

**YAZICILAR HOLDİNG
ANONİM ŐİRKETİ**

CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
AUDITORS' REPORT AS OF
31 DECEMBER 2006

*(TRANSLATED INTO ENGLISH FROM
THE ORIGINAL TURKISH REPORT)*

CONVENIENCE TRANSLATION OF THE REPORT AND THE FINANCIAL
STATEMENTS ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITORS' REPORT

To Board of Directors
YAZICILAR HOLDİNG ANONİM ŞİRKETİ

We have audited the accompanying consolidated financial statements of Yazıcılar Holding Anonim Şirketi (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated balance sheet as of 31 December 2006, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. Consolidated financial statements of the Group as of December 31, 2005 were audited by another auditor and on the audit report dated April 7, 2006 a qualified opinion issued for an issue that has no effect on consolidated financial statements as of 31 December 2006. Opening balances in our report are based on the report issued by the other auditor.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting standards published by the Capital Markets Board. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards published by the Capital Markets Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Yazıcılar Holding Anonim Şirketi and its subsidiaries as of 31 December 2006 and the results of its operations and its cash flows for the year then ended in accordance with the financial reporting standards published by the Capital Markets Board.

İstanbul, 12 April 2007

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

Selçuk Ürkmez
Partner

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

TABLE OF CONTENTS

	<u>Page</u>
Consolidated Balance Sheet	1 - 2
Consolidated Statement of Income	3
Consolidated Statement of Changes in Shareholders' Equity	4
Consolidated Cash Flow Statement	5
Explanatory Notes to Consolidated Financial Statements	6 - 81

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

	Notes	Current Period December 31, 2006	Prior Period December 31, 2005
ASSETS			
Current Assets		2.332.168.489	1.540.864.932
Cash and Cash Equivalents	4	302.635.514	141.862.819
Marketable Securities (net)	5	17.693.987	274.717.463
Reserve Deposits at Central Bank	44.1	30.644.000	61.128.000
Banking Loans (net)	44.2	577.363.396	770.271.845
Trade Receivables (net)	7.1	58.873.500	56.554.351
Lease Receivables (net)	8.1	45.207.287	59.975.930
Derivative Financial Instruments – Assets	44.5	1.844.500	73.000
Due From Related Parties (net)	9.1	13.614.303	10.421.421
Other Receivables (net)	10.1	23.894.986	8.537.565
Biological Assets (net)	11	5.446.816	6.507.829
Inventories (net)	12	129.819.946	133.357.657
Receivables from Construction Contracts in Progress (net)	13	-	-
Deferred Tax Assets		-	-
Other Current Assets	15.1	25.445.093	17.457.052
Assets Related to Held for Sale Operations	35	1.099.685.161	-
Non-Current Assets		1.121.762.318	1.102.138.622
Marketable Securities (net)	5	54.814.500	166.280.000
Banking Loans (net)	44.2	95.023.961	114.170.930
Trade Receivables (net)	7.1	36.438	-
Lease Receivables (net)	8.1	45.953.484	46.860.513
Derivative Financial Instruments – Assets	44.5	1.515.500	-
Due from Related Parties (net)		-	-
Other Receivables (net)		-	-
Investments (net)	16	759.608.855	593.080.176
Positive/Negative Goodwill (net)	17	17.672.128	35.344.256
Investment Property (net)	18	5.109.000	4.332.000
Property, Plant and Equipment (net)	19	119.386.873	104.365.028
Intangible Assets (net)	20	10.118.899	10.928.864
Deferred Tax Assets	14	4.035.282	21.277.735
Other Non-Current Assets	15.2	8.487.398	5.499.120
TOTAL ASSETS		3.453.930.807	2.643.003.554

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

	Notes	Current Period December 31, 2006	Prior period December 31, 2005
LIABILITIES			
Current Liabilities			
		1.967.120.477	1.486.075.638
Short-Term Borrowings (net)	6	63.597.333	92.139.531
Current Portion of Long-Term Borrowings (net)	6	42.027.104	340.336
Lease Obligations (net)	8.2	3.039.133	2.630.905
Other Financial Liabilities (net)		-	-
Trade Payables (net)	7.2	47.043.493	46.686.099
Deposits	44.3	551.412.102	870.591.918
Funds Borrowed	44.4	230.363.001	404.558.149
Blocked Accounts		19.826.000	28.929.448
Due to Related Parties (net)	9.2	490.314	1.363.762
Advances Received	21	2.291.152	2.750.345
Deferred Income from Construction Contracts in progress (net)	13	-	-
Provisions	23	313.699	452.584
Derivative Financial Instruments – Liabilities	44.5	6.029.500	1.252.000
Deferred Tax Liability		-	-
Other Liabilities (net)	15.3	39.655.303	34.380.561
Liabilities Related to Held for Sale Operations	35	961.032.343	
Non-Current Liabilities			
		180.944.344	72.864.286
Long-Term Borrowings (net)	6	24.490.792	9.476.596
Lease Obligations (net)	8.2	780.138	3.579.861
Other Financial Liabilities (net)		-	-
Trade Payables (net)		-	-
Deposits	44.3	8.500	29.000
Funds Borrowed	44.4	136.734.001	34.875.000
Blocked Accounts		-	4.582.000
Due to Related Parties (net)		-	-
Advances Received	21	2.319.040	-
Provisions	23	11.579.182	13.826.217
Deferred Tax Liability	14	3.447.753	5.405.250
Other Liabilities (net)	15.3	1.584.938	1.090.362
MINORITY INTEREST			
		254.367.924	206.202.137
EQUITY			
		1.051.498.062	877.861.493
Capital	1, 25	40.000.000	40.000.000
Capital Participation Elimination			
		-	-
Capital Reserves			
		234.652.915	234.640.873
Share Premium	26	9.467.525	9.455.483
Income on Stock Disposals		-	-
Revaluation Fund		-	-
Financial Assets Value Increment Fund		-	-
Inflation Restatement Differences on Equity Items		225.185.390	225.185.390
Profit Reserves			
		214.792.423	177.517.023
Legal Reserves	27	23.764.819	23.764.819
Statutory Reserves	27	42.856	42.856
Extraordinary Reserves	27	190.041.771	190.041.771
Special Reserves	27	14.893.130	4.765.274
Gain on Sale of Investment and Property, Plant and equipment to be Transferred to Capital		-	-
Currency Translation Difference		(13.950.153)	(41.097.697)
Net Income		156.745.411	181.445.580
Accumulated Profits	28	405.307.313	244.258.017
TOTAL LIABILITIES AND EQUITY		3.453.930.807	2.643.003.554

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

	Notes	Current Period 2006	Prior Period 2005
OPERATING REVENUE			
Revenue (net)	36	804.168.366	690.324.075
Cost of Sales (-)	36	(648.790.136)	(536.054.428)
Interest Income (net)	36	83.268.900	51.681.375
Service Income (net)	36	26.962.487	19.669.220
Other Operating Income		-	-
GROSS OPERATING PROFIT		265.609.617	225.620.242
Operating Expenses (-)	37	(189.551.027)	(146.848.696)
PROFIT FROM OPERATIONS		76.058.590	78.771.546
Other Income	38.1,16.2,16.3	175.597.496	204.087.131
Other Expense (-)	38.2	(35.304.597)	(22.237.246)
Finance Expense (-)	39	(33.038.715)	(15.129.400)
OPERATING INCOME		183.312.774	245.492.031
Monetary Gain / (Loss)	40	-	-
Minority Interest	24	(37.177.537)	(50.077.944)
INCOME BEFORE TAX		146.135.237	195.414.087
Income Tax	41	(13.937.291)	(29.316.939)
INCOME FROM CONTINUING OPERATIONS		132.197.946	166.097.148
Income from held for sale operations	35	24.547.465	15.348.432
NET INCOME		156.745.411	181.445.580
Earnings Per Share (TRY) from held for sale operations	42	0,83	1,04
Earnings Per Share (TRY) from continuing operations	42	0,15	0,10

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

	Historical Issued Capital	Inflation Restatement Differences on Equity Items	Share Premium	Legal, Special and Extraordinary Reserves	Currency Translation Differences	Net Income	Accumulated Profits	Total Equity
January 1, 2006	40.000.000	225.185.390	9.455.483	218.614.720	(41.097.697)	181.445.580	244.258.017	877.861.493
Transfer of net income to the accumulated profit	-	-	-	-	-	(181.445.580)	181.445.580	-
Capital increase	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	(26.000.000)	(26.000.000)
Increase in share premium	-	-	12.042	-	-	-	-	12.042
Securities value increase funds	-	-	-	10.127.856	-	-	-	10.127.856
Change in consolidation structure	-	-	-	-	-	-	1.236.600	1.236.600
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	-	-	-	-	-	4.367.116	4.367.116
Currency translation difference	-	-	-	-	27.147.544	-	-	27.147.544
Net income	-	-	-	-	-	156.745.411	-	156.745.411
December 31, 2006	40.000.000	225.185.390	9.467.525	228.742.576	(13.950.153)	156.745.411	405.307.313	1.051.498.062
January 1, 2005	20.475.019	228.180.330	25.197.310	168.961.464	(40.846.097)	131.670.225	162.155.730	695.793.981
Transfer of net income to the accumulated profit	-	-	-	51.943.780	-	(108.920.185)	56.976.405	-
Capital increase	19.524.981	(3.789.890)	(15.751.611)	(2.023.865)	-	-	2.040.385	-
Dividends paid	-	-	-	-	-	(22.750.040)	-	(22.750.040)
Increase in share premium	-	-	-	-	-	-	-	-
Securities value increase funds	-	-	-	-	-	-	24.012.578	24.012.578
Change in consolidation structure	-	-	-	(401.802)	-	-	-	(401.802)
A participation's intra-group portion of gain from sales of its subsidiary to associate	-	794.950	9.784	135.143	-	-	(927.081)	12.796
Currency translation difference	-	-	-	-	(251.600)	-	-	(251.600)
Net income	-	-	-	-	-	181.445.580	-	181.445.580
December 31, 2005	40.000.000	225.185.390	9.455.483	218.614.720	(41.097.697)	181.445.580	244.258.017	877.861.493

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

	Notes	Current Period 2006	Prior Period 2005
Cash flow from operating activities			
Net profit before minority interest, income tax and monetary gain/(loss) (before effect of deduction held for sales operations)		214.690.239	268.603.964
Adjustments for:			
Foreign exchange loss/(gain)		20.609.022	(4.064.921)
Gain from disposal of tangible and intangible assets		1.708.742	645.635
Depreciation and amortization (including goodwill)	19, 20	15.815.937	16.400.920
Provision for possible loan losses and impairment in receivables		14.650.552	9.959.000
Warranty, unpaid vacation pay and other provisions	15.3	11.510.075	-
Provision for employee termination benefits		(1.933.938)	3.158.289
Interest expenses		46.008.319	27.527.344
Gain on sale of marketable securities		(3.133.400)	-
Gain on sale of shares in associates, joint ventures and other investments		-	(4.365.424)
Equity income from investment in associates and joint ventures	16.2, 16.3, 38.1	(112.234.798)	(119.810.491)
Other non-cash income		(1.260.509)	(15.814.286)
Operating profit before changes in operating assets and liabilities		206.430.241	182.240.030
Net (increase)/decrease in marketable securities		300.722.412	(114.009.491)
Net decrease in reserve deposits at Central Bank		(160.000)	(8.377.000)
Net increase in banking loans		(483.079.939)	(315.401.775)
Net increase in trade and other receivables and due from related parties		(82.169.316)	(61.747.051)
Net (decrease)/increase in derivative financial instruments – assets		(6.647.000)	933.000
Net (increase)/decrease in inventories		4.598.726	(67.471.515)
Net changes in other assets		(26.069.467)	(8.745.099)
Net (decrease)/increase in trade and other payables and due to related parties		11.521.423	(74.831.103)
Net increase/(decrease) in banking customer deposits		232.220.284	156.627.876
Net increase in blocked accounts		6.140.552	17.399.448
Net increase in derivative financial instruments – liabilities		10.807.000	(626.000)
Retirement pay liability paid		(1.550.086)	(1.187.371)
Taxes paid		(8.697.539)	(22.491.786)
Net cash (used in) / provided by operating activities		164.067.291	(317.687.837)
Cash flows from investing activities			
Purchase of property, plant and equipment, investment property, intangible asset		(53.732.151)	(24.074.899)
Proceeds from sale of property, plant and equipment, and intangible asset		5.182.897	1.652.795
Proceeds from sale of investment		-	(2.516)
Purchase of investments		(54.671.697)	(8.140.198)
Payments to acquired minority interest		-	(5.155.204)
Capital increase of subsidiaries from minority shareholders		15.119.617	14.290.820
Sale of fixed assets held for resale		-	3.085.000
Net cash (used in) / provided by investing activities		(88.101.334)	(18.344.202)
Cash flows from financing activities			
Dividends from equity participations		46.630.243	45.152.739
Revenue from sale of marketable securities		5.019.484	-
Dividends paid		(26.000.000)	(22.750.002)
Increase in share premium		22.000	872.318
Addition to borrowings from banks and other institutions		606.415.806	551.833.056
Repayments of borrowings from banks and other institutions		(336.374.883)	(276.627.781)
Interest paid		(19.123.771)	(23.401.966)
Increase/(decrease) in special reserves		-	3.289.055
Net cash (used in) / provided by financing activities		276.588.879	278.367.419
Currency translation on cash and cash transaction		290.960	(796.046)
Net (decrease) / increase in cash and cash equivalents		352.845.796	(58.460.666)
Cash and cash equivalent at the beginning of period	4	141.862.819	200.323.485
Cash and cash equivalent at the end of period –from continuing operations	4	302.635.514	141.862.819
Cash and cash equivalent at the end of period –from held for sale operations	35	192.073.101	-
Total Cash and cash equivalent at the end of period		494.708.615	141.862.819

