İŞ FİNANSAL KİRALAMA A.Ş.

CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH THE
COMMUNIQUE NO: XI/25 PUBLISHED BY
CAPITAL MARKET BOARD
FOR THE PERIOD ENDED 31 MARCH 2007

(Translated into English from
the Original Turkish Report)

CONTENT			PAGE NUMBER

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CONSOLIDATED BALANCE SHEETS
FOR THE PERIOD ENDED 31 MARCH 2007 AND 31 DECEMBER 2006

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

ASSETS	Note	31 March 2007 Unaudited	31 December 2006 Audited
Current Assets		516.931	543.046
Liquid assets	4	93.646	118.589
Marketable securities (net)	5	17	750
Trade receivables (net)	7	-	-
Finance lease receivables (net)	8	359.713	359.560
Due from related parties (net) (*)	9	-	-
Other receivables (net)	10	23.518	25.982
Biological assets (net)	11	-	-
Inventories (net)	12	-	-
Receivables from ongoing construction contracts (net)	13	-	-
Deferred tax assets	14	-	-
Other current assets	15	40.037	38.165
Long-term Assets		379.497	370.720
Trade receivables (net)		-	-
Finance lease receivables (net)	8	371.120	362.241
Due from related parties (net)	9	-	-
Other receivables (net)	10	-	-
Financial assets (net)	16	7.102	7.106
Positive / (negative) goodwill (net)	17	166	166
Investment properties (net)	18	-	-
Tangible assets (net)	19	1.077	1.176
Intangible assets (net)	20	11	12
Deferred tax assets	14	21	19
Other long-term assets	15	-	-
TOTAL ASSETS		896.428	913.766

(*) Receivables due from related parties in Note 9 are included in finance lease receivables.

İŞ FİNANSAL KİRALAMA A.Ş. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
FOR THE PERIOD ENDED 31 MARCH 2007 AND 31 DECEMBER 2006

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

LIABILITIES	Note	31 March 2007 Unaudited	31 December 2006 Audited
Short-term Liabilities		377.371	398.615
Short-term borrowings	6	301.697	325.514
Short-term portions of long-term borrowings	6	36.684	30.898
Finance lease payables (net)	8	56	91
Other financial liabilities	10	-	-
Trade payables (net)	7	9.329	16.220
Due to related parties (net) (*)	9	-	-
Advances received	21	15.724	11.952
Ongoing construction progress payments	13	-	-
Provisions	23	131	129
Deferred tax liabilities (net)	14	-	-
Other short-term liabilities	15	13.750	13.811
Long-term Liabilities		350.117	356.183
Long-term borrowings (net)	6	349.619	355.722
Finance lease payables (net)	8	-	-
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	-	-
Due to related parties (net) (*)	9	-	-
Advances received	21	-	-
Provisions	23	498	461
Deferred tax liabilities (net)	14	-	-
Other long-term liabilities	15	-	-
MINORITY SHARES	24	1.590	1.603
SHAREHOLDER'S EQUITY		167.350	157.365
Capital	26	100.000	100.000
Capital reserves	26	12.624	12.627
- Premium in excess of par		-	-
- Gain on cancellation of equity shares		-	-
- Revaluation fund		-	-
- Financial assets fair value reserve	26	43	46
- Shareholders' equity inflation restatement differences	26	12.581	12.581
Profit reserves	27	39.831	15.699
- Legal reserves	27	3.360	3.186
- Statutory reserves		-	-
- Extraordinary reserves	27	36.471	12.513
- Special reserves		-	-
- Gain on sale of properties and equity participations which will be transferred to capital		-	-
- Currency translation reserve	27	-	-
Net profit / (loss) for the year	42	9.988	27.446
Retained earnings /(losses)	28	4.907	1.593
TOTAL LIABILITIES and SHAREHOLDER'S EQUITY		896.428	913.766

(*) Payables due to related parties in Note 9 are included in trade payables and advances received.

The accompanying notes form an integral part of these financial statements.

