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of qualifying asset. The amendment does not have any effect on the Group’s financial performance and the Group capitalizes all borrowing costs when they are directly attributable to the acquisition, construction or production of a qualifying asset as previously applied .

Amendments to IAS 32 “Financial Instruments: Presentation” and IAS 1 “Presentation of Financial Statements- Puttable Financial Instruments and Obligations Arising on Liquidation”

This amendment will permit a range of entities to recognise their capital as equity rather than as financial liabilities, as currently required by IAS 32. IAS 1 has been amended to require the additional disclosures if an entity has a puttable instrument that is presented as equity. The amendment does not have any effect on the Group’s financial performance.

Amendments to IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments: Recognition and Measurement - Embedded Derivatives”

According to amendments in IFRIC 9, an entity must assess whether an embedded derivative must be separated from a host contract when the entity reclassifies a hybrid financial asset out of the fair value through profit or loss category. The assessment must be made on the basis of the circumstances that existed on the later of:

- (a) The date when the entity first became a party to the contract, and
- (b) The date of a change in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under the contract.

The amendment does not have any effect on the Group’s financial performance.

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

IFRIC 13, “Customer Loyalty Programmes”

The interpretation requires loyalty award credits granted to customers in connection with a sales transaction to be accounted for as a separate component of the sales transaction. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. The interpretation does not have any effect on the Group’s financial performance.

IFRIC 15, “Agreements for the Construction of Real Estate”

IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and, accordingly, when revenue from the construction should be recognized. The interpretation does not have any effect on the Group’s financial performance.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”

IFRIC 16 concludes that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging instrument(s) may be held by any entity or entities within the Group. The interpretation does not have any effect on the Group’s financial performance.

IFRIC 18 “Transfers of Assets from Customers”

This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. The interpretation does not have any effect on the Group’s financial performance.

Improvements to IFRS (issued in 2009)

In April 2009, International Accounting Standards Board (IASB) has issued second batch amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. In these amendments IAS 18: Determining whether an entity is acting as a principal or as an agent, becomes effective in 2009, does not have any affect on the Group’s accounting policies, financial position and performance.

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

The new standards which are issued as of the authorization date of the interim consolidated financial statement and effective thereafter and not early adopted by the Group and changes and interpretations of current standards are as follows:

a) New and amended standards and interpretations applicable to December 31, 2010 Financial Statements:

In April 2009, IASB has issued second batch amendments in order to eliminate the inconsistencies and clarify the explanations related to standards. Transitional provisions and application periods vary for each amendment which is 1 July 2009 for the earliest. It is considering that these amendments have no effect on the Group's financial statements except IAS 36. It will be assessed whether IAS 36 will have an effect on the Group's financial statements.

Standards amended by IASB are as follows:

- IFRS 2: Scope of IFRS 2 and IFRS 3
- IFRS 5: Disclosures of non-current assets (or disposal groups) classified as held for sale or discontinued operations
- IFRS 8: Disclosure of information about segment assets
- IAS 1: Current/non-current classification of convertible instruments
- IAS 7: Classification of expenditures on unrecognised assets
- IAS 17: Classification of leases of land and buildings
- IAS 36: Unit of accounting for goodwill impairment test
- IAS 38: Additional consequential amendments arising from revised IFRS 3
- IAS 38: Measuring the fair value of an intangible asset acquired in a business combination
- IAS 39: Treating loan prepayment penalties as closely related embedded derivatives
- IAS 39: Scope exemption for business combination contracts
- IAS 39: Cash flow hedge accounting
- IFRIC 9: Scope of IFRIC 9 and revised IFRS 3
- IFRIC 16: Amendment to the restriction on the entity the entity that can hold hedging instruments

Amendments to IFRS 3 "Business Combinations" and IAS 27 "Amendments to Separate Financial Statements"

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The effect of the amendment on the Group's financial performance regarding merger and acquisitions will be assessed by the Group management.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"- "Eligible Hedged Items"

The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment does not have any effect on the Group's financial performance.

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

IFRIC 17 “Distributions of Non-cash Assets to Owners”

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. This interpretation is to be applied prospectively. The interpretation does not have any effect on the Group's financial performance.

b) New and amended standards and interpretations issued that are effective subsequent to December 31, 2010 (these amendments have not been adopted by European Union yet):

The Company is assessing the effects of these interpretation and amendment revisions on its financial statements.

Amendments to IFRS 2 ‘Group Cash Settled Share Based Payment Transactions’

For group reporting and consolidated financial statements, the amendment clarifies that if an entity receives goods or services that are cash settled by shareholders not within the group, they are outside the scope of IFRS 2. Management will need to consider any such past transactions. The amendment may have a significant effect on the cost recognised in separate financial statements of an entity that has material share-based payment awards that have not previously been accounted for in accordance with IFRS 2. This may have a potential tax accounting impact on all parties involved. This amendment is applied retrospectively, in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of changes in accounting policy. Earlier application is permitted and must be disclosed. The interpretation does not have any effect on the Group's financial performance.

IFRS 9 “Financial instruments” (Effective for periods beginning on or after January 1, 2013).

IFRS 9 introduces new requirements for classifying and measuring financial assets. The Standard classifies financial assets according to the business model to administrate the financial assets and characteristic of the cash flow. Moreover it states that financial assets should measure either with amortized cost at the first record buying value or fair value. Different classification categories in IAS 39 are eliminated. Moreover, IFRS 9 eliminates the exception in IAS 39 that allows equity instruments, for which a fair value cannot be determined reliably, to be measured at cost and requires these instruments to be measured at fair value except limited circumstances exist. It is considering that the standard has no effect on the Group's financial statements except the available for sale assets measured with amortized cost.

Amendment to IAS 24 “Related Party Disclosure’s (Effective for periods beginning on or after 1 January 2011)

The main changes to IAS 24 are a partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government and amendments to the definition of a related party. The amendment does not have any effect on the Group's financial statements.

Amendment to IAS 32 Classification of Rights Issues (Effective for periods beginning on or after 1 February 2010)

The amendment to IAS 32 addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. The amendment does not have any effect on the Group's financial performance.

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

Amendment to IFRIC 14 “Prepayments of a Minimum Funding Requirement” (Effective for periods beginning on or after 1 January 2011)

Without the amendments, in some circumstances entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendment does not have any effect on the Group’s financial performance.

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (Effective for periods beginning on or after 1 July 2010, with earlier application permitted)

IFRIC 19 addresses only the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability. The interpretation does not have any effect on the Group’s financial performance.

Basis of Consolidation

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

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

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

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

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

The purchase method of accounting is used for business combinations.

Investments in Associates

The Group’s investments in associates are accounted under the equity method of accounting. . Investments in associates are undertakings over which the Group generally has between 20% and 50% of the voting rights and the Group has significant influence and which are not subsidiaries or joint ventures of the Group. The investments in associates are carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group’s share of net assets of the associates, less any impairment in value. The income statement reflects the Group’s share of the results of operations of the associates.

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

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

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

Joint Ventures

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

Offsetting

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

Use of Estimates and Assumptions

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

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

Provision for doubtful receivables

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

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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, 2009, impairment test for the intangible assets with indefinite useful life and goodwill is generated by comparing its carrying amount with the recoverable amount. The recoverable amount is determined taking the value in use calculation as basis.

Employee termination benefit

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

Warranty provision

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

Summary of Significant Accounting Policies

2.1 Revenue Recognition

Non-Banking

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

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

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

Banking

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

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

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

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

2.2 Inventories

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

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

Costs are accounted for weighted average method for other companies. Finished goods and work in progress include cost of direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity excluding borrowing costs.

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

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

Summary of Significant Accounting Policies (cont'd)

2.3 Property, Plant and Equipment

Property, plant and equipment 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 estimated useful lives of assets, are as follows:

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

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

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

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

2.4 Intangible Assets

(i) Goodwill and amortization

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of a subsidiary, associate or joint venture at the date of acquisition. The carrying values of goodwill is annually reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. 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 “Business Combinations”. In accordance with IFRS 3, goodwill is tested for impairment at least annually.

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2010 (cont'd)

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

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

Summary of Significant Accounting Policies (cont'd)

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 as either finite or infinite.

Intangible assets are amortized on a straight line basis over the estimated useful lives which are between 3 and 20 years. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangibles with infinite useful life (Komili and Kırlangıç brands), are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continue, to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.5 Impairment of Assets

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

Intangible assets 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.

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.