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006**

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

1. ORGANIZATION AND NATURE OF ACTIVITIES

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

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

The consolidated financial statements are authorized for issue by the Board of Directors on April 12, 2007.

Activities of the Company / Group

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

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

The average number of personnel of the Group is 4.469 (December 31, 2005: 4.359).

List of Shareholders

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

	December 31, 2006		December 31, 2005	
	Paid-in Capital	%	Paid-in Capital	%
Yazıcı Families	16.689.532	41,72	17.889.533	44,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	13.399.988	33,50	13.399.988	33,50
Publicly traded	9.910.480	24,78	8.710.479	21,78
Historical share capital	40.000.000	100,00	40.000.000	100,00

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

List of Subsidiaries

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

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			December 31, 2006	December 31, 2005
Anadolu Endüstri Holding A.Ş. (AEH)	Turkey	Holding company	67,91	67,91
Alternatifbank A.Ş. (ABank) (*)	Turkey	Banking services	61,48	61,15
Alternatif Yatırım A.Ş. (A Yatırım)	Turkey	Brokerage company	61,48	61,15
Alternatif Finansal Kiralama A.Ş. (ALease)	Turkey	Leasing company	64,43	64,44
Alternatif Yatırım Ortaklığı A.Ş. (AYO) (*) (***)	Turkey	Investment company	27,45	21,30
		Import, distribution and marketing of Lada and Kia motor vehicles	67,91	67,91
Çelik Motor Ticaret A.Ş. (Çelik Motor)	Turkey	Production of industrial engines	67,73	67,74
Anadolu Motor Üretim ve Pazarlama A.Ş. (Anadolu Motor)	Turkey	Import of Lada and Kia motor vehicles	67,28	67,27
Anadolu Otomotiv Dış Ticaret ve Sanayi A.Ş.	Turkey	Distribution of Samsung-branded consumer durables in Turkey	34,55	34,55
Anadolu Elektronik Aletler Pazarlama ve Ticaret A.Ş. (Anadolu Elektronik)	Turkey	Production of writing instruments under Adel, Johann Faber and Faber Castell brand names	38,63	38,63
Adel Kalemcilik Ticaret ve Sanayi A.Ş. (Adel) (*) (**)	Turkey	Distribution of the products of Adel, and other imported stationery products	49,69	49,70
Ülkü Kırtasiye Ticaret ve Sanayi A.Ş. (Ülkü) (**)	Turkey	Production and marketing of olive oil under Kirlangıç and Madra Brands, sunflower and corn oil, and automotive trading	67,91	67,91
Ana Gıda Otomotiv ve İhtiyaç Maddeleri Sanayi ve Ticaret A.Ş. (Ana Gıda)	Turkey	Arrangement of traveling and organization facilities of the Group	51,53	51,53
Efes Turizm İşletmeleri A.Ş. (Efestur)	Turkey	IT, internet and e-commerce services	64,96	64,85
Anadolu Bilişim Hizmetleri A.Ş. (ABH)	Turkey	Trading of various materials used in the Group	67,23	67,23
Oyex Handels GmbH (Oyex)	Germany	Provides necessary market research of products abroad	67,23	67,23
Anadolu Endüstri Holding und Co. KG (AEH und Co.)	Germany	Restaurant chain management, ranch management	67,91	67,91
Anadolu Restaurant İşletmeleri Limited Şirketi (McDonald's)	Turkey	Restaurant chain management	67,91	67,91
Hamburger Restoran İşletmeleri A.Ş. (Hamburger)	Turkey	Asset management	67,90	-
Anadolu Varlık Yönetim A.Ş. (Anadolu Varlık) (****)	Turkey			

(*) Shares of ABank, Adel and AYO are currently traded on the Istanbul Stock Exchange.

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

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

(****) AEH has a participation of 99,60% in Anadolu Varlık which is established in May 3, 2006. Yazıcılar's indirect shareholders' ratio is 67,90%.

List of Associates

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

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			December 31, 2006	December 31, 2005
Anadolu Efes Biracılık ve Malt San. A.Ş. (Anadolu Efes)	Turkey	Production of beer	36,23	35,09
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem)	Turkey	Provides consumer finance services	33,95	33,96

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Investments in Joint Venture

The investment in joint venture included in consolidation and their shareholding percentages at December 31, 2006 and December 31, 2005 are as follows:

	Place of incorporation	Principal activities	Effective shareholding and voting rights %	
			December 31, 2006	December 31, 2005
Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. (Anadolu Isuzu)	Turkey	Manufacturing of Isuzu brand commercial vehicles	36,99	36,42

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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

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

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

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

Functional and Reporting Currencies of Foreign Subsidiaries

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

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

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

Foreign subsidiaries are established as foreign corporate entities.

Preparation of Financial Statements in Hyperinflationary Periods

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

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

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

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

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

- Since the restatement activity has ended as of January 1, 2005, financial statements are shown by using the measuring unit effective on December 31, 2004.
- Monetary assets and liabilities shown in the consolidated financial statements as of December 31, 2004 are not restated since they are already shown by using the measuring unit effective on balance sheet date.
- The inflation adjusted share capital was derived by indexing cash contributions, dividends and reinvested transfers from statutory retained earnings from the date they were contributed until December 31, 2004.
- Non-monetary assets, liabilities and other shareholders' equity (except eliminated revaluation fund) are restated by applying the relevant conversion factors effective on December 31, 2004.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

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

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

Basis of Consolidation

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

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

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

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

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

The purchase method of accounting is used for acquired businesses.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Investment in Associates

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

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

Investment in Joint Venture

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

Comparative Information and Restatement of Prior Period Financial Statements

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

Offsetting

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Adoption of New and Revised International Financial Reporting Standards

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

At the date of authorization of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

IAS 1	Presentation of Financial Statement: Added Disclosures about an Entity's Capital
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 11	IFRS 2: Group and Treasury Share Transactions
IFRIC 12	Service Concession Arrangements

IFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Group's financial instruments.

The management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group, except for the additional disclosure requirements of IFRS 7.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Non-Banking

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

Sale of goods

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

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

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

Banking

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

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

3.2 Inventories

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.3 Tangible Fixed Assets

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

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

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

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

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

3.4 Intangible Fixed Assets

(i) Goodwill and amortization

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.4 Intangible Fixed Assets (cont'd)

(i) Goodwill and amortization (cont'd)

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

ii) Other intangible assets

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

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

3.5 Impairment of Assets

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.6 Borrowing Costs

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

3.7 Financial Instruments

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

Cash and Cash Equivalents

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

Marketable Securities

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

Trading Securities

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.7 Financial Instruments (cont'd)

Held-to-Maturity Securities

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

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

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

Available-for-Sale Securities

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

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

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

Trade Receivables and Payables

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.7 Financial Instruments (cont'd)

Trade Receivables and Payables (cont'd)

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

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

Loans and Advances to Customers

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

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

Borrowings and Customer Deposits

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

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

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

Repurchase and Resale Transactions

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.7 Financial Instruments (cont'd)

Derivative Financial Instruments

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

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

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

3.8 Business Combinations

None.

3.9 Foreign Currency Transactions

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

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

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

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks (see below for hedging accounting policies); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.9 Foreign Currency Transactions (cont'd)

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

3.10 Earnings per Share

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

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

3.11 Subsequent Events

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

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

3.12 Provisions, Contingent Liabilities, Contingent Assets

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

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

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

3.13 Changes in Accounting Policies, Accounting Estimates and Errors

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

3.14 Leases

The Group as a Lessee

Finance Lease

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

Operating Lease

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.14 Leases (cont'd)

The Group as a Lessor

Finance Lease

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

Operating Lease

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

3.15 Related Parties

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

3.16 Segmental Information

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

3.17 Construction Agreements

None.

3.18 Discontinued Operations

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.19 Government Incentives

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

3.20 Investment Properties

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

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

3.21 Taxation and Deferred Tax

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

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

Current Tax

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

Deferred Tax

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.21 Taxation and Deferred Tax (cont'd)

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

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

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

3.22 Employee Termination Benefits

a) Defined Benefit Plan

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

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

b) Defined Contribution Plan

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

3.23 Retirement Plans

None.

3.24 Agricultural Activities

None.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

3.25 Statement of Cash Flows

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

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

3.26 Provisions for Possible Loan Losses and Lease Receivable Losses

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

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

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

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

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

3.27 Biological Assets

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

	December 31, 2006	December 31, 2005
Non-Banking	87.996.791	86.960.807
Banking	214.638.723	54.902.012
Cash and cash equivalents in the consolidated statement of cash flows	302.635.514	141.862.819

Non-Banking

The details of cash and cash equivalents are as follows:

	December 31, 2006	December 31, 2005
Cash on hand	1.926.480	1.013.015
Cash in banks	83.288.073	85.556.366
Other	2.782.238	391.426
Total	87.996.791	86.960.807

	December 31, 2006			December 31, 2005		
	Amount	Maturity	Interest rate	Amount	Maturity	Interest rate
Cash in banks						
Demand	8.695.877			7.970.590		
-EUR	2.548.811	-	-	1.811.987	-	-
-USD	1.066.344	-	-	595.916	-	-
-TRY	4.987.203	-	-	5.562.654	-	-
-Other	93.519	-	-	33	-	-
Time	74.602.196			77.585.776		
-EUR	12.423.235	4 - 29 days	3,80% - 3,95%	-	-	-
-USD	14.089.904	4 - 61 days	5,00% - 6,35%	2.980.473	1 - 3 days	0,50% - 5,44%
-TRY	48.089.057	4 - 29 days	17,00% - 21,20%	74.605.303	4 - 76 days	13,00% - 19,00%
Total	83.288.073			85.556.366		

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

4. CASH AND CASH EQUIVALENTS (cont'd)

Banking

	December 31 2006	December 31 2005
Cash on hand	8.690.000	12.248.000
Balances with the Central Bank	34.128.500	27.555.000
Cash and balances with the Central Bank	42.818.500	39.803.000
Deposits with banks and other financial institutions	161.256.167	11.140.012
Reverse repurchase agreements	7.511.500	2.002.000
Interbank placements	2.253.500	1.139.000
Cheques given to collection	799.056	818.000
Other money market placements	10.564.056	3.959.000
Total	214.638.723	54.902.012

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

	December 31, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Balances with the Central Bank	22.675.000	11.453.500	-	-	4.404.000	23.151.000	-	-
Deposits with banks and other financial institutions	11.825.616	149.430.551	14,33%	4,84%	2.556.176	8.583.836	13,09%	1,35%
Reverse repurchase agreements	7.511.500	-	17,86%	-	2.002.000	-	15,35%	-
Interbank placements	2.253.500	-	15,18%	-	1.139.000	-	15,18%	-
Total	44.265.616	160.884.051			10.101.176	31.734.836		6

5. MARKETABLE SECURITIES

	December 31, 2006	December 31, 2005
Non-Banking	8.876.487	14.194.463
Banking	63.632.000	426.803.000
Total	72.508.487	440.997.463

Non-Banking

As of December 31, 2006 marketable securities consist of investment funds (December 31, 2005: Maturity of debt instruments is January 2, 2006 with an interest rate of 13,20%).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

5. MARKETABLE SECURITIES (cont'd)

Trading Securities

	December 31, 2006		December 31, 2005	
	Amount	Effective interest rate %	Amount	Effective interest rate %
Trading securities at fair value				
Debt instruments				
Turkish government bonds	4.000.000	19,85%	97.452.000	15,36%
Turkish treasury bills	50.000	19,09%	179.000	14,46%
Debt instruments – Fx				
Eurobonds issued by the Turkish government	-	-	2.180.000	7,59%
Total	4.050.000		99.811.000	
Others				
Equity securities – listed in ISE (*)	6.895.500		17.175.000	-
Total	6.895.500		17.175.000	
Total trading securities	10.945.500		116.986.000	

(*) Equity securities include Alternatif Yatırım Ortaklığı A.Ş. shares actively traded in ISE and amounting to TRY 6.230.215 (December 31, 2005: TRY 2.417.000).