İŞ FİNANSAL KİRALAMA A.Ş. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE PERIOD ENDED 31 MARCH 2007 AND 2006

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

INCOME STATEMENT	Note	1 January 2007 – 31 March 2007 Unaudited	1 January 2006 - 31 March 2006 Unaudited
OPERATING INCOME			
Sales (net)	36	19.089	25.775
Cost of sales (-)		-	-
Service income (net)		-	-
Other operating income / interest+dividend+rent (net)			
GROSS PROFIT / (LOSS)		19.089	25.775
Operating expenses (-)	37	(3.655)	(2.795)
NET OPERATING PROFIT / (LOSS)		15.434	22.980
Other income and profit	38	978	496
Other expenses and losses (-)	38	(2.242)	(1.635)
Finance income/(expense) (net)	39	(4.065)	(11.685)
OPERATING PROFIT / (LOSS)		10.105	10.156
Net monetary gain / (loss)		-	-
MINORITY INTEREST (INCOME) / (EXPENSE)	24	11	(48)
PROFIT/ (LOSS) BEFORE TAXATION		10.116	10.108
Taxation	41	(128)	(93)
NET PROFIT FOR THE YEAR	42	9.988	10.015
EARNINGS PER SHARE (NTL)	42	0,10	0,10

The accompanying notes form an integral part of these financial statements.

İŞ FİNANSAL KİRALAMA A.Ş. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 MARCH 2007 AND 31 MARCH 2006

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

	Capital	Increase/ (decrease) in fair value reserve of Financial assets	Legal reserves	Extraordinary reserves	Translation reserves	Shareholders equity inflation restatement differences	Accumulated profit / (loss)	Net profit / (loss)	Total
As of 1 January 2006	50.000	(1)	2.381	5.434	(93)	31.366	670	40.022	129.779
Reserves	-	-	785	-	-	-	39.237	(40.022)	-
Capital increase									
Increase / (decrease) in fair value reserve of financial assets	-	130	-	-	-	-	-	-	130
Net profit	-	-	-	-	-	-	-	10.015	10.015
Balance as of 31 March 2006	50.000	129	3.166	5.434	(93)	31.366	39.907	10.015	139.924
As of 1 January 2007	100.000	46	3.186	12.513	-	12.581	1.593	27.446	157.365
Transfers	-	-	174	23.958	-	-	3.314	(27.446)	-
Translation reserve									
Increase / (decrease) in fair value reserve of financial assets	-	(3)	-	-	-	-	-	-	(3)
Net profit	-	-	-	-	-	-	-	9.988	9.988
Balance as of 31 March 2007	100.000	46	3.360	36.471	-	12.581	4.907	9.988	167.350

The accompanying notes form an integral part of these financial statements.

İŞ FİNANSAL KİRALAMA A.Ş. AND SUBSIDIARIES

CASH FLOWS FOR THE YEARS ENDED
31 MARCH 2007 AND 31 MARCH 2006
(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

	01 January 2007 31 March 2007	01 January 2006 31 March 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	9.988	10.015
Adjustments to reconcile net profit to net cash used in operating activities:		
Depreciation of tangible fixed assets	109	105
Amortization of intangible assets	1	73
Allowances for doubtful receivables	1.692	1.443
Change in finance lease receivables	(10.724)	(18.657)
Change in factoring receivables	2.464	3.748
Change in other receivables and current assets (net)	(1.872)	(23.884)
Change in trade payables and advances received (net)	(3.119)	(1.333)
Change in finance lease payables	(35)	-
Change in other payables and current liabilities	(24)	968
Change in corporate tax payable	2	(65)
Change in deferred taxes	(2)	(3)
Net cash (used in) / provided by operating activities	(1.520)	(27.590)
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in available for sale assets	733	(170)
Change in financial assets	1	90
Change in property, plant and equipment (net)	(10)	6
Change in intangible assets (net)	-	-
Goodwill	-	-
Net cash (used in) / provided by investing activities	724	(74)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in short-term borrowings	(18.031)	93.145
Changes in long-term borrowings	(6.103)	(31.000)
Changes in minority shares	(13)	48
Other	-	-
Net cash (used in) / provided by financing activities	(24.147)	62.193
NET CHANGE IN CASH AND CASH EQUIVALENTS	(24.943)	34.529
Cash and cash equivalents at the beginning of the year	118.589	71.329
Cash and cash equivalents at the end of the year	93.646	105.858

The accompanying notes form an integral part of these financial statements.