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

Summary of Significant Accounting Policies (cont'd)

2.6 Borrowing Costs

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

2.7 Financial Instruments

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

Cash and Cash Equivalents

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

Repurchase (repo) and Resale (reverse repo) Transactions

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

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

Accounting as of Transaction and Delivery Dates

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

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

Summary of Significant Accounting Policies (cont'd)

Financial assets

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

Financial assets at fair value through profit or loss

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

Held-to-Maturity Financial Assets

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

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

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

Available-for-Sale Financial Assets

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

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

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

Summary of Significant Accounting Policies (cont'd)

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

Trade Receivables and Payables

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

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

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

Banking Loans and Advances to Customers

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

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

Funds Borrowed, Banking Customer Deposits and Borrowings

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

Derivative Financial Instruments

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

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

Summary of Significant Accounting Policies (cont'd)

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

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

2.8 Foreign Currency Transactions

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

In preparing the financial statements of the Company and its Turkish subsidiaries, transactions in currencies other than TRL (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The foreign currency income or expenses incurred from the translation of foreign currency denominated transaction or restatement of monetary items is reflected within the statement of income in the related period.

Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings are recognized in profit or loss in the period in which they arise.

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

2.9 Earnings per Share

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

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

2.10 Subsequent Events

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.11 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

2.12 Changes in Accounting Policies, Accounting Estimates and Errors

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

2.13 Leases

The Group as a Lessee

Finance Lease

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

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

Summary of Significant Accounting Policies (cont'd)

Operating Lease

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

The Group as a Lessor

Finance Lease

The Group presents leased assets as a receivable equal to the net investment in the lease. Finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Operating Lease

The Group presents assets subject to operating leases in the balance sheets according to their nature. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. The aggregate cost of incentives provided to lessees is recognized as a reduction of rental income over the lease term on a straight-line basis. Operating leases are amortized based on their cost after deducting their residual values.

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

2.14 Related Parties

Parties are considered related to the Group if;

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

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

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

Summary of Significant Accounting Policies (cont'd)

2.15 Segment Reporting

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

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

2.16 Government Incentives and Grants

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

2.17 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 life 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 Taxes

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

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

Current Tax

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

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

Summary of Significant Accounting Policies (cont'd)

Deferred Tax

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

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.

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

2.19 Employee Termination Benefits

Defined Benefit Plan

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

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

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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 accrued.

2.20 Cash Flow Statement

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

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

2.21 Provisions for Loans, Non-Performing Receivables and Lease Receivable

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

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

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

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

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

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

Summary of Significant Accounting Policies (cont'd)

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

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

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

2.22 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 for period of March 31, 2010

Anadolu Efes , an associate of the Company, acquired 11.026.278 GDRs of Efes Breweries International N.V. (EBI), a subsidiary of Anadolu Efes, representing approximately 26,07% of the issued share capital of EBI from a group of shareholders at a price of USD 17,00 per GDR (each GDR representing 5 shares) at a total consideration of TRL 285.551. According to IAS 27, difference amounting to TRL 1.842 between the net asset value of EBI and the acquisition cost has been reflected by the Group to other reserves under the equity attributable to equity holders of the parent.

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

Transactions for year of 2009

On February 20, 2009, a Subscription and Shareholders Agreement was signed between AEH and Ana Gıda, subsidiaries of the Company, and SEEF Foods S.A.R.L (Seef Foods) - owned by Southeast Europe Equity Fund II (B) L.P. and controlled by Bedminster Capital Management LLC- regarding SEEF Foods' EUR 25 million capital contribution to Ana Gıda - in addition AEH's contribution of 5 million Euros – in return for 44,75% shares. The closing transactions regarding this agreement were completed on March 4, 2009. 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, the Group has classified Ana Gıda as joint venture and included in consolidation through equity method. Income amounting to TRL 11.811 as a result of this transaction has been recorded in Other Operating Income account in note 31.1 in detailed.

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3. BUSINESS COMBINATIONS (cont'd)

Transactions for year of 2009 (cont'd)

In January 2009, Coca Cola İçecek A.Ş (CC), has increased its existing shareholding in Turkmenistan Coca-Cola Bottlers Ltd. (Turkmenistan CC) with the acquisition of 13,75% shares of Turkmenistan CC which previously owned by The Coca-Cola Export Corporation (TCCEC) and 12,50% shares from Day Investments Ltd. which had 25% shares in total of Turkmenistan CC, for a cash consideration of TRL 7.026. Following the completion of the acquisitions, CC's share in Turkmenistan CC reached to 59,5% and it is included in consolidation by using the full consolidation method. In accordance with the change in the scope of consolidation and in conformity with IFRS 3, TRL 1.784 fair value difference occurred from the financial statements of Turkmenistan CC prepared according to fair value basis was recorded by the Group as "Group's share in other comprehensive income of investments accounted through equity method" in consolidated comprehensive income statement for the year ended December 31, 2009.

4. JOINT VENTURES

Joint Ventures

Entity	Principle activities	Country of business	March 31, 2010			December 31, 2009		
			Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)	Carrying value	Effective shareholding and voting rights %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	62.512	37,56	(1.953)	64.465	37,56	(7.347)
Ana Gıda	Production and marketing of olive oil under Kirlangıç, Komili and Madra Brands, sunflower and corn oil	Turkey	46.790	37,57	(581)	47.372	37,57	(4.963)
Aslancık D Tes	Production of electricity Wholesale of electricity	Turkey Turkey	4.195 -	17,00 17,00	(133) (7)	4.328 -	17,00 17,00	286 (56)
			113.497		(2.674)	116.165		(12.080)

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

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

	March 31, 2010	December 31, 2009
Anadolu Isuzu		
Total assets	270.030	279.292
Total liabilities	108.763	112.940
Net assets	161.267	166.352
Group's interest in net assets	62.512	64.465
Revenues	72.766	259.424
Net loss for the period	(5.083)	(19.122)
Group's share in net loss of the joint venture	(1.953)	(7.347)

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4. JOINT VENTURES (cont'd)

Joint Ventures (cont'd)

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

	March 31, 2010	December 31, 2009
Other joint ventures		
Total assets	161.423	156.200
Total liabilities	52.477	45.639
Net assets	108.946	110.561
Group's interest in net assets	50.985	51.700
Revenues	46.531	193.538
Net income/(loss) for the period	(1.614)	(10.415)
Group's share in net income/(loss) of the joint ventures	(721)	(4.733)

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 four major operating segments.

The Group decides that defined operating segments in IFRS 8 are same with the primarily defined operating segment in IAS 14. Since information used in the Group management reporting is consistent with interim consolidated balance sheet and interim consolidated income statement the Group does not need to perform reconciliation between the interim consolidated income statement, interim consolidated balance sheet and the segment reporting disclosure.

Transfer prices between business segments of the Group are set out on an arm's length basis in a manner similar to transactions with third parties.

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5. SEGMENT REPORTING (cont'd)

March 31, 2010	Financial institutions	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	105.237	148.073	97.531	18.884	-	369.725
Inter-segment sales	182	883	377	3.353	(4.795)	-
Total Sales	105.419	148.956	97.908	22.237	(4.795)	369.725
GROSS PROFIT	60.906	43.793	21.606	9.021	(2.746)	132.580
Marketing, selling, and distribution expenses (-)	-	(24.175)	(7.964)	(666)	556	(32.249)
General administrative expenses (-)	(26.959)	(10.000)	(6.745)	(9.451)	4.527	(48.628)
Research and development expenses (-)	-	(158)	-	-	2	(156)
Other operating income	1.240	2.126	54	1.145	(852)	3.713
Other operating expense (-)	(2.578)	(470)	(1.108)	(238)	242	(4.152)
OPERATING INCOME	32.609	11.116	5.843	(189)	1.729	51.108
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	25.063	25.063
Financial income	8.750	4.976	753	4.419	(666)	18.232
Financial expense (-)	(10.138)	(4.483)	(248)	(3.991)	196	(18.664)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	31.221	11.609	6.348	239	26.322	75.739
Tax Income/(Expense) from Continuing Operations	(4.890)	(978)	(3.488)	(203)	-	(9.559)
- Current period tax expense (-)	(2.388)	(1.448)	(2.807)	(231)	-	(6.874)
- Deferred tax income / (expense)	(2.502)	470	(681)	28	-	(2.685)
NET INCOME FOR THE PERIOD	26.331	10.631	2.860	36	26.322	66.180
Attributable to:						
- Minority interest	1.100	1.652	-	-	19.574	22.326
- Equity holders of the parent	25.231	8.979	2.860	36	6.748	43.854
Total Assets (**)	3.779.387	411.930	277.360	1.527.325	(297.281)	5.698.721
Investments accounted through equity method	-	-	-	-	1.125.511	1.125.511
Total Liabilities	3.224.220	194.402	98.230	111.098	(78.162)	3.549.788
Property, plant and equipment and intangible asset purchases	888	13.760	3.279	6.919	-	24.846
Investment property purchases	5.487	-	-	109	-	5.596
Depreciation and amortization	1.603	5.473	2.326	493	(61)	9.834

(*) Income recognized from Anadolu Efes amounting to TRL 27.737 and expense recognized from Anadolu Isuzu, Anagıda, Aslancık and D Tes amounting to TRL 2.674 are recorded to gain/loss from the investments accounted through equity method in 'unallocated' segment.