Investment Securities

	December 31, 2006		December 31, 2005	
	Amount	Effective interest rate	Amount	Effective interest rate
Available-for-sale securities at fair value-TRY				
Turkish treasury bills	-	-	132.000	14,55%
Turkish government bonds	34.882.000	18,54%	53.493.000	15,50%
Available-for-sale securities at fair value-Fx				
Eurobonds issued by the Turkish government	-	-	4.631.000	6,01%
Total available-for-sale securities at fair value	34.882.000		58.256.000	
Held-to-maturity securities				
Debt Instruments				
Turkish government bonds	12.656.000	22,92%	72.652.000	13,29%
Total held-to-maturity securities	12.656.000		72.652.000	
Total investment securities	47.538.000		130.908.000	

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

	December 31, 2006	December 31, 2005
Trading securities	120.000	12.559.000
Available for sale securities	5.028.500	12.179.000
Held to maturity securities	-	154.171.000
Carrying value of securities given as collateral under repurchase agreement	5.148.500	178.909.000
Related repurchase liability	4.790.500	175.009.000

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

(Amounts are expressed in New Turkish Lira (TRY) unless otherwise stated)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

5. MARKETABLE SECURITIES (cont'd)

As of December 31, 2006, the carrying value of government securities kept in the Central Bank of Turkish Republic (the Central Bank) and in Istanbul Stock Exchange Clearing and Custody Incorporation for legal requirements and as a guarantee for stock exchange and money market operations are TRY 6.232.000 and TRY 5.962.500 respectively (December 31, 2005: TRY 75.588.000 and TRY 77.722.000).

As of December 31, 2006, current marketable securities amounts to TRY 17.693.987 (December 31, 2005: TRY 274.717.463) and non-current marketable securities amounts to TRY 54.814.500 (December 31, 2005: TRY 166.280.000).

6. FINANCIAL BORROWINGS

	December 31, 2006	December 31, 2005
Bank borrowings	63.597.333	92.139.531
Current portion of long term borrowings	42.027.104	340.336
Short term borrowings	105.624.437	92.479.867
Bank borrowings	24.490.792	9.476.596
Long term borrowings	24.490.792	9.476.596
Total borrowings	130.115.229	101.956.463

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

	31 December, 2006		31 December 2005	
	Amount	Interest rate	Amount	Interest rate
Bank borrowings				
<i>Long Term</i>	24.490.792		9.476.596	
USD	1.579.038	4,6% - 5,9%	340.336	3,6% - 3,9%
EUR	22.911.754	4,1% - 5,1%	9.136.260	4,1% - 4,3%
<i>Short Term</i>	105.624.437		92.479.867	
USD	32.788.800	5,2% - 6,8%	30.836.041	3,6% - 5,8%
EUR	39.788.214	4,0% - 5,1%	27.718.881	3,6% - 4,3%
TRY	33.047.423	12,0%-19,8%	33.924.945	14,4% - 16,5%

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

	December 31, 2006	December 31, 2005
2007	-	5.079.872
2008	5.934.270	4.396.724
2009	18.556.522	-
Total	24.490.792	9.476.596

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

7. TRADE RECEIVABLES AND TRADE PAYABLES

7.1 TRADE RECEIVABLES

Non-Banking

	December 31, 2006	December 31, 2005
Trade receivable (*)	42.697.837	44.467.212
Notes receivable and post-dated cheques	18.067.594	13.491.878
Less: Provision for doubtful trade receivables	(1.891.931)	(1.404.739)
Total	58.873.500	56.554.351

(*) As of December 31, 2006, discount amount in trade receivables is TRY 909.616 (December 31, 2005: TRY 382.908).

Movement of provision for doubtful trade receivables is as follows:

	December 31, 2006
January 1, 2006	(1.404.739)
Provisions	(597.248)
Collections	110.056
December 31, 2006	(1.891.931)

As of December 31, 2006, Group has TRY 36.438 of long term trade receivables (December 31, 2005: None).

7.2 TRADE PAYABLES

	December 31, 2006	December 31, 2005
Non-Banking (*)	45.294.993	44.656.099
Banking	1.748.500	2.030.000
Total	47.043.493	46.686.099

(*) As of December 31, 2006, discount amount in trade payables is TRY 177.606 (December 31, 2005: TRY 139.188).

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

8. LEASE RECEIVABLES AND OBLIGATIONS

8.1 LEASE CONTRACTS RECEIVABLE

Gross investments in finance leases receivables are as follows:

	December 31, 2006	December 31, 2005
Within 1 year	55.592.002	72.479.930
1 – 5 years	51.773.068	53.085.513
Minimum financial lease receivables, gross	107.365.070	125.565.443
Less: Unearned interest income	(15.190.569)	(17.864.000)
Net investment in finance leases	92.174.501	107.701.443
Less: Reserve for doubtful financial lease receivables	(1.013.730)	(865.000)
Minimum financial lease receivables, net	91.160.771	106.836.443

Maturities of net investment in finance leases:

	December 31, 2006	December 31, 2005
Within 1 year	45.207.287	59.975.930
1 - 5 years	45.953.484	46.860.513
Total	91.160.771	106.836.443

	December 31, 2006		December 31, 2006	
	Amount	Interest rate	Amount	Interest rate
TRY	19.558.862	16,42% - 45,41%	27.610.000	18,38% - 39,79%
USD	28.375.897	7,89% - 18,26%	37.109.443	8,18% - 19,40%
EUR	43.226.012	7,53% - 20,65%	42.117.000	2,54% - 6,17%
Total	91.160.771		106.836.443	

As of December 31, 2006, collaterals obtained by the Company from certain lease customers in relation to minimum lease payments receivables amount to TRY 22.792.000, USD 13.458.594 and EUR 5.781.442 (December 31, 2005: TRY 35.661.000, USD 26.917.188, EUR 11.562.883). These collaterals consist of mortgages, checks, letter of guarantees and liens on manufacturing equipments.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

8. LEASE RECEIVABLES AND OBLIGATIONS (cont'd)

8.1 LEASE CONTRACTS RECEIVABLE (cont'd)

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

	December 31, 2006	December 31, 2005
Provision at beginning of period	865.000	2.087.000
Effect of held for sale operations	(432.500)	-
Provision	841.230	570.000
Collections	(260.000)	(610.000)
Write-off	-	(1.182.000)
Reserve at the end of period	1.013.730	865.000

8.2 FINANCE LEASE LIABILITIES

	December 31, 2006	December 31, 2005
Current	3.039.133	2.630.905
Non-Current	780.138	3.579.861
Total	3.819.271	6.210.766
USD – TRY equivalent	3.750.077	6.210.766
EUR – TRY equivalent	69.194	-

As of December 31, 2006, the effective interest rates are 4,5% - 11,3%.

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

	December 31, 2006	December 31, 2005
Within 1 year	3.253.253	3.051.320
1 - 5 years	796.366	3.798.441
Total minimum lease obligations	4.049.619	6.849.761
Net minimum obligations	4.049.619	6.849.761
Unearned interest income (-)	(230.348)	(638.995)
Present value of minimum obligations	3.819.271	6.210.766

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

9. RELATED PARTY BALANCES AND TRANSACTIONS

9.1 DUE FROM RELATED PARTIES

	December 31, 2006	December 31, 2005
Kamil Yazıcı Yönetim ve Danışma A.Ş. (4)	2.577	2.756
Anadolu Efes Biracılık ve Malt Sanayii A.Ş. (Anadolu Efes) (1)	2.740.643	2.267.497
Efes Pazarlama Ticaret A.Ş. (Efpa) (3)	1.231.981	864.364
Tarbes Tarım Ürünleri ve Besicilik San.Tic.A.Ş. (Tarbes) (3)	58.275	37.372
Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (Anadolu Isuzu) (2)	1.282.174	1.127.491
Efes Holland Technical Management Consultancy (3)	1.713.912	1.101.284
ZAO Moscow Efes Brewery (Efes Moskow) (3)	1.453.761	2.976.116
JSC Efes Karaganda Brewery (Efes Karaganda) (3)	447.106	294.829
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	560.500	755.527
OAÖ Amstar (3)	205.702	218.340
Efes Invest Yatırım Holding A.Ş. (Efes Sınai) (5)	-	32.815
Efes Weifert Brewery d.o.o (Efes Weifert) (3)	804.082	-
Efes Zajecar Brewery d.o.o (Efes Zajecar) (3)	792.625	150.932
Krasny Vostok Group (3)	450.100	-
Effect of held for sale operations	805.234	-
Other	1.065.631	592.098
Total	13.614.303	10.421.421

As of December 31, 2006 and December 31, 2005, loans given to related parties, which are included under "Banking Loans" in the financial statements, are TRY 217.369 and TRY 2.783.208 respectively. As of December 31, 2006, TRY 934.337 due from related parties is included in other liabilities and blocked accounts at the financial statement of the bank (December 31, 2005: TRY 1.976.941).

9.2 DUE TO RELATED PARTIES

	December 31, 2006	December 31, 2005
Anadolu Isuzu (2)	133.560	3.293
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (5)	-	886.124
Anelsan (3)	264.060	253.864
Dividends payable	12.134	1.148
Effect of held for sale operations	3.681	-
Other	76.879	219.333
Total	490.314	1.363.762

As of December 31, 2006 and December 31, 2005, related party deposits, which are included under "Deposits" in the financial statements, are TRY 51.837.801 and TRY 75.104.128 respectively.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

9.3 TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the six month period ended December 31, 2006 and 2005 are as follows:

	December 31, 2006	December 31, 2005
Sales of goods and services, net		
Anadolu Efes (1)	10.252.540	11.736.275
Efpa (3)	10.013.045	8.458.400
Tarbes (3)	2.279.572	2.192.502
Anadolu Isuzu (2)	8.181.855	7.780.411
Efes Holland Technical Management Consultancy (3)	1.719.955	1.574.333
Efes Breweries International B.V. (3)	8.740.009	100.025
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (5)	1.270.386	676.483
Anadolu Cetelem Tüketici Finansman A.Ş. (Anadolu Cetelem) (1)	334.988	283.650
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	408.816	854.105
Other	3.646.112	1.218.817
Total	46.847.278	34.875.001
	December 31, 2006	December 31, 2005
Purchases of goods and other charges		
Anadolu Isuzu (2)	4.015.591	3.587.193
Anelsan (3)	573.419	448.493
Efpa (3)	502.102	462.704
Other	443.988	357.822
Total	5.535.100	4.856.212
	December 31, 2006	December 31, 2005
Interest and other financial income (included banking revenues and foreign exchange losses)		
Anadolu Efes (1)	145.744	97.831
Coca Cola İçecek A.Ş. (3)	55.515	44.842
Anadolu Isuzu (2)	45.651	87.154
Anadolu Cetelem (1)	105.122	248.278
Other	56.803	23.006
Effect of held for sale operations	408.832	-
Total	817.667	501.111

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

	December 31, 2006	December 31, 2005
Interest and other financial expense (included banking direct cost and foreign exchange losses) paid to		
Anadolu Efes (1) (*)	5.450.841	6.496.453
Anadolu Isuzu (2)	261.625	1.682.969
Efpa (3)	131.285	417.816
Anadolu Eğitim ve Sosyal Yardım Vakfı Sağlık Tes. İkt. İşl.	124.429	46.363
Tarbes (3)	39.673	242.597
Efes Pilsen Spor Kulübü	361.617	559.633
Özilhan Sınai Yatırım A.Ş.	485.976	548.649
Other	216.640	78.231
Effect of held for sale operations	7.072.081	-
Total	14.144.167	10.072.711

(*) Interest rates for TRY deposits are between 13% - 17%.