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Finansal Kiralama A.Ş. (the "Company") was incorporated on 8 February 1988 to operate in Turkey under the provisions of the Turkish financial leasing law number 3226 and started leasing operations at the end of July in 1988. The head office of İş Leasing is located at İş Kuleler Kule: 2 Flat: 10 34330 Levent- İstanbul/ Turkey.

The Company has purchased nominal shares of İş Factoring Finansman Hizmetleri A.Ş. amounting to NTL 12.517 thousand with a price of US $ 10.952.375 as of 11 August 2004. The shareholding rate on this subsidiary is 78,23%. Positive goodwill has been occurred amounting to NTL 169 thousand on purchased equity of NTL 16.603.154. Net amount of goodwill as at the balance sheet date is NTL 166 thousand (31 December 2005: NTL 166 thousand).

The ultimate parent enterprise of the Company is Türkiye İş Bankası A.Ş. (İş Bankası). The main shareholders of the Company are Türkiye İş Bankası A.Ş. with 27,79% and Türkiye Sınai Kalkınma Bankası A.Ş. with 28,56%. Besides, 42,3% of the shares of the Company is publicly traded.

The shares of the Company are listed at the Istanbul Stock Exchange.

As of 31 March 2007, the Company employs 95 persons.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

Accounting Standards Applied

The Capital Markets Board ("CMB") has published Communiqué No: XI/25 "Communiqué on Capital Markets Accounting Standards" on 15 November 2003. This Communiqué is applicable for the financial statements which will be prepared after 1 January 2005.

The Group maintains its books of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code and tax legislation.

Communiqué No: XI/25 "Communiqué on Capital Markets Accounting Standards" issued by the CMB, provides a detailed set of accounting principles. The Communiqué declared that as an alternative the compliance with accounting standards issued by International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) will be counted as in compliance to the CMB Accounting Standards. The accompanying consolidated financial statements were prepared in accordance with the above mentioned alternative application permitted by CMB. The financial statements were prepared in accordance with the CMB's decree mentioned above and with the CMB's decree announced on 20 December 2004 regarding the format of the financial statements and footnotes.

The CMB declared with a decision taken dated 17 March 2005 that hyperinflationary period is over. Therefore, the CMB declared that; for the companies operated in Turkey and subject to CMB rules, the inflation accounting has been ceased starting from 1 January 2005. Accordingly, the Group did not apply inflation accounting starting from 1 January 2005.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

2. BASIS OF PRESANTATION OF THE FINANCIAL STATEMENTS (Cont'd)

Inflation Accounting

The Group's functional and reporting currency is New Turkish Lira ("NTL"). International Accounting Standard No. 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit currency at the balance sheet date.

Restatement adjustments as of 31 December 2004 have been made according to the wholesale price indices published by the State Institute of Statistics.

Such indices and the conversion factors used to restate the accompanying financial statements as of 31 December 2004 are given below:

	Index	Conversion Factor
31 December 2001	4.951,7	1,6972
31 December 2002	6.478,8	1,2971
31 December 2003	7.382,1	1,1384
31 December 2004	8.403,8	1,0000

At 31 March 2007 the exchange rate announced by the Turkish Central Bank was NTL 1,3801 = US$ 1 (31 December 2006: NTL 1,4056= 1 US$).

The main guidelines for IAS 29 as of 31 December 2004 are as follows.

- All balance sheet amounts as of 31 December 2004 expressed in terms of the measuring unit current at the balance sheet date are restated by applying a general price index (the WPI).

- As of 31 December 2004, monetary assets and liabilities were not restated because they are already expressed in terms of the measuring unit current at the balance sheet date. Monetary items are money held and items to be received or paid in money.