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

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5. SEGMENT REPORTING (cont'd)

March 31, 2009	Financial institutions	Automotive	Retailing	Other	Unallocated	Consolidated
Sales	168.627	146.037	90.136	19.662	-	424.462
Inter-segment sales	944	797	158	2.872	(4.771)	-
Total Sales	169.571	146.834	90.294	22.534	(4.771)	424.462
GROSS PROFIT	89.313	40.382	19.871	8.566	(188)	157.944
Marketing, selling, and distribution expenses (-)	-	(19.065)	(5.551)	(553)	177	(24.992)
General administrative expenses (-)	(51.278)	(13.942)	(6.072)	(9.819)	4.456	(76.655)
Research and development expenses (-)	-	(130)	(43)	-	2	(171)
Other operating income	292	5.517	160	2.252	11.713	19.934
Other operating expense (-)	(2.185)	(326)	(779)	(80)	(98)	(3.468)
OPERATING INCOME	36.142	12.436	7.586	366	16.062	72.592
Gain/Loss from the investments accounted through equity method (*)	-	-	-	-	(17.296)	(17.296)
Financial income	26.271	9.110	1.149	7.263	(2.683)	41.110
Financial expense (-)	(28.674)	(16.209)	(597)	(7.752)	91	(53.141)
INCOME BEFORE TAX FROM CONTINUING OPERATIONS	33.739	5.337	8.138	(123)	(3.826)	43.265
Tax Income/(Expense) from Continuing Operations	(6.285)	(859)	(896)	(894)	-	(8.934)
- Current period tax expense (-)	(3.854)	(1.175)	(2.147)	(612)	-	(7.788)
- Deferred tax income / (expense)	(2.431)	316	1.251	(282)	-	(1.146)
NET INCOME FOR THE PERIOD	27.454	4.478	7.242	(1.017)	(3.826)	34.331
Attributable to:						
- Minority interest	572	482	-	18.235	-	19.289
- Equity holders of the parent	26.882	3.996	7.242	(19.252)	(3.826)	15.042
Total Assets (**)	3.655.247	450.876	241.287	1.459.477	(443.786)	5.363.101
Investments accounted through equity method	-	-	-	-	987.879	987.879
Total Liabilities	3.181.677	271.150	79.084	111.561	(123.096)	3.520.376
Property, plant and equipment and intangible asset purchases	104	4.684	4.803	1.032	-	10.623
Investment property purchases	4.086	-	-	-	-	4.086
Depreciation and amortization	1.530	4.687	2.488	293	-	8.998

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

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

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5. SEGMENT REPORTING (cont'd)

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

Associate: The Group's effective shareholding rate for Anadolu Efes is 36,27% (December 31, 2009: 36,27%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and selling and distribution of sparkling and still beverages with The Coca-Cola Company trademark principally in Turkey, Central Asia and Middle East. The result of these operations, as of March 31, 2010 and March 31, 2009 are reflected in "gain/loss from the investments accounted through equity method" line of the interim consolidated income statement as gain amounting to TRL 27.737 and loss amounting to TRL 9.755 respectively.

6. CASH AND CASH EQUIVALENTS

	March 31, 2010	December 31, 2009
Non-Banking	75.638	87.284
Banking	142.727	224.367
Cash and cash equivalents in the consolidated cash flow statement	218.365	311.651

Non-Banking

The details of cash and cash equivalents are as follows:

	March 31, 2010	December 31, 2009
Cash on hand	1.391	1.294
Cash in banks	73.683	84.676
Other	564	1.314
	75.638	87.284

	March 31, 2010			December 31, 2009		
	Amount	Maturity	Interest rate %	Amount	Maturity	Interest rate %
Cash in banks						
Demand deposit	11.824	-	-	10.190	-	-
-EUR	4.302	-	-	1.396	-	-
-USD	862	-	-	77	-	-
-GBP	-	-	-	8.627	-	-
-TRL	6.660	-	-	90	-	-
Time deposit	61.859			74.486		
-EUR	-	-	-	22.926	1 – 12 days	3,10
-USD	478	1 – 7 days	4,00	768	7 days	4,00
-TRL	61.381	1 – 37 days	6,00 – 9,85	50.792	5 – 42 days	7,00 – 10,75
	73.683			84.676		

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6. CASH AND CASH EQUIVALENTS (cont'd)

Banking

	March 31, 2010	December 31, 2009
Cash on hand	21.811	30.394
Balances with the Central Bank	98.295	113.371
Cash and balances with the Central Bank	120.106	143.765
Deposits with banks and other financial institutions	9.699	63.218
Funds lent under reverse repurchase agreements	12.922	17.384
Other money market placements	12.922	17.384
	142.727	224.367

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

	March 31, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Balances with the Central Bank	63.052	35.243	-	-	79.269	34.102	-	-
Deposits with banks and other financial institutions	1.691	8.008	-	-	8.493	54.725	6,50	0,20
Funds lent under reverse repurchase agreements	12.922	-	3,78	-	17.384	-	6,66	-
	77.665	43.251			105.146	88.827		

7. FINANCIAL INSTRUMENTS

	March 31, 2010	December 31, 2009
Non-Banking	9.378	7.146
Banking	583.512	534.177
	592.890	541.323

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7. FINANCIAL INSTRUMENTS (cont'd)

Non-Banking

	March 31, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Investment funds	653	-	687	-
Time deposits with maturity more than 3 months	2.266	-	-	-
Non-current financial assets	6.459		6.459	
- Polinas Plastik ve Ticaret A.Ş. (Polinas)	6.276	10,57	6.276	10,57
- Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	95	0,48	95	0,48
- Other	88		88	
	9.378		7.146	

Banking

	March 31, 2010	December 31, 2009
Financial assets at fair value through profit and loss	33.390	27.235
Available for sale financial assets	25	31.605
Held to maturity financial assets	550.097	475.337
	583.512	534.177

Financial assets at fair value through profit and loss:

	March 31, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Financial assets at fair value through profit and loss				
Debt instruments – TRL				
-Turkish government bonds	11.025	7,20	2.671	7,82
-Turkish treasury bills	257	7,04	75	7,39
Debt instruments – foreign currency				
-Eurobonds	411	7,33	-	-
	11.693		2.746	
Equity securities				
Listed on the ISE	21.589	-	18.981	-
	21.589		18.981	
Total financial assets at fair value through profit and loss	33.282		21.727	

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7. FINANCIAL INSTRUMENTS (cont'd)

Banking (cont'd)

Available for sale financial assets

	March 31, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Available-for-sale financial assets at fair value-TRL				
Turkish government bonds	25	14,84	31.605	11,82
Available-for-sale financial assets at fair value-foreign currency				
Eurobonds	-	-	-	-
Total available-for-sale financial assets	25		31.605	

Held to maturity financial assets

	March 31, 2010		December 31, 2009	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Held to maturity financial assets				
Debt instruments-TRL				
Turkish government bonds	417.569	9,95	375.324	10,43
Turkish treasury bills	73.033	7,18	-	-
Total held to maturity financial assets	490.602		375.324	

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

	March 31, 2010	December 31, 2009
Financial assets at fair value through profit or loss	108	5.508
Available for sale financial assets	-	-
Held to maturity financial assets	59.495	100.013
Carrying value of financial assets given as collateral under repurchase agreement	59.603	105.521
Related liability	226.116	93.818

As of March 31, 2010, the carrying value of government securities kept in the Central Bank of Turkey and in ISE Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRL 59.603 and the cost of it is TRL 56.612 (December 31, 2009: TRL 49.180 and TRL 46.004).

Current financial assets is TRL 370.894 (December 31, 2009: TRL 303.638) and non-current financial assets is TRL 221.996 (December 31, 2009: TRL 237.685).

8. BORROWINGS

	March 31, 2010	December 31, 2009
Bank borrowings	130.883	216.276
Current portion of long term borrowings	52.827	50.796
Short term borrowings	183.710	267.072
Bank borrowings	11.032	24.521
Long term borrowings	11.032	24.521
Total borrowings	194.742	291.593

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8. BORROWINGS (cont'd)

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

Short term	March 31, 2010			December 31, 2009		
	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in Turkish Lira	77.675	6,9% - 12,0%	-	139.481	6,85% - 12,50%	-
Borrowing in foreign currency (EUR)	73.509	3,1% - 5,9%	Euribor + (0,9% - 1,3%)	94.637	3,1% - 11,0%	Euribor + (%0,9 - %1,3)
Borrowing in foreign currency (USD)	32.526	6,75% - 8,48%	-	32.954	6,75% - 8,51%	-
	183.710			267.072		
Long term	Amount	Fixed interest rate	Floating interest rate	Amount	Fixed interest rate	Floating interest rate
Borrowing in foreign currency (EUR)	10.271	3,35%	-	24.521	3,3% - 3,5%	Euribor + (%1,3)
Borrowing in foreign currency (USD)	761	3,11%	-	-	-	-
	11.032			24.521		
	194.742			291.593		

Repayments schedules of long-term borrowings are as follows :

	March 31, 2010	December 31, 2009
2010	761	24.521
2011	10.271	-
	11.032	24.521

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9. OTHER FINANCIAL LIABILITIES

None (December 31, 2009: None).