	December 31, 2006	December 31, 2005
Interest and other financial expense (included financial income / expense and foreign exchange losses) paid to		
Anadolu Efes (1)	-	2.975.783
Efes Sınai (5)	-	84.020
Other	46.274	67.729
Total	46.274	3.127.532

	December 31, 2006	December 31, 2005
Miscellaneous sales included in other income (including dividend received)		
Anadolu Efes (1)	455.588	319.752
Polinas (5)	19.116	392.200
Coca Cola İçecek A.Ş. (3)	29.172	3.925.542
Efpa (3) (*)	2.105.310	665.071
Anadolu Isuzu (2)	418.572	427.869
Other	671.435	159.465
Total	3.699.193	5.889.899

(*) Sales to Efpa include TRY 1.721.984 of car rental and car maintenance revenues (December 31, 2005: TRY 665.071).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

9.3 TRANSACTIONS WITH RELATED PARTIES (cont'd)

	December 31, 2006	December 31, 2005
Interest and other financial income (included in financial income/expense and foreign exchange losses) received from		
Anadolu Efes (1)	-	1.434.068
Kamil Yazıcı Yönetim ve Danışma (4)	409.463	326.220
Efes Sınai (5)	18.340	60.100
Other	13.674	41.082
Total	441.477	1.861.470

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

Compensation of Key Management Personnel of the Group.

As of December 31, 2006, members of the top management received remuneration and fees amounting to TRY 12.085.381 (December 31, 2005: TRY 14.716.872).

Other

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

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

10. OTHER RECEIVABLES AND PAYABLES

10.1 OTHER RECEIVABLES

	December 31, 2006	December 31, 2005
Non-Banking	23.894.986	8.537.565
Banking	-	-
Total	23.894.986	8.537.565

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

10. OTHER RECEIVABLES AND PAYABLES (cont'd)

10.1 OTHER RECEIVABLES (cont'd)

Non-Banking

	December 31, 2006	December 31, 2005
Receivables from loans given (*)	23.091.590	7.408.032
Other	803.396	1.129.533
Total	23.894.986	8.537.565

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

11. BIOLOGICAL ASSETS

Biological assets having a worth of TRY 5.446.816 (December 31, 2005: TRY 6.507.829) consist of cattle in the farm.

12. INVENTORIES

	December 31, 2006	December 31, 2005
Raw materials	15.928.754	14.909.532
Work-in-progress	6.373.829	7.249.197
Finished goods	14.590.305	13.690.047
Merchandise	48.906.198	54.860.071
Supplies and others	1.732.498	656.420
Advances given (*)	42.288.362	41.992.390
Total	129.819.946	133.357.657

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

13. RECEIVABLES AND DEFERRED INCOME FROM CONTINUING CONSTRUCTION CONTRACTS

None (December 31, 2005: None.)

14. DEFERRED TAX ASSETS AND LIABILITIES

Components of deferred tax assets and liabilities are as follows:

	December 31, 2006	December 31, 2005
Deferred tax assets	4.035.282	21.277.735
Deferred tax liabilities (-)	(3.447.753)	(5.405.250)
Net deferred tax assets	587.529	15.872.485

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Movements in deferred tax during the period are as follows:

	Balance January 1, 2006	Effect of held for sale operations	Credited/(charged) to income statement	Balance December 31, 2006
Fixed assets	(8.774.969)	840.914	4.683.773	(3.250.282)
Inventory	29.319	(14.659)	7.437	22.097
Carry forward tax loss (**)	41.316.212	(20.504.082)	(17.773.630)	3.038.500
Allowance for retirement pay liability	3.936.441	(1.259.852)	(1.528.678)	1.147.911
Financial leases	5.620.923	(2.813.000)	(2.172.332)	635.591
Investment incentive	20.651.000	(10.325.500)	762.759	11.088.259
Other	4.679.020	(2.336.115)	(1.183.343)	1.159.562
Net deferred tax (liability)/asset	67.457.946	(36.412.294)	(17.204.014)	13.841.638
Reclassification to special reserves due to change in accounting policy Note 2)	-	-	(917.063)	-
Allowance for deferred tax (*)	(51.585.461)	25.792.730	12.538.622	(13.254.109)
Total	15.872.485	(10.619.564)	(5.582.455)	587.529

(*) As of December 31, 2006, the Group management decided not to recognize a portion of deferred tax assets in the future based on future business plans of ABank and ALease. For this reason, TRY 13.254.109 of deferred tax assets have not been recognized in the consolidated financial statements (December 31, 2005: TRY 51.585.461).

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

	December 31, 2006	December 31, 2005
2006	-	61.656.962
2007	12.637.500	75.036.918
2008	1.000.000	-
2010	-	1.026.827
Total	13.637.500	137.720.707
Tax Rate	20%-30%	30%
Deferred Tax Assets	3.038.500	41.316.212

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

15.1 OTHER CURRENT ASSETS

	December 31, 2006	December 31, 2005
Non-Banking	22.422.274	13.889.052
Banking	3.022.819	3.568.000
Total	25.445.093	17.457.052

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

15.1 OTHER CURRENT ASSETS (cont'd)

Non-Banking

	December 31, 2006	December 31, 2005
Prepaid taxes	3.277.506	2.445.471
Prepaid expenses	11.647.956	4.909.699
VAT receivable	7.047.545	5.918.250
Other current assets	449.267	615.632
Total	22.422.274	13.889.052

Banking

	December 31, 2006	December 31, 2005
Prepaid expenses and transitory accounts	1.314.819	1.562.000
Prepaid taxes	6.500	8.000
VAT of leased assets	1.067.000	1.293.000
Receivables from insurance policies	398.500	501.000
Receivables from sale of investments	236.000	204.000
Total	3.022.819	3.568.000

15.2 OTHER NON-CURRENT ASSETS

	December 31, 2006	December 31, 2005
Non-Banking	1.994.398	1.294.120
Banking (*)	6.493.000	4.205.000
Total	8.487.398	5.499.120

(*) As of December 31, 2006, it presents TRY 867.500 of fixed assets that will be leased (December 31, 2005: TRY 1.479.000).

15.3 OTHER CURRENT LIABILITIES

	December 31, 2006	December 31, 2005
Non-Banking	27.030.232	16.044.078
Banking	12.625.071	18.336.483
Total	39.655.303	34.380.561

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

15.3 OTHER CURRENT LIABILITIES (cont'd)

Non-Banking

	December 31, 2006	December 31, 2005
Taxes payable other than income tax	10.349.923	9.980.299
Salaries and wages payable	1.399.559	1.790.333
Accrued expenses	14.050.371	2.540.296
Deferred income	364.539	374.748
Other payables and liabilities	865.840	1.358.402
Total	27.030.232	16.044.078

The details of the accrued expenses are as follows:

Accrued expenses	December 31, 2006	December 31, 2005
Warranty provisions (*)	10.228.479	-
Premium provisions	4.042	131.354
Label provisions	1.791.260	1.178.743
Dealer sales premium provision	68.261	1.152.840
Unused vacation provision	1.038.032	77.359
Other provisions	920.297	-
Total	14.050.371	2.540.296

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

As of December 31, 2006, other long term liability amounts to TRY 1.584.938 (December 31, 2005: TRY 1.090.362) is presented in the financial statements.

Banking

	December 31, 2006	December 31, 2005
Payment orders	5.124.000	10.707.533
Taxes payable (excluding income tax)	3.874.500	4.396.000
Transitory accounts	808.000	368.000
Advances from customers	1.890.500	2.246.000
Others	928.071	618.950
Total	12.625.071	18.336.483

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

16. FINANCIAL ASSETS

	December 31, 2006	December 31, 2005
Financial assets, available-for-sale	6.889.899	6.478.191
Investments	681.325.556	518.556.727
Joint ventures	71.393.400	68.045.258
Total	759.608.855	593.080.176

16.1 FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Ownership (%)	December 31, 2006	Ownership (%)	December 31, 2005
Polinas Plastik Sanayi ve Ticaret A.Ş. (Polinas)	10,57	6.275.510	10,57	6.275.510
Doğu Yatırım Holding A.Ş. (Doğu Yatırım)	0,48	94.767	0,48	94.767
Efes Sınai Yatırım Holding A.Ş. (Efes Sınai) (***)	-	-	18,21	31.339
Coca Cola İçecek A.Ş. (***)	18,21	31.339	-	-
Syrian Soft Drinks (**)	33,96	411.708	-	-
Technology Leap Holding (Technology Leap)	-	-	15,97	3.268.803
Other		76.575		76.575
Less: Impairment reserve (*)		-		(3.268.803)
Available for sale investments - non current		6.889.899		6.478.191

(*) An impairment reserve of TRY 3.268.803 is provided for Technology Leap since it was in liquidation process. Liquidation process is completed in year 2006.

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

(***) Efes Sınai A.Ş. was taken over by Coca Cola İçecek A.Ş. in December 27, 2006.

16.2 INVESTMENTS IN ASSOCIATES

Entity	Principle Activities	Country of business	December 31, 2006			December 31, 2005		
			Carrying value	Ownership interest rate %	Group's share of income/ (loss)	Carrying value	Ownership interest rate %	Group's share of income/ (loss)
Anadolu Efes (*)	Product of beer	Turkey	680.539.937	36,23	102.996.380	518.242.062	35,09	109.290.960
Anadolu Cetelem	Provides consumer finance services	Turkey	785.619	33,95	471.153	314.665	33,96	(1.463.818)
TOTAL			681.325.556		103.467.533	518.556.727		107.827.142

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

Company purchased 1.000.000 shares of Anadolu Efes in consideration of TRY 40,50 price from Yazıcı Family from ISE Whole Sales Market on June 21, 2006 and 286.000 shares of Anadolu Efes in consideration of TRY 42,00 price from Yazıcı Family from the ISE on July 28, 2006. As a result, Group's effective Anadolu Efes participation rate is increased by 1,14%. The Group's share in goodwill arising from this acquisition that is calculated on December 31, 2006 based on the consolidated financials of Anadolu Efes is TRY 34.648.405. This amount is followed under the carrying value of Anadolu Efes.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

16. INVESTMENTS (cont'd)

16.2 INVESTMENTS IN ASSOCIATES (cont'd)

Summary financial statements of associates are as follows :

Anadolu Efes (Thousand TRY)	December 31, 2006	December 31, 2005
Total Assets	3.961.147	2.761.034
Total Liabilities	2.287.539	1.376.100
Net Assets	1.673.608	1.384.934
Group's interest in net assets	680.540	518.242
Revenues	1.249.605	860.823
Net Income	269.020	290.590
Group's share in net income	102.996	109.291
Anadolu Cetelem (Thousand TRY)	December 31, 2006	December 31, 2005
Total Assets	103.214	63.861
Total Liabilities	101.643	63.232
Net Assets	1.571	629
Group's interest in net assets	786	315
Revenues	25.816	15.066
Net Income	942	(2.928)
Group's share in net income	471	(1.464)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

16. INVESTMENTS (cont'd)

16.3 INVESTMENTS IN JOINT VENTURE

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

Entity	Principle activities	Country of Business	December 31, 2006			December 31, 2005		
			Carrying value	Ownership interest Rate %	Group's share of income/ (loss)	Carrying value	Ownership interest rate %	Group's share of income/ (loss)
Anadolu Isuzu (*)	Manufacturing of Isuzu brand commercial vehicles	Turkey	71.393.400	36,99	8.767.265	68.045.258	36,42	11.983.349
TOTAL			71.393.400		8.767.265	68.045.258		11.983.349