10. TRADE RECEIVABLES AND TRADE PAYABLES

10.1 Trade Receivables

	March 31, 2010	December 31, 2009
Trade receivables, net	70.079	112.025
Notes receivable and post-dated cheques, net	117.614	33.232
Less: provision for doubtful trade receivables	(1.359)	(1.343)
	186.334	143.914

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

Movement of provision for doubtful trade receivables is as follows:

	March 31, 2010	March 31, 2009
Balance at January 1	1.343	4.612
Provisions	130	113
Reversal of provision (collections)	(114)	(64)
Change in scope of consolidation (*)	-	(3.393)
Balance at the end of the period	1.359	1.268

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

10.2 Trade Payables

	March 31, 2010	December 31, 2009
Non-Banking	85.396	44.770
Banking	1.914	1.546
	87.310	46.316

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

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11. OTHER RECEIVABLES AND PAYABLES

11.1 Other Short Term Receivables

	March 31, 2010	December 31, 2009
<u>Non-Banking</u>	45.070	46.109
-Receivables from loans (*)	41.875	42.903
-Other	3.195	3.206
	45.070	46.109

(*) Receivables from loans consists of the loans carried at ABank that are transferred to Anadolu Varlık, a subsidiary. The amount of provision for the related receivable at the end of period is TRL 5.901 (December 31, 2009: TRL 5.902).

11.2 Other Long Term Receivables

	March 31, 2010	December 31, 2009
Non-Banking	2.391	2.369
Banking		
-Collaterals given for derivatives and financial assets	13.653	8.313
	16.044	10.682

11.3 Other Short Term Payables

	March 31, 2010	December 31, 2009
Non-Banking	9.270	15.006
Banking	16.513	14.389
	25.783	29.395

Non-Banking

	March 31, 2010	December 31, 2009
Taxes payable	6.583	12.262
Due to personnel	1.635	1.487
Deposits and collaterals taken	997	1.112
Other	55	145
	9.270	15.006

Banking

	March 31, 2010	December 31, 2009
Taxes payable	10.299	8.534
Collaterals given for financial assets	6.214	5.855
	16.513	14.389

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As of March 31, 2010 the non-current portion of other liabilities is amounting to TRL 593 (December 31, 2009: 348).

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12. FINANCIAL LEASE RECEIVABLES AND OBLIGATIONS

12.1 Financial Lease Receivables

Gross investments in finance lease receivables are as follows:

	March 31, 2010	December 31, 2009
Not later than one year	170.052	173.468
Later than one year and not later than five years	144.794	137.565
Minimum lease payment receivables, gross	314.846	311.033
Less: Unearned interest income	(47.852)	(46.610)
Net investment in finance leases	266.994	264.423
Less: Reserve for doubtful financial lease receivables	(13.790)	(12.098)
Minimum lease payment receivables, net	253.204	252.325

Maturities of net investment in finance leases:

	March 31, 2010	December 31, 2009
Not later than one year	133.659	139.148
Later than one year and not later than five years	119.545	113.177
	253.204	252.325

	March 31, 2010		December 31, 2009	
	Amount	Interest rate %	Amount	Interest rate %
EUR	138.149	10,11 – 12,02	151.030	7,05 – 23,13
USD	68.696	5,84 – 14,96	60.511	7,36 – 21,37
TRL	46.359	13,68 – 23,07	40.784	17,80 – 36,39
	253.204		252.325	

As of March 31, 2010, the Group has obtained collaterals from certain lease customers in relation to minimum lease payments receivables. These collaterals consist of mortgages, checks, letters of guarantee and liens on manufacturing equipments.

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

	March 31, 2010	March 31, 2009
Balance at January 1	12.098	5.447
Provision	2.528	1.659
Collections (-)	(836)	(460)
Balance at the end of the period	13.790	6.646

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

12.2 Financial Lease Obligations

None (December 31, 2009: None).

13. INVENTORIES

	March 31, 2010	December 31, 2009
Raw materials	15.784	14.870
Work-in-progress	3.666	3.487
Finished goods	10.528	13.253
Merchandise	61.279	57.735
Goods in transit	15.910	31.062
Others	4.073	3.422
Provision for inventories (-)	(1.528)	(806)
	109.712	123.023

The movement of provision for inventories is as follows:

	March 31, 2010	March 31, 2009
Balance at January 1	806	2.403
Provision	722	-
Reversal (-)	-	(1.422)
Change in scope of consolidation (*)	-	(169)
Balance at the end of the period	1.528	812

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

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

14. BIOLOGICAL ASSETS

Biological assets amounting to TRL 10.200 (December 31, 2009: TRL 9.453) consist of cattles in the farm carried out at fair value. For the period ended as of March 31, 2010, cattle additions and disposals are 1.573 units and 1.458 units, respectively (March 31, 2009: additions 1.693 units , disposal 1.380 units).

15. RECEIVABLES AND DEFERRED INCOME FROM CONSTRUCTION CONTRACTS IN PROGRESS

None (December 31, 2009 : None).

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16. INVESTMENTS ACCOUNTED THROUGH EQUITY METHOD

	March 31, 2010	December 31, 2009
Investment in associate	1.012.014	974.228
Interest in joint ventures (Note 4)	113.497	116.165
	1.125.511	1.090.393

16.1 Associate

Entity	Principle Activities	Country of business	March 31, 2010			December 31, 2009		
			Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)	Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)
Anadolu Efes (*)	Production of beer	Turkey	1.012.014	36,27	27.737	974.228	36,27	163.880
			1.012.014		27.737	974.228		163.880

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

Summary financial information of associate is as follows:

	March 31, 2010	December 31, 2009
Anadolu Efes		
Total assets	5.434.457	5.430.041
Total liabilities	2.871.071	2.695.863
Net assets	2.563.386	2.734.178
Group's interest in net assets	1.012.014	974.228
Revenues	753.670	3.811.067
Net income for the period	71.524	422.588
Group's share in net income of the associate	27.737	163.880

16.2 Joint Ventures

Entity	Principle activities	Country of business	March 31, 2010			December 31, 2009		
			Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)	Carrying value	Effective shareholding and voting rights %	Group's share of income/(loss)
Anadolu Isuzu (*)	Manufacturing and selling of Isuzu brand commercial vehicles	Turkey	62.512	37,56	(1.953)	64.465	37,56	(7.347)
Ana Gıda	Production and marketing of olive, sun flower and corn oils under Kırlangıç, Komili and Madra brands	Turkey	46.790	37,57	(581)	47.372	37,57	(4.963)
Aslancık	Production of electricity	Turkey	4.195	17,00	(133)	4.328	17,00	286
D Tes	Wholesale of electricity	Turkey	-	17,00	(7)	-	17,00	(56)
			113.497		(2.674)	116.165		(12.080)

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

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17. INVESTMENT PROPERTY

	March 31, 2010	March 31, 2009
Balance at January 1	12.355	9.265
Addition	5.596	4.086
Disposal (-)	(584)	(477)
Depreciation for the current period	(22)	(35)
Balance at the end of the period	17.345	12.839

Investment property represents land and buildings and parcels of land. As of March 31, 2010, the fair value of investment properties which have been determined based on the valuations performed by independent appraisal companies is TRL 17.432 (December 31, 2009, TRL 18.959).

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

Movements of property, plant and equipment during the three months period ended on March 31, 2010 are as follows:

	Land and land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Leasehold improvements	Construction in progress	Total
Cost									
At January 1, 2010	43.591	76.509	188.631	105.301	38.713	14.506	82.120	2.417	551.788
Additions	451	1	1.501	13.265	949	61	124	2.502	18.854
Disposals (-)	-	(2.676)	(206)	(8.675)	(33)	-	-	(13)	(11.603)
Currency translation differences	(16)	-	-	-	-	-	-	(46)	(62)
Transfers	-	-	303	14	10	-	12	(339)	-
March 31, 2010	44.026	73.834	190.229	109.905	39.639	14.567	82.256	4.521	558.977
Accumulated depreciation									
At January 1, 2010	1.853	17.422	145.230	26.466	26.767	12.655	45.102	-	275.495
Depreciation charge for the period	56	366	2.098	4.296	894	67	1.545	-	9.322
Disposals (-)	-	(345)	(181)	(3.522)	(32)	-	-	-	(4.080)
March 31, 2010	1.909	17.443	147.147	27.240	27.629	12.722	46.647	-	280.737
Net carrying amount	42.117	56.391	43.082	82.665	12.010	1.845	35.609	4.521	278.240

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

The carrying amount of PP&E held under finance leases at March 31, 2010 is TRL 24.216. According to the finance lease law, PP&E under finance lease are owned by the finance lease company during the lease term. Hence, these PP&E are regarded as collaterals by the finance lease company.

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

Movements of property, plant and equipment during the three months period ended 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 prior year (Note 3).

Property, plant and equipment held under finance lease

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

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19. INTANGIBLE ASSETS

Movements of intangible assets during the three months period ended on March 31, 2010 are as follows:

	Rights	Patents and licenses	Franchise	Other intangible assets	Total
Cost					
January 1, 2010	41.821	5.529	1.051	1.380	49.781
Additions (*)	5.962	-	-	30	5.992
March 31, 2010	47.783	5.529	1.051	1.410	55.773
Accumulated amortization					
January 1, 2010	36.126	5.380	617	467	42.590
Amortization charge for the period	418	-	60	12	490
March 31, 2010	36.544	5.380	677	479	43.080
Net carrying amount	11.239	149	374	931	12.693

(*) Related with the acquisition of GUE realised by Anadolu Kafkasya, one of the subsidiaries of the Company, TRL 5.841 is associated with electricity production license and accounted for as intangible assets for the difference between the acquisition cost and the net book value of the acquired net assets.

Movements of intangible assets during the three months period ended 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 prior year (Note 3).

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20. GOODWILL

As of March 31, 2010, the goodwill amount of the Group is TRL 35.344 (December 31, 2009: TRL 35.344). In accordance with IFRS 3, the Group ceased to amortize goodwill arising from the business combinations before March 31, 2004, starting from January 1, 2005. Amortization of goodwill is not applied for any acquisitions after March 31, 2004.

21. GOVERNMENT INCENTIVES AND GRANTS

None (December 31, 2009: None).

22. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

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

	March 31, 2010	December 31, 2009
Non-Banking	10.995	20.765
Banking	1.094	1.582
	12.089	22.347

Non-Banking

	March 31, 2010	December 31, 2009
Warranty provisions (*)	6.795	8.772
Label provisions (**)	2.710	10.508
Provision for litigations	876	876
Other provisions	614	609
	10.995	20.765

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

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

Banking

	March 31, 2010	December 31, 2009
Provision for litigations	519	519
Others	575	1.063
	1.094	1.582

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

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23. COMMITMENTS

Non-Banking

Letters of guarantee given to banks, suppliers, Energy Market Regulatory Authority and custom offices are TRL 48.340 (December 31, 2009: TRL 52.655).

Collaterals given to banks for the loans of associates and other related parties are TRL 948 (December 31, 2009: TRL 940).

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRL 45.224 (December 31, 2009: TRL 48.884).

Letter of credits amount to TRL 3.461 (December 31, 2009: TRL 3.043).

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

	March 31, 2010	December 31, 2009
Guarantee pledge and mortgages provided by the Company		
A. Total amount of GPMs given on behalf of the Company's legal personality	-	-
B. Total amount of GPMs given in favor of subsidiaries included in full consolidation	-	-
C. Total amount of GPMs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business	-	-
D. Total amount of other GPM's	474	469
i. Total amount of GPMs given in favor of the parent Company	-	-
ii. Total amount of GPMs given in favor of other group companies not in the scope of B and C above	474	469
iii. Total amount of GPMs given in favor of third party companies not in the scope of C above	-	-
	474	469

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

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

The Group's guarantee, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRL 50.668, TRL 2.350, TRL 16.260 and TRL 1.256, respectively (December 31, 2009: TRL 53.022, TRL 2.155, TRL 15.140 and TRL 1.256).

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

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

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

23. COMMITMENTS (cont'd)

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Non-Banking (cont'd)

Based on the Subscription and Shareholders Agreement, AEH, one of the subsidiary of the Company, has granted a put option to SEEF Foods regarding its joint venture in Ana Gıda which may be exercisable between 2012 and 2014. As it is granted to the other shareholder of the joint venture, such put option is considered as derivative instrument with respect to IAS 39. As of March 31, 2010, there is no fair value of the put option.

Banking

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

	March 31, 2010	December 31, 2009
Letters of guarantees issued (by ABank)	1.345.834	1.197.207
Letters of credit	393.433	245.626
Acceptance credits	136.769	117.084
Other	10.245	13.227
Total non-cash loans	1.886.281	1.573.144
Other commitments (*)	1.323.679	999.010
	3.209.960	2.572.154

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

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

Blocked Assets

As of March 31, 2010, the fair values of the TRL denominated assets held by ABank in fiduciary, agency or custodian capacities amounted to TRL 1.000.616 (December 31, 2009: TRL 939.360) and foreign currency denominated assets amounted to TRL 62.226 (December 31, 2009: TRL 29.451).

Litigation

There were a number of legal proceedings outstanding against ABank as of March 31, 2010 amount to TRL 6.390 (December 31, 2009: TRL 6.333). These mainly include matters relating to personal claims of customers and former employees of ABank. Although the outcome of these matters can not always be ascertained with precision, the Management, based on professional advice, has provided provision amounting to TRL 519 (December 31, 2009: TRL 519).

Other

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

24. PROVISIONS FOR THE EMPLOYEE BENEFITS

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	March 31, 2010	December 31, 2009
Short term	9.669	12.932
Bonus provisions	4.508	8.797
Vacation pay liability	5.161	4.135
Long term	14.446	14.012
Employee termination benefits	14.446	14.012
	24.115	26.944

Provision for Employee Termination Benefits

In accordance with the existing social legislation, the Group is required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TRL 2,4270/year at March 31, 2010 and TRL 2,3652/year December 31, 2009, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

In the consolidated financial statements as of March 31, 2010 and December 31, 2009 the Group reflected a liability calculated using the Projected Unit Method and based upon factors derived using their experience of personnel terminating their services and being eligible to receive retirement pay and discounted by using the current market yield at the balance sheet date on government bonds.

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

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

In addition, the principal assumption that the maximum liability, TRL 2,4270, for each year of service will increase in line with inflation is taken into consideration in the calculation of retirement pay liability provision as of March 31, 2010.

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

	March 31, 2010	March 31, 2009
Balance at January 1	14.012	12.828
Interest cost	385	353
Charge for the period (net)	778	1.349
Paid (-)	(729)	(800)
Change in scope of consolidation (*)	-	(1.062)
Balance at the end of the period	14.446	12.668

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

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25. PENSION PLANS

None (December 31, 2009 : None).

26. OTHER ASSETS AND LIABILITIES

26.1 Other Current Assets

	March 31, 2010	December 31, 2009
Non-Banking	35.903	30.875
Banking	19.264	14.541
	55.167	45.416

Non-Banking

	March 31, 2010	December 31, 2009
Prepaid expenses	24.070	20.280
VAT receivable	6.131	5.005
Advances given	3.234	1.401
Prepaid taxes	1.465	2.909
Other current assets	1.003	1.280
	35.903	30.875

Banking

	March 31, 2010	December 31, 2009
VAT receivable	10.823	8.655
Prepaid expenses and others	6.628	4.003
Receivables from insurance policies	1.808	1.873
Prepaid tax	5	10
	19.264	14.541

26.2 Other Non-Current Assets

	March 31, 2010	December 31, 2009
<u>Non-Banking</u>	1.335	1.090
VAT receivable	314	253
Other	1.021	837
<u>Banking</u>	10.825	9.660
Prepaid expenses	5.424	3.468
VAT receivable	1.816	2.892
Other	3.585	3.300
	12.160	10.750

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26. OTHER ASSETS AND LIABILITIES (cont'd)

26.3 Other Current Liabilities

	March 31, 2010	December 31, 2009
Non-Banking	56.149	6.773
Banking	42.980	39.963
	99.129	46.736

Non-Banking

	March 31, 2010	December 31, 2009
Advances taken	55.352	5.709
Deferred income	796	1.064
Other payables	1	-
	56.149	6.773

Banking

	March 31, 2010	December 31, 2009
Cheques in collection	18.317	16.502
Assets held for sale (*)	11.850	10.694
Advances taken from customers	3.441	3.392
Other	9.372	9.375
	42.980	39.963

(*) Collections from banking loans.

As of March 31, 2010, other non-current liability amounts to TRL 305 (December 31, 2009: 330).

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27. EQUITY

Shared Capital / Adjustments to Share Capital and Equity Instruments

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

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

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

	March 31, 2010		December 31, 2009	
	Number of shares	Amount	Number of shares	Amount
Balance at January 1	160.000.000	160.000	160.000.000	160.000
-Inflation adjustment to share capital	-	-	-	-
Balance at the end of the period	160.000.000	160.000	160.000.000	160.000

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

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

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27. EQUITY (cont'd)

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

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

Restricted Reserves Allocated from Net Profit, Revaluation Surplus

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

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

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

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

Based on the CMB Decree 7/242, dated February 25, 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the whole amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the whole amount of the statutory net distributable profit should be distributed. There will be no profit distribution whether loss of the period is recognized either in the financial statements in accordance with CMB regulations or in the statutory financial statements.