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

Anadolu Isuzu (Thousand TRY)	December 31, 2006	December 31, 2005
Total Assets	290.248	268.205
Total Liabilities	100.887	83.016
Net Assets	189.361	185.189
Group's interest in net assets	71.393	68.045
Revenues	401.502	399.009
Net Income	23.532	32.617
Group's share in net income	8.767	11.983

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

17. POSITIVE/NEGATIVE GOODWILL

Positive Goodwill	December 31, 2006	December 31, 2005
Cost	69.051.963	138.103.925
Accumulated depreciation	(51.379.835)	(102.759.669)
Net carrying amount	17.672.128	35.344.256

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

18. INVESTMENT PROPERTIES

	December 31, 2006	December 31, 2005
January 1	2.166.000	5.137.000
Disposal of investment property	(564.000)	(3.085.000)
Additions to investment properties	3.527.500	2.308.000
Provision for impairment	(20.500)	(28.000)
Total	5.109.000	4.332.000

Investment property consists of a building and parcels of land. According to a report prepared by an independent valuation firm, the fair value of such property is TRY 6.317.934 as of December 31, 2006 (December 31, 2005, TRY 5.424.000).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

19. PROPERTY, PLANT AND EQUIPMENT

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

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

Tangible assets held under finance lease

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Movements of property, plant and equipment for the year ended 31 December 2005 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, 2005	6.726.535	41.875.557	135.693.573	6.961.101	26.092.034	12.531.088	12.414.466	11.258	242.305.612
Additions	366.122	496.711	4.579.297	9.586.453	2.444.760	819.291	3.670.423	1.423.219	23.386.276
Additions via subsidiary purchase	-	10.457.609	17.114.814	695.418	3.031.433	-	28.829.768	107.135	60.236.177
Disposals	(135.973)	(30.437)	(1.099.031)	(1.587.978)	(3.904.161)	(6.080)	(11.691)	(958.730)	(7.734.081)
December 31, 2005	6.956.684	52.799.440	156.288.653	15.654.994	27.664.066	13.344.299	44.902.966	582.882	318.193.984
Accumulated depreciation									
January 1, 2005	1.191.672	11.608.107	116.545.370	4.793.504	24.147.278	11.676.870	11.307.651	-	181.270.452
Depreciation charge for the year	64.427	775.582	3.940.027	1.536.778	2.353.872	600.476	1.482.871	-	10.754.033
Additions via subsidiary purchase	-	-	8.438.503	407.129	1.823.689	-	16.636.120	-	27.305.441
Disposals	-	(1.852)	(239.854)	(1.322.478)	(3.930.514)	(6.080)	(192)	-	(5.500.970)
December 31, 2005	1.256.099	12.381.837	128.684.046	5.414.933	24.394.325	12.271.266	29.426.450	-	213.828.956
Net carrying amount	5.700.585	40.417.603	27.604.607	10.240.061	3.269.741	1.073.033	15.476.516	582.882	104.365.028

Tangible assets held under finance lease

The carrying amount of tangible assets held under finance leases at December 31, 2005 is TRY 24.225.329. Tangible assets under financial lease are pledged against the related financial liabilities.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

20. INTANGIBLE ASSETS

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

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

The intangible asset movement chart as of December 31, 2005 is as follows:

Cost	Rights	Patents and licenses	Franchise	Other intangible assets	Total
January 1, 2005	34.344.180	10.677.061	-	274.006	45.295.247
Additions	458.495	-	-	230.128	688.623
Additions via subsidiary purchase	4.111.023	-	1.051.246	-	5.162.269
Disposals	(30.671)	-	-	(62.000)	(92.671)
December 31, 2005	38.883.027	10.677.061	1.051.246	442.134	51.053.468
Accumulated amortization					
January 1, 2005	26.320.729	6.551.972	-	140.522	33.013.223
Amortization charge for the year	3.902.543	1.667.702	-	76.642	5.646.887
Additions via subsidiary purchase	1.465.565	-	26.281	-	1.491.846
Disposals	(25.352)	-	-	(2.000)	(27.352)
December 31, 2005	31.663.485	8.219.674	26.281	215.164	40.124.604
Net carrying amount	7.219.542	2.457.387	1.024.965	226.970	10.928.864

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

21. ADVANCES TAKEN

	December 31, 2006	December 31, 2005
Short term	2.291.152	2.750.345
Long term	2.319.040	-
Total	4.610.192	2.750.345

22. PENSION PLANS

None (December 31, 2005: None)

23. PROVISIONS

	December 31, 2006	December 31, 2005
Short term		
Income tax provision	102.699	225.967
Other	211.000	226.617
Total short term	313.699	452.584
Long term		
Provision for retirement pay	9.022.182	13.472.300
Other	2.557.000	353.917
Total long term	11.579.182	13.826.217
Total	11.892.881	14.278.801

Provision for Employee Termination Benefit

In accordance with the existing labour legislation, the Company and its subsidiaries incorporated in Turkey are required to make lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay (limited to a maximum of TRY 1.960,69 at December 31, 2006 and TRY 1.727,15 at December 31, 2005, respectively) per year of employment at the rate of pay applicable at the date of retirement or termination.

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

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

	December 31, 2006	December 31, 2005
Discount rate	11%	12%
Expected rates of salary/limit increases(inflation rate)	5,71%	6,175%

In addition, as of December 31, 2006 retirement pay liability provision was calculated as actuarial assumption considering the increase of maximum liability of TRY 1.960,69 for the related year in accordance with the inflation rate.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

23. PROVISIONS (cont'd)

Retirement pay liability provision movements are as follows:

	December 31, 2006
January 1, 2006	13.472.300
Effect of held for sale operations	(1.983.743)
Interest cost	1.263.786
Charge for the year	(2.243.481)
Retirement pay paid	(1.486.680)
December 31, 2006	9.022.182
	December 31, 2005
January 1, 2005	10.879.892
Additions via subsidiary acquired	621.490
Interest cost	1.305.587
Actuarial loss	7.450
Charge for the year	1.845.252
Paid	(1.187.371)
December 31, 2005	13.472.300

24. MINORITY INTEREST

Minority interest is separately classified in the financial statements.

25. ISSUED CAPITAL / CAPITAL - PARTICIPATION ELIMINATION

	December 31, 2006		December 31, 2005	
	Paid-in Capital	%	Paid-in Capital	%
Yazıcı Families	16.689.532	41,72	17.889.533	44,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	13.399.988	33,50	13.399.988	33,50
Publicly traded	9.910.480	24,78	8.710.479	21,78
Historical share capital	40.000.000	100,00	40.000.000	100,00
Restatement effect	68.908.781		68.908.781	
Total restated share capital	108.908.781		108.908.781	

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Movement of paid in capital as at December 31, 2006 and December 31, 2005 is as follows (historical amounts in TRY):

	December 31, 2006		December 31, 2005	
	Share	Amount	Share	Amount
Beginning (January 1)	40.000.000	40.000.000	20.475.019	20.475.019
Issued shares				
-Inflation restatement of shareholders' equity	-	-	3.773.370	3.773.370
-Extraordinary reserves	-	-	-	-
-Income from sale of treasury stocks	-	-	15.751.611	15.751.611
Ending	40.000.000	40.000.000	40.000.000	40.000.000

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

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

The following table shows information as of December 31, 2006 with respect to the four classes of Yazıcılar shares. There have been changes in the group share information with a registration on February 2, 2007 and a declaration on February 7, 2007 via Turkish Trade Registry Gazette. The updated information is given in Note 34.

Class	Number of shares	% of capital	Number of Members on Board
A (Bearer)	19.864.988	49,66	1
B (Registered)	7.999.991	20,00	3
C (Registered)	5.701.762	14,25	1
D (Registered)	6.433.259	16,09	1
Total	40.000.000	100,00	6

26. CAPITAL RESERVES

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

Share Premiums	Historical amount	Equity restatement differences	Restated amount
December 31, 2006	9.467.525	-	9.467.525
December 31, 2005	9.455.483	-	9.455.483

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

27. PROFIT RESERVES

Legal Reserves

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

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

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

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

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

27. PROFIT RESERVES (cont'd)

December 31, 2006	Historical amount	Equity restatement differences	Restated amount
Legal reserves	23.764.819	59.051.149	82.815.968
Statutory reserves	42.856	356.718	399.574
Extraordinary reserves	190.041.771	96.852.186	286.893.957
Special reserves	14.893.130	16.556	14.909.686

December 31, 2005	Historical Amount	Equity Restatement Differences	Restated Amount
Legal Reserves	23.764.819	59.051.149	82.815.968
Statutory Reserves	42.856	356.718	399.574
Extraordinary Reserves	190.041.771	96.852.186	286.893.957
Special Reserves	4.765.274	16.556	4.781.830

28. ACCUMULATED PROFITS

Accumulated profits are separately classified in the financial statements.

29. FOREIGN CURRENCY POSITION

Net foreign currency open position for the Group (excluding bank) as of December 31, 2006 is approximately TRY 73.989.737 (December 31, 2005: TRY 67.187.102). Net foreign currency of banking group is disclosed in Note 44.6.

December 31, 2006	USD	EUR	Other	Total
Cash and cash equivalents	15.156.248	14.972.046	93.519	30.221.813
Trade receivables	3.703.897	530.615	5.145	4.239.657
Other non-current assets	203.804	11.909	-	215.713
Trade payables	(6.359.464)	(810.497)	(509.882)	(7.679.843)
Financial borrowings	(34.467.838)	(62.699.968)	-	(97.167.806)
Finance lease payables	(3.750.077)	(69.194)	-	(3.819.271)
Net Foreign Currency Open Position	(25.513.430)	(48.065.089)	(411.218)	(73.989.737)

30. GOVERNMENT INCENTIVES AND GRANTS

None

31. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Non-Banking

Letters of guarantee given to suppliers, and custom offices are TRY 7.712.287 (December 31, 2005: TRY 4.115.270).

Collaterals given to banks for the loans of associates and other related parties are TRY 7.044.112 (December 31, 2005: TRY 32.937.000).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Non-Banking (cont'd)

Letters of guarantee given to banks, suppliers, and custom offices by the joint venture are TRY 7.540.266 (December 31, 2005: TRY 14.795.214).

Total letter of credits amount to TRY 1.194.366 (December 31, 2005: TRY 3.175.461).

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

The Group's guarantee, letters of guarantee, cheques and notes of guarantee, mortgage and other guarantees received from its customers in consideration of its receivables amount to TRY 46.498.597, TRY 1.604.621, TRY 11.525.618 and TRY 275.150 respectively.

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

As of December 31, 2006 legal cases filed by the company amounts to TRY 1.907.714 and legal cases filed against the company amounts to TRY 758.819. Although the outcome of the matters can not always be ascertained with precision, management, based on professional advice, believes that no material liabilities are likely to result. Consequently no provision has been provided for.

Banking

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

	December 31, 2006	December 31, 2005
Letters of guarantees		
- issued by ABank	374.373.053	474.757.000
Letters of credit	79.860.173	156.208.000
Acceptance credits	9.671.000	14.925.000
Other	4.783.500	-
Total non-cash loans	468.687.726	645.890.000
Other commitments (*)	200.090.000	137.000.000
Total	668.777.726	782.890.000

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

As of December 31, 2006, ALease has no letters of guarantees given for funds borrowed from banks and various leasing transactions (December 31, 2005: TRY 289.000).

Blocked Assets

As of December 31, 2006, the nominal values of the TRY denominated assets held by the Group in fiduciary, agency or custodian capacities amounted to TRY 115.649.500 (December 31, 2005: TRY 253.092.000) and foreign currency denominated assets amounted to TRY 20.542.000 (December 31, 2005: TRY 36.508.000).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

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

Banking (cont'd)

Litigation

Damages claimed in the suits filed against the Group amount to TRY 59.500 (December 31, 2005: TRY 115.000), as of December 31, 2006. These mainly include matters relating to personal claims of customers and former employees of ABank. Although the outcome of these matters can not always be ascertained with precision, the Management, based on professional advice and also considering ABank's insurance coverage believes that no material liabilities are likely to result. Consequently, no provision has been provided for.