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27. EQUITY (cont'd)

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

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

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

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

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

	March 31, 2010	December 31, 2009
Revaluation surplus	8.604	8.266

	March 31, 2010	December 31, 2009
Restricted reserves allocated from net profit	14.080	14.080

Retained Earnings

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

	March 31, 2010	December 31, 2009
Equity reserves	1.166	1.166
Extraordinary reserves	112.900	112.900
Other profit reserves	2.558	2.558
Retained earnings	1.295.324	1.064.950
	1.411.948	1.181.574

Minority Interest

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

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28. CONTINUING OPERATIONS

GROSS PROFIT	March 31, 2010	March 31, 2009
Non-Banking	71.188	66.891
Revenue net off cost of sales	61.597	57.530
Service Income (*)	9.591	9.361
Banking – Gross profit from financial sector operations	61.392	91.053
	132.580	157.944

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

29. OPERATING EXPENSES

	March 31, 2010	March 31, 2009
Non-Banking	55.856	52.081
Banking	25.177	49.737
	81.033	101.818

	March 31, 2010	March 31, 2009
Marketing, selling and distribution expenses	32.249	24.992
General administrative expenses	48.628	76.655
Research and development expenses	156	171
	81.033	101.818

Non-Banking

	March 31, 2010	March 31, 2009
Marketing, selling and distribution expenses	32.249	24.992
General administrative expenses	23.451	26.918
Research and development expenses	156	171
	55.856	52.081

Banking

	March 31, 2010	March 31, 2009
General administrative expenses	17.146	45.498
Bank's foreign exchange losses, net	8.031	4.239
	25.177	49.737

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30. EXPENSES BY NATURE

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

	March 31, 2010	March 31, 2009
Depreciation and amortization expenses		
Marketing, selling and distribution expenses	4.526	883
General administrative expenses	2.674	5.415
Cost of sales	2.578	2.696
Research and development expenses	56	4
	9.834	8.998

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

	March 31, 2010	March 31, 2009
Payroll expenses		
General administrative expenses	33.489	31.808
Cost of sales	15.052	13.588
Marketing, selling and distribution expenses	2.489	2.394
Research and development expenses	71	64
	51.101	47.854

31. OTHER OPERATING INCOME/EXPENSE

31.1 Other Operating Income

	March 31, 2010	March 31, 2009
Income from agreements-financial leasing	1.158	181
Insurance compensation income	997	1.223
Commission income	206	67
Gain on sale of property, plant and equipment	175	87
Reversal of provision for loan and other losses	115	3.445
Rent income	106	118
After sales service income	32	1.201
Transportation income	31	215
Gain on sale of share in subsidiary (Note 3)	-	11.811
Other	893	1.586
	3.713	19.934

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31. OTHER OPERATING INCOME/EXPENSE (cont'd)

31.2 Other Operating Expense

	March 31, 2010	March 31, 2009
Financial leasing-provision for receivables	1.692	1.198
Donation	691	445
Financial leasing-agreement expenses	682	841
Loss on sale of property, plant and equipment	309	124
Provision for doubtful receivables	120	97
Other	658	763
	4.152	3.468

32. FINANCIAL INCOME

	March 31, 2010	March 31, 2009
Foreign exchange gain	15.095	31.762
Gain on sale of financial assets	1.662	4.877
Interest income	1.473	4.469
Other income	2	2
	18.232	41.110

33. FINANCIAL EXPENSE

	March 31, 2010	March 31, 2009
Foreign exchange loss	12.257	31.309
Interest expense	6.238	15.136
Loss from capital market transactions	-	595
Other expense	169	6.101
	18.664	53.141

34. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

None (December 31, 2009: 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 (2009: 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% (2009: 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the fiscal year.

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35. TAX ASSETS AND LIABILITIES (cont'd)

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

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

Investment Incentives

Upon the meeting held by the Constitutional Court dated October 15, 2009 and upon the Constitutional Court conclusion on January 8, 2010, unused investment incentives of the Group have become available for use again and the Group has recognized deferred tax assets over such investment incentives accordingly.

35.1 Deferred Tax Assets and Liabilities

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

	March 31, 2010	December 31, 2009
Deferred tax asset	28.406	29.500
Deferred tax liability (-)	(14.235)	(12.717)
Total deferred tax asset / (liability), net	14.171	16.783

The movement of net deferred tax asset as of the three months period ended on March 31, 2010 is as follows:

	Balance December 31, 2009	Recorded to income statement	Balance March 31, 2010
Property, plant and equipment, and intangibles	(15.455)	(2.123)	(17.578)
Tax loss carried forward	3.499	(169)	3.330
Employee termination benefit	2.798	86	2.884
Financial leases	(1.136)	7	(1.129)
Investment incentive	18.109	(18)	18.091
Other	8.968	(395)	8.573
Net deferred tax (liability)/asset	16.783	(2.612)	14.171
Reclassification to revaluation surplus	-	(73)	-
	16.783	(2.685)	14.171

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35. TAX ASSETS AND LIABILITIES (cont'd)

35.1 Deferred Tax Assets and Liabilities (cont'd)

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

	Balance December 31, 2008	Change in scope of consolidation (*)	Recorded to income statement	Balance March 31, 2009
Property, plant and equipment, and intangibles	(17.564)	542	(945)	(17.967)
Tax loss carried forward	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 revaluation surplus	-	-	-	-
	(1.587)	(4.884)	(1.146)	(7.617)

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

35.2 Tax Expense

	March 31, 2010	March 31, 2009
Income tax (expense)	(6.874)	(7.788)
Deferred tax (expense)/income	(2.685)	(1.146)
	(9.559)	(8.934)

35.3 Tax Provision

	March 31, 2010	March 31, 2009
Balance at January 1	2.544	437
Income tax expense	6.874	7.788
Prepaid tax (-)	(4.184)	(5.957)
Balance at the end of the period	5.234	2.268

36. EARNINGS PER SHARE

	March 31, 2010	March 31, 2009
Net profit (full TRL)	43.854.000	15.042.000
Weighted average number of shares	160.000.000	160.000.000
Earning per share (full TRL)	0,27	0,09

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37. RELATED PARTY BALANCES AND TRANSACTIONS

37.1 Due from Related Parties

	March 31, 2010	December 31, 2009
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	6.671	6.744
Anadolu Efes (1)	2.446	841
Anadolu Etap Tarım ve Gıda A.Ş. (3)	2.335	2.589
Krasny Vostok Group (3)	1.306	1.290
Anadolu Isuzu (2)	1.182	385
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	961	378
OAO Amstar (3)	932	1.659
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	528	469
Coca-Cola İçecek A.Ş. (3)	339	130
Coca-Cola Satış ve Dağıtım A.Ş. (3)	308	1.013
ZAO Moscow Efes Brewery (Efes Moscow) (3)	45	1.156
Tarbes Tarım Ürünleri ve Besicilik San. Tic. A.Ş. (Tarbes) (3)	81	2
Other	3.111	807
	20.245	17.463

As of March 31, 2010, the loan amount given to related parties is TRL 6.340, which is included under “Banking Loans” in the interim consolidated financial statements (December 31, 2009: TRL 1.691). As of March 31, 2010, TRL 867 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2009: TRL 1.610). As of March 31, 2010, the non-cash loan amount given by the bank to related parties is TRL 59.064 (December 31, 2009: 30.238).

As of March 31, 2010 the short term portion of due from related parties is amounting to TRL 15.629 (December 31, 2009: TRL 11.812), and the long term portion is TRL 4.616 (December 31, 2009: TRL 5.651).

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

37.2 Due To Related Parties

	March 31, 2010	December 31, 2009
Ana Gıda (2)	1.340	1.586
Anadolu Isuzu (2)	110	467
Efpa (3)	71	305
Dividend will be paid to shareholders	21	21
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	7	-
Other	32	23
	1.581	2.402

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

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

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

37.3 Related Party Transactions

Terms and conditions of transactions with related parties

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

Significant transactions with related parties during the period ended as of March 31, 2010 and March 31, 2009 are as follows:

	March 31, 2010	March 31, 2009
Sales of goods and services, net		
Anadolu Efes (1)	6.680	6.592
Efpa (3)	4.220	1.578
Efes Breweries International N.V. (3)	2.467	5.528
Coca-Cola Satış ve Dağıtım A.Ş. (3)	2.417	1.940
Anadolu Isuzu (2)	1.640	1.325
Tarbes (3)	865	1.224
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	518	462
Ana Gıda (2)	374	399
Efes Vitanta Moldova Brewery SA (3)	182	266
Other	1.231	623
	20.594	19.937
	March 31, 2010	March 31, 2009
Purchases of goods and other charges		
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	590	435
Anadolu Isuzu (2)	239	130
Efpa (3)	67	63
Other	276	16
	1.172	644
	March 31, 2010	March 31, 2009
Interest and other financial income (banking)		
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl. (5)	179	161
Ana Gıda (2)	113	287
Anadolu Efes (1)	86	73
Anadolu Isuzu (2)	50	56
Coca-Cola İçecek A.Ş. (3)	59	88
Other	122	55
	609	720

(1) An associate

(2) A joint venture

(3) A Company controlled by an associate

(4) Shareholder of the Company

(5) Other

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

37.3 Related Party Transactions (cont'd)

	March 31, 2010	March 31, 2009
Interest and other financial expense (banking)		
Anadolu Efes (1) (*)	1.473	3.940
Tarbes (3)	468	345
Özilhan Sinai Yatırım A.Ş. (5)	345	687
Anadolu Isuzu (2)	178	497
Efes Pilsen Spor Kulübü (5)	177	249
Coca-Cola İçecek A.Ş. (3)	34	736
Efpa (3)	8	76
Other	507	1.015
	3.190	7.545

(*) Interest rate range for TRL deposits is 6%, interest rate range for EUR deposits is 0,75% and interest rate range for USD deposits is 0,25%.

	March 31, 2010	March 31, 2009
Various sales included in other income (includes dividends received)		
Efpa (3)	23	-
Anadolu Isuzu (2)	16	22
Polinas (5)	14	-
Ana Gıda (2)	13	16
Coca-Cola İçecek A.Ş. (3)	3	2
Anadolu Efes (1)	2	2
Anadolu Eğitim ve Sosyal Yardım Vakfı (5)	-	60
Other	15	6
	86	108

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

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

37.3 Related Party Transactions (cont'd)

Compensation of Key Management Personnel of the Group

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

The details of benefits provided to the key management personnel during the periods ended on March 31, 2010 and March 31, 2009 are as follows:

	March 31, 2010	March 31, 2009
Short term benefits provided to key management personnel	5.193	4.484
Post-employment benefits	493	84
Total gain	5.686	4.568
Social Security employer share	110	88

Other

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

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

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

Financial Risk Management Objectives and Policies

General

Banking

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

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

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

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

Market Risk

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

Credit Risk

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

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

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Currency Risk

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

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

	TRL	USD	EUR	JPY	Other	Total
31.03.2010						
Assets						
Cash and balances with the Central Bank	71.950	42.483	5.493	-	180	120.106
Deposits with banks and other financial institutions	1.693	4.141	2.705	-	1.160	9.699
Other money market placements	12.922	-	-	-	-	12.922
Reserve deposits at the Central Bank	-	70.243	-	-	-	70.243
Financial assets at fair value through profit and loss	32.979	411	-	-	-	33.390
Financial assets	550.292	-	-	-	-	550.292
Banking loans	1.664.962	594.793	350.188	-	325	2.610.268
Minimum lease payments receivable	46.411	70.640	143.995	-	-	261.046
Derivative financial instruments	6.627	53	-	-	-	6.680
Investments	17	-	-	-	-	17
Assets held for sale	17.236	-	-	-	-	17.236
Property, plant and equipment	16.525	-	-	-	-	16.525
Intangible assets	2.584	-	-	-	-	2.584
Deferred tax assets	24.615	-	-	-	-	24.615
Other assets	50.125	7.976	1.677	-	-	59.778
Total Assets	2.498.938	790.740	504.058	-	1.665	3.795.401
Liabilities						
Deposits from other banks	1.125	23.273	11.053	-	47	35.498
Customers' deposits	1.284.340	615.481	308.473	1.923	2.816	2.213.033
Other money market deposits	233.966	-	-	-	-	233.966
Funds borrowed	49.887	283.433	272.019	-	325	605.664
Derivative financial instruments	11.443	24	-	-	-	11.467
Income tax payable	2.407	-	-	-	-	2.407
Other liabilities and provisions	113.223	14.169	10.407	-	382	138.181
Total Liabilities	1.696.391	936.380	601.952	1.923	3.570	3.240.216
Net on-balance sheet position	802.547	(145.640)	(97.894)	(1.923)	(1.905)	555.185
Off-balance sheet position						
Net nominal amount of derivatives	(225.736)	196.645	59.969	1.969	2.107	34.954
Non- cash loans	912.886	661.004	306.000	3.038	3.353	1.886.281
31.12.2009						
Total Assets	2.549.513	813.693	580.241	-	904	3.944.351
Total Liabilities	1.762.676	997.747	647.107	3.719	3.954	3.415.203
Net on-Balance Sheet Position	786.837	(184.054)	(66.866)	(3.719)	(3.050)	529.148
Non-cash loans	793.794	471.401	301.806	1.078	5.065	1.573.144

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

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Currency Risk (cont'd)

Foreign currency sensitivity

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

	Change in exchange rate %	Effect on profit / loss	
		March 31, 2010	December 31, 2009
USD	+/-10%	+/- 5.580	+/- 2.354
EUR	+/-10%	+/- 4.271	+/-2.035

Interest Rate Risk

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

Liquidity Risk

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

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

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

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

Financial Risk Management Objectives and Policies (cont'd)

Banking (cont'd)

Operational Risk

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

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

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

Capital Adequacy

To monitor the adequacy of its capital, ABank uses ratios established by Banking Regulation and Supervision Agency (BRSA). These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing ABank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of March 31, 2010 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 13,39% (December 31, 2009: 12,94%).

Non-Banking

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

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, price risk, credit risk, and liquidity risk. The Group manages these risks as stated below. The Group also monitors the market price risk arising from all financial instruments.

Foreign currency risk

The Group predominantly operates in Turkey.

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

		Exchange buying rate at December 31, 2009	Average exchange buying rate in the period	Exchange buying rate at March 31, 2010
TRL /USD	Turkey	1,5057	1,5019	1,5215
TRL /EUR	Turkey	2,1603	2,0797	2,0523

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

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign currency risk (cont'd)

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

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

31.03. 2010	TRL Equivalent (Functional currency)	USD	EUR	GBP	Other
1. Trade receivables	5.180	1.369	1.509	-	-
2a. Monetary financial assets (cash and cash equivalents included)	427	62	163	-	-
2b. Non - monetary financial assets	-	-	-	-	-
3. Other	-	-	-	-	-
4. Current assets (1+2+3)	5.607	1.431	1.672	-	-
5. Trade receivables	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-
6b. Non - monetary financial assets	-	-	-	-	-
7. Other	438	280	6	-	-
8. Non - current assets (5+6+7)	438	280	6	-	-
9. Total assets (4+8)	6.045	1.711	1.678	-	-
10. Trade payables	7.124	3.633	761	1	1.997
11. Short - term borrowings and current portion of long - term borrowings	106.036	21.378	35.818	-	-
12a. Monetary other liabilities	89	48	8	-	-
12b. Non - monetary other liabilities	-	-	-	-	-
13. Current liabilities (10+11+12)	113.249	25.059	36.587	1	1.997
14. Trade payables	-	-	-	-	-
15. Long - term borrowings	11.033	500	5.005	-	-
16 a. Monetary other liabilities	342	225	-	-	-
16 b. Non - monetary other liabilities	-	-	-	-	-
17. Non - current liabilities (14+15+16)	11.375	725	5.005	-	-
18. Total liabilities (13+17)	124.624	25.784	41.592	1	1.997
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)	(118.579)	(24.073)	(39.914)	(1)	(1.997)
21. Monetary items net foreign currency asset / (liability) position position (=1+2a+5+6a-10-11-12a-14-15-16a)	(119.017)	(24.353)	(39.920)	(1)	(1.997)
22. Total fair value of financial instruments used to manage the foreign currency position	-	-	-	-	-
23. Export	6.350	3.797	307	-	-
24. Import	55.096	14.851	15.721	40	-

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

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign Currency Risk (cont'd)

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

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

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Foreign Currency Risk (cont'd)

Foreign currency position sensitivity analysis		
March 31, 2010		
	Income / (loss)	Income / (loss)
	Increase of the foreign currency	Decrease of the foreign currency
Change in the USD against TRL by 10% +/-:		
1- USD denominated net asset / liability	(3.663)	3.663
2- USD denominated hedging instruments(-)	-	-
3- Net effect in USD (1+2)	(3.663)	3.663
Change in the EUR against TRL by 10% +/-:		
4- Euro denominated net asset / liability	(8.192)	8.192
5- Euro denominated hedging instruments(-)	-	-
6- Net effect in Euro (4+5)	(8.192)	8.192
Change in the other foreign currencies against TRL by 10% +/-:		
7- Other foreign currency denominated net asset / liability	(3)	3
8- Other foreign currency hedging instruments(-)	-	-
9- Net effect in other foreign currency (7+8)	(3)	3
TOTAL (3+6+9)	(11.858)	11.858

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

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

Financial Risk Management Objectives and Policies (cont'd)

Non-Banking (cont'd)

Interest Rate Risk

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

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

Liquidity Risk

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

Capital Risk Management

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

40. SUBSEQUENT EVENTS

In the General Assembly Meeting of Yazıcılar on April 30, 2010, dividend distribution of TRL 35.200 to shareholders has been adjudicated, which will be effective as of May 31, 2010.