Other

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

32. BUSINESS COMBINATIONS

None.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

33. SEGMENTAL INFORMATION

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

Thousand TRY December 31, 2006	Financial institutions	Automotive	Writing instruments and stationery	Food	Other	Unallocated	Elimination	Consolidated	Held for sale operations	Continuing operations
Sales to third-parties	144.893	504.218	57.840	223.074	33.766	11.505	-	975.296	(60.899)	914.397
Inter-segment sales	(2.052)	40.845	4.607	963	4.699	4.044	(53.106)	-	-	-
Total Sales	142.841	545.063	62.447	224.037	38.465	15.549	(53.106)	975.296	(60.899)	914.397
Gross Operating Income	142.841	99.283	30.031	28.908	8.823	15.549	1.074	326.509	(60.899)	265.610
Net Operating Income	96.023	14.464	13.701	(3.389)	3.714	(1.248)	1.074	124.339	(48.279)	76.060
Other income (*)	6.808	27.907	989	4.087	(3.689)	143.221	-	179.323	(3.726)	175.597
Other expense	(21.541)	(12.110)	(1.016)	(5.817)	(787)	(4.754)	-	(46.025)	10.721	(35.304)
Finance expense	(17.701)	(11.643)	(2.482)	(1.929)	(111)	(9.079)	-	(42.945)	9.906	(33.039)
Income tax expense	(13.660)	(3.339)	(762)	-	(692)	(2.315)	-	(20.768)	6.830	(13.938)
Minority expense	(621)	3.152	-	-	-	(39.709)	-	(37.178)	-	(37.178)
Net Period Income	49.308	18.431	10.430	(7.048)	(1.565)	86.116	1.074	156.746	(24.548)	132.198
Total Assets	1.094.764	233.034	47.038	116.669	36.486	1.394.742	(568.487)	2.354.246	1.099.685	3.453.931
Total Liabilities	967.029	126.663	12.541	30.527	7.644	42.627	-	1.187.031	961.032	2.148.063
Fixed asset purchases	2.986	20.353	3.875	14.382	1.786	4.465	-	47.847	-	47.847
Depreciation and amortization	1.680	6.474	1.579	4.944	298	840	-	15.815	-	15.815

(*) Income recognized due to equity pick up adjustment from Anadolu Efes, Anadolu Cetelem and Anadolu Isuzu that amounts for KTRY 112.235 recorded to other income in unallocated segment.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

33. SEGMENTAL INFORMATION (cont'd)

Thousand TRY December 31, 2005	Financial institutions	Automotive	Writing materials and stationery	Food	Other	Unallocated	Elimination	Consolidated	Held for sale operations	Continuing operations
Sales to third-parties	85.060	500.450	52.795	119.694	14.583	22.470	-	795.052	(33.378)	761.674
Inter-segment sales	(1.539)	340	2.333	-	4.602	2.928	(8.664)	-	-	-
Total Sales	83.521	500.790	55.128	119.694	19.185	25.398	(8.664)	795.052	(33.378)	761.674
Gross Operating Income	83.521	111.536	27.748	18.033	1.426	25.398	(8.664)	258.998	(33.378)	225.620
Net Operating Income	40.818	50.659	14.168	1.312	(9.807)	11.465	(8.664)	99.951	(21.178)	78.773
Other income (*)	19.698	18.563	1.074	20.401	60	154.891	-	214.687	(10.600)	204.087
Other expense (**)	(285)	(8.968)	(1.361)	(4.264)	(10.040)	(4.005)	-	(28.923)	6.685	(22.238)
Finance expense	(3.963)	(3.530)	(1.711)	(2.826)	695	(5.776)	-	(17.111)	1.982	(15.129)
Income tax expense	(15.527)	(16.169)	(1.815)	-	(135)	(3.435)	-	(37.081)	7.763	(29.318)
Minority expense	(7.474)	3.028	(2.155)	-	(146)	(43.331)	-	(50.078)	-	(50.078)
Net Period Income	33.267	43.583	8.200	14.623	(19.373)	109.809	(8.664)	181.445	(15.348)	166.097
Total Assets	1.571.900	224.943	44.666	58.346	10.761	1.235.967	(503.580)	2.643.003	-	2.643.003
Total Liabilities	1.372.840	96.564	9.125	28.138	8.616	43.657	-	1.558.940	-	1.558.940
Fixed asset purchases	2.180	18.085	1.289	2.037	417	67	-	24.075	-	24.075
Depreciation and amortization	6.383	4.931	1.545	1.259	1.176	1.105	-	16.399	-	16.399

(*) Income recognized due to equity pick up adjustment from Anadolu Efes and Anadolu Isuzu that amounts for KTRY 121.274 recorded to other income in unallocated segment.

(**) Expense recognized due to equity pick up adjustment from Anadolu Cetelem that amounts for KTRY 1.463 recorded to other income in unallocated segment.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

33. SEGMENTAL INFORMATION (cont'd)

Geographical Segments

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

Investment in associates and joint ventures: Company's effective participation rate for Anadolu Efes is 36,23% (December 31, 2005: 35,09%). The operations of Anadolu Efes and its subsidiaries consist of production, distribution and marketing of beer under a number of trademarks and bottling of soft drinks under Coca Cola trademark principally in Turkey, East Europe and Middle Asia. The result of these operations, as of December 31, 2006 and December 31, 2005 are reflected in "other income and expenses" line of the consolidated income statement as TRY 102.996.380 and TRY 109.290.960 respectively.

34. SUBSEQUENT EVENTS

- According to the changes in the Articles of Association, registered on February 2, 2007 and announced in Turkish Trade Registry Gazette on February 7, 2007, Yazıcılar Holding increased its paid-in capital from TRY 40.000.000 to TRY 160.000.000, through the use of internal funds and converted 893.000 C class registered shares (3.572.000 units in TRY 160.000.000 capital) and 1.196.521 D class registered shares (4.786.084 units in TRY 160.000.000 capital) into A class bearer shares. After the above mentioned changes, the share structure of the Company is as follows:

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

The composition of shareholders and their respective percentages of ownership as of February 7, 2007 can be summarized as follows:

	As of February 7, 2007	
	Paid-in-capital	%
Yazıcı Families	66.758.128	41,72
Kamil Yazıcı Yönetim ve Danışma A.Ş.	53.599.952	33,50
Publicly traded	39.641.920	24,78
Share capital at historical cost	160.000.000	100,00

- In their Board of Directors meetings on Jan. 9, 2007, Yazıcılar Holding A.Ş., Özilhan Sınai Holding A.Ş., and AEH decided to sell total of 10.813.000.000 shares of Anadolu Cetelem (50% of total equity) to TEB Mali Yatırımlar A.Ş. for USD 15.000.000 + TRY 5.000.000; TRY 5.000.000 portion of this amount will be used for capital fulfilment of Anadolu Cetelem.

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

34. SUBSEQUENT EVENTS (cont'd)

- AEH purchased total of 39.932 shares of Anadolu Isuzu from Istanbul Stock Exchange, at two separate transactions dated Jan 12, 2007 and March 19, 2007. Consequently, the effective shareholding of the Company in Anadolu Isuzu increased by 0.15 percentage points to 37.14%.
- On April 10, 2007, AEH completed registry transactions regarding the purchasing of land, adjacent to the Company headquarters in Istanbul, at total cost of USD 24.7 million.
- In its Board of Directors meeting on February 20, 2007, AEH decided to participate as a founding partner in UDDA Proje Geliştirme A.Ş, to be established with a capital of TRY 1.800.000.
- In its Board of Directors meeting on March 12, 2007, AEH decided to sell 1.250 shares of Syrian Soft Drinks Sales and Distribution L.L.C (50% of the capital), each with a nominal value of SYP 10.000 (Syrian Pound), to Efes Invest Holland B.V. for 411.000 YTL.

35. DISCONTINUED OPERATIONS

Held for Sale Operations

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

Because control is anticipated to be 50% in the new company to be established, and criteria stated in IFRS 5, "Assets Held for Sale and Discontinued Operations" were fulfilled as of the balance sheet date; 50% of the real estate that are going to be assigned to the company to be established, ABank and ALease are reclassified as held for sale operations in consolidated financial statements as of December 31, 2006.

Due to the fact that the net book values of all assets and liabilities related to held for sale operations as of 31 December, 2006 are lower than the amount to be acquired from the sale transaction, there is no impairment which should be stated in these consolidated financial statements.

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

35. DISCONTINUED OPERATIONS (cont'd)

Held for sale operations (cont'd)

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

	<u>December 31, 2006</u>
Current Assets	862.605.411
Cash and Cash Equivalents	192.073.101
Marketable Securities (net)	13.255.744
Reserve Deposits at Central Bank	30.644.000
Banking Loans (net)	577.363.395
Trade Receivables (net)	(200)
Lease Receivables (net)	45.207.286
Derivative financial instruments – Assets	1.844.500
Due From Related Parties (net)	(805.234)
Other Receivables (net)	3.022.819
Non-Current Assets	237.079.750
Marketable Securities (net)	50.376.256
Banking Loans (net)	95.023.962
Lease Receivables (net)	45.954.208
Derivative Financial Instruments – Assets	1.515.500
Positive/Negative Goodwill (net)	17.672.128
Investment Property (net)	5.109.000
Property, Plant and Equipment (net)	10.494.693
Intangible Assets (net)	432.003
Deferred Tax Assets	4.009.000
Other Non-Current Assets	6.493.000
Assets of Held for Sale Operations	1.099.685.161
	820.796.883
Current Liabilities	(493.780)
Short-Term Borrowings (net)	(920.825)
Current Portion of Long-Term Borrowings (net)	1.748.500
Trade Payables (net)	551.412.100
Deposits	230.363.000
Funds Borrowed	19.826.000
Blocked Accounts	(3.681)
Derivative Financial Instruments – Assets	211.000
Provisions	6.029.500
Derivative Financial Instruments – Liabilities	12.625.069
Other Liabilities (net)	140.235.460
Financial Liabilities (net)	(1.579.038)
Deposits	8.500
Funds Borrowed	136.733.998
Provisions	3.523.500
Other Liabilities (net)	1.548.500
Liabilities of Held for Sale Operations	961.032.343

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

35. DISCONTINUED OPERATIONS (cont'd)

Income and loss related to held for sale operations are shown as one line as 'Income from Held for Sale Operations' in the consolidated income statement of year ended, December, 31 2006 and December, 31 2005. Details of these lines are as follows:

	December 31, 2006	December 31, 2005
Sales Revenue (net)	430	-
Interest Income (net)	61.624.236	33.378.289
Service Revenue (net)	(724.670)	-
Operating Expenses (-)	(12.620.532)	(12.200.046)
Other Income	3.726.319	10.600.067
Other Expense (-)	(10.721.472)	(6.684.879)
Finance Expense (-)	(9.906.846)	(1.981.499)
Taxes	(6.830.000)	(7.763.500)
Total	24.547.465	15.348.432

Summary cash flow of held for sale operations for the years ended, December 31, 2006 and 2005 is as follows:

	December 31, 2006	December 31, 2005
Net cash (used in) /provided by operating activities	(49.267.711)	(94.363.393)
Net cash (used in) / provided by investing activities	100.971.641	(32.314.362)
Net cash (used in) / provided by financing activities	139.444.000	82.462.195
Total	191.147.930	(44.215.560)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

36. OPERATING INCOME

GROSS OPERATING PROFIT	December 31, 2006	December 31, 2005
Non-banking	182.340.717	173.938.867
Revenue net off cost of sales	155.378.230	154.269.647
Service Income (*)	26.962.487	19.669.220
Banking – net interest and banking service income	83.268.900	51.681.375
Total	265.609.617	225.620.242

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

Cost of sales in 2006 and 2005 consist of following items;

	December 31, 2006	December 31, 2005
Depreciation and amortization charges	5.649.397	3.867.680
Cost of goods sold	559.055.187	491.499.066
Payroll expenses	38.034.879	16.796.913
Service expenses	1.641.580	5.326.147
Rent expenses	15.054.956	6.951.144
Other expenses	29.354.137	11.613.478
Total	648.790.136	536.054.428