41. OTHER ISSUES

41.1 Reserve Deposits at Central Bank

	March 31, 2010	December 31, 2009
Reserve deposits at Central Bank		
- Foreign currency	70.243	69.942
	70.243	69.942

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

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41. OTHER ISSUES (cont'd)

41.1 Reserve Deposits at Central Bank (cont'd)

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

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

41.2 Banking Loans

	March 31, 2010	December 31, 2009
Corporate loans	1.107.328	1.494.759
Small business loans	1.414.848	1.179.381
Consumer loans	2.911	3.673
Other	7.406	6.152
Total performing loans	2.532.493	2.683.965
Non performing loans	204.255	192.677
Allowance for individually impaired loans (-)	(103.291)	(114.786)
Allowance for collectively impaired loans (-)	(28.589)	(27.779)
	2.604.868	2.734.077

	March 31, 2010				Effective interest rate %		
	Amount		Foreign Currency Indexed	Total	TRL	Foreign Currency	Foreign Currency Indexed
	TRL	Foreign Currency					
Corporate loans (*)	662.121	200.948	244.259	1.107.328	12,6	6,8	6,8
Small business loans	914.789	210.306	289.753	1.414.848	13,6	6,3	7,3
Consumer loans	2.871	-	40	2.911	26,1	-	9,1
Other	7.406	-	-	7.406	13,9	-	-
Total performing loans	1.587.187	411.254	534.052	2.532.493			

	December 31, 2009				Effective interest rate %		
	Amount		Foreign Currency Indexed	Total	TRL	Foreign Currency	Foreign Currency Indexed
	TRL	Foreign Currency					
Corporate loans (*)	950.124	274.219	270.416	1.494.759	11,7	6,7	7,1
Small business loans	729.644	172.296	277.441	1.179.381	15,5	6,9	8,1
Consumer loans	2.409	-	1.264	3.673	29,2	-	7,8
Other	6.152	-	-	6.152	13,9	-	-
Total performing loans	1.688.329	446.515	549.121	2.683.965			

(*) Corporate loans also include restructured loans which amount to TRL 32.248 (December 31, 2009: TRL 31.641).

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41. OTHER ISSUES (cont'd)

41.2 Banking Loans (cont'd)

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

	March 31, 2010	March 31, 2009
Balance at January 1	142.565	73.660
Charge for the allowance for probable losses	3.984	12.708
Collections (-)	(14.669)	(4.225)
Amount written off and sold during the period (-)	-	(985)
Balance at the end of the period	131.880	81.158

ABank has classified restructured loans separately that have been restructured through medium to long-term agreements signed by related borrowers. As of March 31, 2010, interest accrued on the restructured loans amounted to TRL 3.544 (December 31, 2009: TRL 2.559).

As of March 31, 2010, allowance for impaired loans also includes allowance provided for a portfolio amounting to TRL 28.589 (December 31, 2009: TRL 27.779).

As of March 31, 2010, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRL 204.255 (December 31, 2009: 192.677).

The TRL 2.245.988 amount of Banking Loans covers (December 31, 2009: TRL 2.409.552) current loans and TRL 358.880 amount covers (December 31, 2009: TRL 324.525) non-current loans.

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41. OTHER ISSUES (cont'd)

41.3 Banking Customers' Deposits

	March 31, 2010	December 31, 2009
Deposits from other banks	35.498	53.422
Customers' deposits	2.146.768	2.374.063
Other money market deposits	233.966	101.416
	2.416.232	2.528.901

Deposits from other banks

	March 31, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Demand deposit	85	1.290	-	-	11	2.701	-	-
Time deposit	1.039	33.084	8,40	0,32	1.020	49.690	8,40	0,43
	1.124	34.374			1.031	52.391		

Customers' deposits

	March 31, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Saving								
Demand	18.015	17.503	-	-	16.036	21.848	-	-
Time	821.423	426.062	9,73	3,14	873.458	434.301	10,43	3,10
	839.438	443.565			889.494	456.149		
Commercial and other								
Demand	104.271	71.936	-	-	105.163	66.586	-	-
Time	323.233	364.325	8,68	2,79	463.602	393.069	8,98	2,91
	427.504	436.261			568.765	459.655		
	1.266.942	879.826			1.458.259	915.804		

Other money market deposits

	March 31, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Obligations under repurchase agreements:								
-Due to customers	8.720	-	5,51	-	15.652	-	5,70	-
-Due to banks	217.396	-	6,00	-	78.166	-	6,61	-
	226.116				93.818	-		
Interbank deposits	7.850	-	6,77	-	7.598	-	6,68	-
	233.966				101.416	-		

TRL 2.416.232 is the current portion of Deposits (December 31, 2009: TRL 2.528.901). There is no non-current portion of Deposits as of March 31, 2010 (December 31, 2009: None).

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41. OTHER ISSUES (cont'd)

41.4 Funds Borrowed

	March 31, 2010				December 31, 2009			
	Amount		Effective interest rate %		Amount		Effective interest rate %	
	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency	TRL	Foreign currency
Short-term	50.223	269.469			44.016	416.304		
Fixed interest	50.223	156.677	7,00-9,45	3,25-7,00	38.707	244.619	10,43	3,66-12,64
Floating interest	-	112.792	-	2,15-3,96	5.309	171.685	7,10-7,20	2,21-10,30
Medium-long term	-	285.972			-	180.736		
Fixed interest	-	42.552	-	2,67-5,50	-	35.943	-	2,75-6,30
Floating interest	-	243.420	-	2,15-4,85	-	144.793	-	2,21-4,85
	50.223	555.441			44.016	597.040		
Total funds borrowed	605.664				641.056			

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

	March 31, 2010		December 31, 2009	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2010	2.020	109.738	2.838	-
2011	35.695	30.870	29.645	38.183
2012	-	51.484	-	54.133
2013 and thereafter	4.837	51.328	3.460	52.477
	42.552	243.420	35.943	144.793

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

TRL amount of 319.692 funds borrowed covers (December 31, 2009: TRL 460.320) current funds borrowed and TRL 285.972 amount covers (December 31, 2009: TRL 180.736) non-current funds borrowed.

41.5 Derivative Financial Instruments

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

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT MARCH 31, 2010 (cont'd)**

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

41. OTHER ISSUES (cont'd)

41.5 Derivative Financial Instruments (cont'd)

The fair value of derivative financial instruments is calculated by using forward exchange rates at the balance sheet date. In the absence of reliable forward foreign currency market rates and reliable forward rate estimations in a volatile market, values of foreign currency forward and swap transactions are determined by comparing the period end foreign exchange rates with the forward rates discounted to the balance sheet date.

	March 31, 2010								
	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	508	376	334.239	313.983	10.803	5.472	3.981	-	-
Forward sale contract	21	1.111	335.367	314.597	11.151	5.624	3.995	-	-
Currency swap purchase	181	203	359.652	251.344	106.506	1.802	-	-	-
Currency swap sale	3.108	6.423	338.627	242.211	94.470	1.946	-	-	-
Futures purchase	-	-	-	-	-	-	-	-	-
Futures sale	-	-	-	-	-	-	-	-	-
Buy option	1.291	1.477	515.418	275.127	58.408	115.659	66.224	-	-
Sell option	1.571	1.506	516.715	275.047	59.893	115.658	66.117	-	-
Interest swap purchase	-	-	-	-	-	-	-	-	-
Interest swap sale	-	-	-	-	-	-	-	-	-
Interest purchase options	-	-	-	-	-	-	-	-	-
Interest sale options	-	371	15.600	-	15.600	-	-	-	-
	6.680	11.467	2.415.618	1.672.309	356.831	246.161	140.317	-	-
	December 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	34	15	20.691	5.763	8.093	5.597	1.238	-	-
Forward sale contract	-	724	21.617	5.888	8.477	5.910	1.342	-	-
Currency swap purchase	145	465	283.610	223.381	60.229	-	-	-	-
Currency swap sale	4.871	5.074	266.088	209.318	56.770	-	-	-	-
Futures purchase	-	-	-	-	-	-	-	-	-
Futures sale	-	-	-	-	-	-	-	-	-
Buy option	319	1.863	175.310	88.940	64.677	15.182	6.511	-	-
Sell option	1.868	266	176.909	88.912	64.833	16.653	6.511	-	-
Interest swap purchase	-	-	-	-	-	-	-	-	-
Interest swap sale	-	-	-	-	-	-	-	-	-
Interest purchase options	-	-	-	-	-	-	-	-	-
Interest sale options	-	280	15.600	-	-	15.600	-	-	-
	7.237	8.687	959.825	622.202	263.079	58.942	15.602	-	-