37. OPERATING EXPENSES

	December 31, 2006	December 31, 2005
Non-banking	155.220.884	116.345.564
Banking	34.330.143	30.503.132
Total	189.551.027	146.848.696

Non-Banking

	December 31, 2006	December 31, 2005
General administrative expenses	69.676.257	62.863.984
Selling and marketing expenses	85.330.033	53.481.580
Research and development expenses	214.594	-
Total	155.220.884	116.345.564

YAZICILAR HOLDİNG ANONİM ŞİRKETİ**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

37. OPERATING EXPENSES (cont'd)**Non-Banking (cont'd)**

General administrative expenses	December 31, 2006	December 31, 2005
Depreciation and amortization charges	7.680.897	6.022.077
Payroll expenses	40.127.374	38.791.512
Provision for employee termination benefits	(302.511)	1.798.089
Consultancy and services rendered	5.937.503	3.162.082
Rent expenses	1.444.436	2.865.079
Taxes and duties	5.362.456	2.235.698
Communication expenses	1.458.345	1.101.798
Maintenance and repair expenses	954.411	1.228.762
Transportation expenses	702.519	789.629
Insurance expenses	1.149.963	742.774
Utility expenses	693.147	404.932
Other expenses	4.467.717	3.721.552
Total	69.676.257	62.863.984

Selling and marketing expenses	December 31, 2006	December 31, 2005
Depreciation and amortization charges	712.643	120.163
Payroll expenses	9.023.516	6.320.815
Marketing expenses	30.643.409	23.302.063
Advertisement expenses	20.055.927	14.567.645
Transportation expenses	3.143.071	1.233.164
Contribution to dealers' selling expenses	3.975.664	3.221.271
Exportation expenses	2.212.974	1.066.729
Services rendered	1.687.093	755.701
Warranty provisions expense	10.208.566	-
Other expenses	3.667.170	2.894.029
Total	85.330.033	53.481.580

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

37. OPERATING EXPENSES (cont'd)

Banking

	December 31, 2006	December 31, 2005
Payroll expenses	19.244.651	14.564.641
Depreciation and amortization charges	886.500	3.195.500
Provision for employee termination benefits	(1.059.500)	511.307
Taxes (except income tax)	1.039.000	842.000
TMSF premium	525.500	338.000
Rent expense	1.733.923	1.708.500
Communication expenses	788.000	813.070
Consultancy expenses	894.552	200.879
Legal and lawsuit expenses	-	1.528.885
Provision for loan losses	6.175.000	4.694.500
Other expenses	342.517	1.735.350
	30.570.143	30.132.632
Foreign currency (gains)/losses, net	3.760.000	370.500
Total	34.330.143	30.503.132

38. OTHER OPERATING INCOME/EXPENSE AND GAIN/LOSS

38.1 OTHER OPERATING INCOME AND GAIN

	December 31, 2006	December 31, 2005
Income from associates	112.234.798	121.274.309
Gains from capital market transactions	-	4.099.000
Foreign exchange gain	17.901.076	12.146.254
Dividend income	1.295.122	8.519.934
Income from sales of associates	-	4.365.424
Interest income	13.860.239	11.997.464
Gain on sale of property, plant and equipment	676.153	232.647
Reversal of provision for loan losses	9.779.908	1.002.303
Transportation income	1.735.389	2.130.743
Operational rent income	6.443.812	1.585.350
Insurance damage income	1.318.252	620.351
After sales service income	4.560.609	3.992.636
Commission income	1.657.471	333.000
Distributor contribution share	2.299.423	1.198.318
Negative goodwill	-	15.814.286
Income from sales of marketable securities	221.796	3.497.851
Other income	1.613.448	11.277.261
Total	175.597.496	204.087.131

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

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

38.2 OTHER OPERATING EXPENSE AND LOSS

	December 31, 2006	December 31, 2005
Foreign exchange loss	15.766.712	7.918.344
Donation	1.681.500	2.900.000
Losses from capital market transactions	6.387.500	-
Losses from associates	-	1.463.818
Discount interest expense	257.998	-
Subordinated loan	-	4.832.040
Losses on sale of property, plant and equipment	2.384.894	-
Other expenses	8.825.993	5.123.044
Total	35.304.597	22.237.246

39. FINANCE EXPENSES

	December 31, 2006	December 31, 2005
Interest expenses	14.800.278	10.430.844
Foreign exchange loss	16.192.522	3.284.710
Other expenses	2.045.915	1.413.846
Total	33.038.715	15.129.400

40. MONETARY GAIN/LOSS

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

41. TAXATION

	December 31, 2006	December 31, 2005
Current tax expense	8.354.836	13.522.825
Effect of the change of tax rate	5.841.799	-
Deferred tax expense	(259.344)	15.794.114
Total	13.937.291	29.316.939

Corporate Tax

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

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

The effective tax rates are as follows except for ALease: In 2006 20%, in 2005 30%, management of ALease has selected to use 30% as corporate income tax rate in order to benefit from investment incentives (2005: 30%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate was decreased to 20% for 2006 (2005: 30%). The excess temporary tax paid of corporate income that was calculated at the rate of 30% during the taxation of the corporate income in temporary taxation periods after January 2006 over 20% will be deducted from future temporary tax returns.

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

41. TAXATION (cont'd)

Income withholding tax

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

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

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

The tax rate that the companies can use in the case of deducting the tax investment incentive amount in 2006, 2007 and 2008 is 30%. If the Group cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

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

Adjusted Tax Calculations According to Inflation

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

41. TAXATION (cont'd)

Reconciliation between theoretical tax calculated by the tax rate of the company, and total income tax amount is as follows;

	December 31, 2006	December 31, 2005
Consolidated income before tax (Including income from held for sale operations)	170.682.702	210.762.519
20%-30% tax rate of the parent company (2005: 30 %)	(35.028.140)	(63.228.756)
Non-deductible expenses	(6.921.606)	(3.050.399)
Effect of previously unrecognized carry forward tax losses	13.278.930	17.840.234
Investment incentive	-	1.710.195
Consolidation effect and others	14.219.774	9.648.287
Effect of change in tax rate	(5.841.849)	-
Effect of held for sale operations	6.830.000	7.763.500
Effect of use of different tax rates	(474.400)	-
Tax	(13.937.291)	(29.316.939)

42. EARNING PER SHARE

	December 31, 2006	December 31, 2005
Net profit of the year from continuing operation	132.197.946	166.097.148
Net profit of the year from held for sale operation	24.547.465	15.348.432
Weighted average number of shares	160.000.000	160.000.000
Earnings per share from continuing operations	0,83	1,04
Earnings per share from held for sale operations	0,15	0,10

As explained in detail in Note 34, the Company's share capital has been increased by TRY 120.000.000 to TRY 160.000.000 from equity reserves. Therefore, increased number of shares has been taken into consideration in earnings per share calculation for the current period and prior period presented.

43. CASH FLOW STATEMENT

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

44. OTHER ISSUES

44.1 RESERVE DEPOSITS AT CENTRAL BANK

	December 31, 2006	December 31, 2005
Reserve Deposits at Central Bank		
- New Turkish Lira	644.500	475.000
- Foreign Currency	29.999.500	60.653.000
Total	30.644.000	61.128.000

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

As of December 31, 2006 and December 31, 2005, reserve deposit rates applicable for the TRY and foreign currency deposits are 6,00% and 11,00% respectively.

As of December 31, 2006, the interest rates applied for TRY and foreign currency reserve deposits are 13,12% and 2,52% (December 31, 2005: 10,30% and 1,80%) respectively.

44.2 BANKING LOANS

	December 31, 2006						
	Amount				Effective interest rate		
	TRY	Foreign currency	Foreign currency indexed	Total	TRY	Foreign currency	Foreign currency indexed
Corporate loans (*)	374.033.720	132.266.637	157.793.500	664.093.857	24,7%	7,7%	8,1%
Consumer loans	9.180.000	-	1.032.000	10.212.000	21,1%	-	7,6%
Total performing loans	383.213.720	132.266.637	158.825.500	674.305.857			
Loans in arrears	19.025.000	-	-	19.025.000	-	-	-
Less: Reserve for possible loan losses	(20.943.500)	-	-	(20.943.500)	-	-	-
Total	381.295.220	132.266.637	158.825.500	672.387.357			
	December 31, 2005						
	Amount				Effective interest rate		
	TRY	Foreign Currency	Foreign currency indexed	Total	TRY	Foreign currency	Foreign currency indexed
Corporate loans (*)	480.636.241	183.033.334	191.688.200	855.357.775	20,1%	6,8%	7,4%
Consumer loans	17.529.000	-	-	17.529.000	23,4%	-	-
Total performing loans	498.165.241	183.033.334	191.688.200	872.886.775			
Loans in arrears	42.943.000	-	-	42.943.000	-	-	-
Less: Reserve for possible loan losses	(31.387.000)	-	-	(31.387.000)	-	-	-
Total	509.721.241	183.033.334	191.688.200	184.442.775			

(*) Corporate loans include restructured loans which amount to TRY 3.237.000 (December 31, 2005: TRY 10.569.000).

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.2 BANKING LOANS cont'd)

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

	December 31, 2006	December 31, 2005
Reserve at beginning of year	31.387.000	22.114.000
Effect of held for sale operations	(15.693.500)	-
Provision for possible loan losses	11.374.000	18.786.000
Collections	(5.871.500)	(9.397.000)
Loans written off and sold during the year	(252.500)	(116.000)
Reserve at the end of year	20.943.500	31.387.000

ABank classified separately loans that have been restructured through medium to long-term agreements signed by related borrowers. As of December 31, 2006 interest accrued on the restructured loans amounted to TRY 1.206.000 (December 31, 2005: TRY 2.112.000).

Provision for doubtful loans includes TRY 4.730.500 (December 31, 2005: TRY 4.941.000) provided on a portfolio basis as of December 31, 2006.

As of December 31, 2006, loans and advances on which interest is not being accrued or where interest is suspended amounted to TRY 19.025.000 (December 31, 2005: TRY 42.943.348).

The TRY 577.363.396 amount of 'Banking Loans' covers (December 31, 2005: TRY 770.271.845) current loans and TRY 95.023.961 amount covers (December 31, 2005: TRY 114.170.930) non-current loans.

44.3 DEPOSITS

Deposits from other banks

	December 31, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Demand	25.000	16.500	-	-	113.000	830.000	-	-
Time	3.020.500	-	18,54%	-	2.004.000	21.668.000	15,20%	3,06%
Total	3.045.500	16.500			2.117.000	22.498.000		

Customer deposits

	December 31, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Saving								
Demand	4.358.000	11.087.000	-	-	8.860.000	21.899.000	-	-
Time	183.167.500	144.167.000	20,64%	5,20%	124.476.000	264.939.000	16,65%	4,46%
Total	187.525.500	155.254.000			133.336.000	286.838.000		
Commercial and other								
Demand	15.683.289	27.685.068	-	-	27.969.622	58.570.532	-	-
Time	84.363.911	66.005.334	18,89%	4,56%	93.233.763	57.326.001	13,36%	4,12%
Total	100.047.200	93.690.402			121.203.385	115.896.533		
Total	287.572.700	248.944.402			254.539.385	402.734.533		

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.3 DEPOSITS (cont'd)

Other money market deposits

	December 31, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Obligations under repurchase agreements:								
-Due to customers	4.640.500	-	16,73%	-	4.132.000	-	10,00%	-
-Due to banks	482.000	-	16,65%	-	170.877.000	-	12,85%	-
	5.122.500	-			175.009.000	-		
Inter-bank deposits	6.719.000	-	18,03%	-	13.723.000	-	15,00%	-
Other money market deposits	-	-	-	-	-	-	-	-
Total	11.841.500	-			188.732.000	-		

The TRY 551.412.102 amount of 'Deposits' covers (December 31, 2005: TRY 870.591.918) current loans and TRY 8.500 amount covers (December 31, 2005: TRY 29.000) non-current loans.

44.4 FUNDS BORROWED

	December 31, 2006				December 31, 2005			
	Amount		Effective interest rate		Amount		Effective interest rate	
	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency	TRY	Foreign currency
Short-term	23.210.874	207.152.127			23.693.949	380.864.200		
Fixed interest	23.210.874	104.387.748	13,72-23,05%	4,82%-7,30%	23.693.949	155.859.200	13,19%-17,75%	4,02% - 6,75%
Floating interest	-	102.764.379	-	4,93%-7,37%	-	225.005.000	-	4,09% - 6,73%
Medium-long term	1.093.162	135.640.839			512.000	34.363.000		
Fixed interest	1.093.162	2.847.000	23,80%	6,51%	512.000	11.654.000	17,75%	3,56% - 4,89%
Floating interest	-	132.793.839	-	5,15%-7,91%	-	22.709.000	-	4,26% - 6,75%
Total	24.304.036	342.792.966			24.205.949	415.227.200		
Total funds borrowed	367.097.002				439.433.149			

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

	December 31, 2006		December 31, 2005	
	Fixed rate	Floating rate	Fixed rate	Floating rate
2007	691.500	-	4.211.000	9.741.000
2008	3.248.662	104.921.163	7.955.000	5.008.000
2009	-	3.211.561	-	3.180.000
2010	-	3.211.561	-	3.180.000
2011	-	1.798.704	-	1.593.000
2012	-	19.366.350	-	7.000
Later	-	284.500	-	-
Total	3.940.162	132.793.839	12.166.000	22.709.000

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.4 FUNDS BORROWED (cont'd)

Letters of guarantee denominated in foreign currency, TRY equivalent of which amounts to TRY 1.901.000 (December 31, 2005: TRY 6.573.000) were given to the lending institutions as collateral against the loans obtained.

As of December 31, 2006, there is no notes payable given to banks related to short term foreign exchange loan (December 31, 2005: EUR 780.905 – equivalent TRY 1.240.000).

TRY amount of 230.363.001 'Funds Borrowed' covers (December 31, 2005: TRY 404.558.149) current deposits and TRY 136.734.001 amount covers (December 31, 2005: TRY 34.875.000) non-current deposits.

44.5 DERIVATIVES

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

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

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.5 DERIVATIVES (cont'd)

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

44.6 FINANCIAL INSTRUMENTS

Banking

Financial Risk Management

General

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

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

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

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

Credit Risk

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

44.6 FINANCIAL INSTRUMENTS (cont'd)

YAZICILAR HOLDİNG ANONİM ŞİRKETİ**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

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

	December 31, 2006		December 31, 2005	
	Cash	Non-cash	Cash	Non-cash
Automotive	27.343.935	29.993.226	16.068.000	17.760.000
Chemical	17.865.500	13.866.500	32.856.000	12.933.000
Construction	90.782.500	80.408.000	70.287.000	98.965.000
Electrics and electronics	5.989.000	5.016.000	5.886.000	4.270.000
Finance	32.215.000	45.410.000	65.038.200	23.387.000
Food and beverage	57.143.922	59.288.291	54.452.612	40.594.000
Forest products and agriculture	11.028.500	5.259.000	20.175.000	4.275.000
Iron and steel, non-metal	32.270.000	27.768.500	43.641.000	43.521.000
Machinery	24.111.000	12.205.000	24.471.000	17.123.000
Mining	9.480.000	3.433.500	40.477.000	31.642.000
Paper	4.271.500	3.176.500	9.339.000	12.376.000
Petroleum	2.248.000	2.286.500	8.499.000	29.064.000
Production	32.345.500	17.752.500	51.621.167	29.405.000
Textile	83.540.500	18.963.000	116.653.000	39.305.000
Tourism	15.450.500	3.726.889	21.438.000	2.021.000
Trade	130.662.500	97.905.500	125.069.000	145.120.000
Transportation	27.550.500	12.354.500	38.534.000	28.364.000
Others	49.010.500	29.874.320	101.960.000	65.765.000
Corporate loans	653.308.857	468.687.726	846.464.979	645.890.000
Consumer loans	10.170.000	-	17.494.372	-
Interest accruals	10.827.000	-	8.927.370	-
Loans in arrears	19.025.000	-	42.943.348	-
Provision for possible losses	(20.943.500)	-	(31.387.294)	-
Total	672.387.357	468.687.726	884.442.775	645.890.000

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

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

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

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

Thousands TRY	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	Total
As at December 31, 2006						
Assets						
Cash and balances with the Central Bank	52.670	-	-	-	-	52.670
Deposits with banks and other financial	152.204	-	-	-	-	152.204
Other money market placements	9.765	-	-	-	-	9.765
Reserve deposits at the Central Bank	30.644	-	-	-	-	30.644
Trading securities	6.954	110	202	1.551	2.249	11.066
Investment securities	-	-	-	-	52.566	52.566
Originated loans and advances	194.467	182.748	121.266	80.295	96.603	675.379
Leasing receivables	10.078	6.970	9.994	18.166	45.956	91.164
Derivative financial instruments	893	576	282	94	1.515	3.360
Associates	-	-	-	-	94	94
Assets held for resale	-	-	-	-	5.109	5.109
Tangible assets	-	-	-	-	2.244	2.244
Intangible assets	-	-	-	-	432	432
Deferred tax assets	-	-	-	-	4.009	4.009
Other assets	7.472	21	36	150	5.626	13.305
Total Assets	465.147	190.425	131.780	100.256	216.403	1.104.011
Liabilities						
Deposits from other banks	3.063	-	-	-	-	3.063
Customers' deposits	496.054	61.026	1.747	249	6	559.082
Other money market deposits	11.842	-	-	-	-	11.842
Funds borrowed	23.343	11.474	32.007	165.875	134.400	367.099
Derivative financial instruments	679	1.771	316	3.264	-	6.030
Other liabilities and provisions	38.526	92	62	109	5.286	44.075
Income taxes payable	-	-	-	-	-	-
Total Liabilities	573.507	74.363	34.132	169.497	139.692	991.191
Net liquidity gap	(108.360)	116.062	97.648	(69.241)	76.711	112.820
As at December 31, 2005						
Total assets	717.399	69.471	294.399	130.651	359.980	1.571.900
Total liabilities	883.780	105.855	59.716	278.612	44.877	1.372.840
Net liquidity gap	(166.381)	(36.384)	(234.683)	(147.961)	315.103	199.060

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

Market Risk

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

Currency Risk

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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

Thousands TRY	New Turkish Lira	US Dollars	EUR	Japanese Yen	Others	Total
As at December 31, 2006						
Assets						
Cash and balances with the Central Bank	28.820	16.846	6.964	-	40	52.670
Deposits with banks and other financial institutions	9.709	140.032	1.988	-	475	152.204
Other money market placements	9.765	-	-	-	-	9.765
Reserve deposits at the Central Bank	644	30.000	-	-	-	30.644
Trading securities	11.066	-	-	-	-	11.066
Investment securities	52.566	-	-	-	-	52.566
Originated loans and advances	381.789	141.042	152.491	-	57	675.379
Minimum lease payments receivable	19.560	28.377	43.227	-	-	91.164
Derivative financial instruments	3.360	-	-	-	-	3.360
Investments	94	-	-	-	-	94
Assets held for resale	5.109	-	-	-	-	5.109
Tangible assets	2.244	-	-	-	-	2.244
Intangible assets	432	-	-	-	-	432
Deferred tax assets	4.009	-	-	-	-	4.009
Other assets	10.037	2.082	1.186	-	-	13.305
Total assets	539.204	358.379	205.856		572	1.104.011
Liabilities						
Deposits from other banks	3.046	5	12	-	-	3.063
Customers' deposits	294.333	201.493	58.934	-	4.322	559.082
Other money market deposits	11.842	-	-	-	-	11.842
Funds borrowed	24.329	277.814	64.956	-	-	367.099
Derivative financial instruments	6.030	-	-	-	-	6.030
Other liabilities and provisions	28.452	9.584	5.866	-	173	44.075
Income taxes payable	-	-	-	-	-	-
Total liabilities	368.032	488.896	129.768		4.495	991.191
Net on-balance sheet position	171.172	(130.517)	76.088		(3.923)	112.820
Off-balance sheet position						
Net nominal amount of derivatives	(51.185)	133.224	(75.593)	-	3.964	10.410
Non-cash loans	217.230	164.095	78.095	-	11.443	470.863
As at December 31, 2005						
Total assets	782.498	604.874	183.611	-	917	1.571.900
Total liabilities	517.959	658.624	189.993	-	6.264	1.372.840
Net on balance sheet position	264.539	(53.750)	(6.382)		(5.347)	199.060
Off-balance sheet position, net nominal amount	267.595	228.025	120.649		32.261	648.530

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

Interest Rate Risk

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

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

Thousands TRY	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	No interest	Total
As at December 31, 2006							
Assets							
Cash and balances with the Central Bank	31.330	-	-	-	-	21.340	52.670
Deposits with banks and other financial institutions	147.959	-	-	-	-	4.245	152.204
Other money market placements	9.765	-	-	-	-	-	9.765
Reserve deposits at the Central Bank	30.644	-	-	-	-	-	30.644
Trading securities	158	110	202	1.552	2.151	6.893	11.066
Investment securities	10.619	29.291	-	-	12.656	-	52.566
Originated loans and advances	488.678	32.550	34.266	45.995	73.890	-	675.379
Minimum lease payments receivable	6.024	6.970	9.994	18.166	45.955	4.055	91.164
Derivative financial instruments	-	-	-	-	-	3.360	3.360
Associates	-	-	-	-	-	94	94
Tangible assets held for resale	-	-	-	-	-	5.109	5.109
Tangible assets	-	-	-	-	-	2.244	2.244
Intangible assets	-	-	-	-	-	432	432
Deferred tax asset	-	-	-	-	-	4.009	4.009
Other assets	-	-	-	-	-	13.305	13.305
Total Assets	725.177	68.921	44.462	65.713	134.652	65.086	1.104.011
Liabilities							
Deposits from other banks	3.021	-	-	-	-	42	3.063
Customers' deposits	436.183	61.024	1.747	249	9	59.870	559.082
Other money market deposits	11.842	-	-	-	-	-	11.842
Funds borrowed	47.697	32.214	217.830	67.917	1.441	-	367.099
Derivative financial instruments	-	-	-	-	-	6.030	6.030
Other liabilities and provisions	4.106	52	62	109	507	39.239	44.075
Income taxes payable	-	-	-	-	-	-	-
Total Liabilities	502.849	93.290	219.639	68.275	1.957	105.181	991.191
On balance sheet interest sensitivity gap	222.328	(24.369)	(175.177)	(2.562)	132.695	(40.095)	112.820
Off balance sheet interest sensitivity gap	-	-	-	-	-	-	-
Total interest sensitivity gap	222.328	(24.369)	(175.177)	(2.562)	132.695	(40.095)	112.820

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

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

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

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

Operational Risk

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

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

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

Capital Adequacy

To monitor the adequacy of its capital, ABank uses ratios established by BRSA. These ratios measure capital adequacy (minimum 8% as required by BRSA) by comparing ABank's eligible capital with its balance sheet assets, off-balance sheet commitments and market and other risk positions at weighted amounts to reflect their relative risks. As of December 31, 2006 ABank's capital adequacy ratio calculated on consolidated basis based on statutory financial statements is 13,05% (December 31, 2005: 16,86%).

Non-Banking

Financial risk management objectives and policies

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

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

1) *Foreign currency risk*

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

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

		Exchange buying rate at January 1, 2006	Average exchange buying rate in the period	Exchange buying rate at December 31, 2006
TRY /USD	Turkey	1,3418	1,4310	1,4056
TRY /EUR	Turkey	1,5875	1,8002	1,8515

		Exchange selling rate at January 1, 2006	Average exchange selling rate in the period	Exchange selling rate at December 31, 2006
TRY /USD	Turkey	1,3483	1,4379	1,4124
TRY /EUR	Turkey	1,5952	1,8089	1,8604

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as New Turkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

1) *Foreign currency risk (cont'd)*

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

2) *Liquidity Risk*

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

3) *Credit Risk*

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

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

4) *Price Risk*

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

5) *Interest Rate Risk*

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

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

Fixed rate bank loans	4,0% - 6,8%
Fixed rate financial lease payables	4,5% - 11,3%

YAZICILAR HOLDİNG ANONİM ŞİRKETİ

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts are expressed as NewTurkish Lira (TRY) unless otherwise stated)

44.6 FINANCIAL INSTRUMENTS (cont'd)

Fair Values

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

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

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

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