- As of 31 December 2004 non-monetary assets and liabilities were restated by applying, to the initial acquisition cost and any accumulated depreciation, the change in the general price index from the date of acquisition or initial recording to the balance sheet date. Hence, tangible assets, investments and similar assets are restated from the date of their purchase, not to exceed their market value. Depreciation is calculated at their restated amounts. The components of shareholders' equity are restated by applying the applicable general price index from the dates when components were contributed or otherwise arose.

2. BASIS OF PRESANTATION OF THE FINANCIAL STATEMENTS (Cont'd)

Inflation Accounting (Cont'd)

- The gain or loss on the net monetary position as of 31 December 2004, was the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets, shareholders' equity and income statement items. The gain or loss on the net monetary position was included in net income.

Consolidation Principles:

The consolidated financial statements incorporate the financial statements of the Company and entities controlled or jointly controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

2. BASIS OF PRESANTATION OF THE 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 1 January 2006.

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

IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies
IFRIC 8	Scope of IFRS 2
IFRIC 9	Reassesment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment
IFRS 1	Financial Instruments: Disclosure

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.

Comparative information and adjustments made in previous periods' consolidated financial statements:

If the presentation or classification of the financial statements is changed in the current period, 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 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.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and valuation principles used to prepare the accompanying financial statements are as follows:

a. Revenue recognition:

Leasing Receivables: The initial value at the beginning of the leasing period of the assets that are subject to leasing under the Leasing Law are represented as leasing receivables in the balance sheet. Financial revenues that are the spread between the total leasing receivables and the real value of the assets subject to leasing are recorded in the related period with the receivables of each accounting period distributed over the related period via the fixed interest rate throughout the duration of the leasing agreement.

b. Inventory:

None.

c. Tangible Assets:

Tangible and intangible assets purchased before 1 January 2005 are carried at indexed historical cost and purchases after 1 January 2005 are carried at historical cost, less accumulated depreciation and impairment.

Tangible assets are depreciated principally on a straight-line basis considering expected useful lives, acquisition and assembly dates. Expected useful lives which have been used by the Group are summarized below:

Vehicles	5 years
Furniture and fittings	5 years
Computer software	5 years

Expenses for the repair of tangible assets are normally charged against income.

The gain or loss arising on the disposal or retirement of an item of tangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

d. Intangible Assets:

Intangible assets that are acquired before 1 January 2005 are carried with their restated cost as of 31 December 2004; and intangible assets that are acquired after 1 January 2005 are carried with their cost, less accumulated amortization and impairment.

Intangible assets are amortized principally on a straight-line basis considering expected useful lives. Related intangible assets are depreciated when they are ready to use. The deprecation rate used for intangible assets is 20%.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e. Impairment of Assets:

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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.

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.

f. Borrowing Costs:

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

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g. Financial Instruments:

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Finance lease receivables and other receivables

Finance lease receivables and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The Company's managers consider that the carrying amount of trade and other receivables approximates their fair value.

Due to / from related parties

In the accompanying financial statements, shareholders of the Group, related companies, their directors and key management personnel and any groups to which they are known to be related, are considered and referred to as related companies.

The carrying value of due to and due from related parties are estimated to be their fair value.

Investments

Investments are recognized and derecognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortized cost using the effective interest rate method, less any impairment loss recognized to reflect irrecoverable amounts. An impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortized cost would have been had the impairment not been recognized.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g. Financial Instruments (Cont'd):

Investments other than held-to-maturity debt securities are classified as either investments held for trading or as available-for-sale, and are measured at subsequent reporting dates at fair value except available-for-sale investments that do not have quoted prices in active markets and whose fair values cannot be reliably measured are stated at cost and restated to the equivalent purchasing power. Where securities are held for trading purposes, gains and losses arising from changes in fair value are included in profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period. Impairment losses recognized in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognized in profit or loss for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

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. The carrying amount of these assets approximates their fair value.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method. The Group management considers that the carrying amount of trade and other payables approximates their fair value.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g. Financial Instruments (Cont'd):

Derivative financial instruments and hedge accounting

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward and interest rate derivative contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. The Group does not use hedge accounting therefore, changes in the fair value of derivative financial instruments are recognized in profit or loss as they arise.

h. Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The Group's credit risk is primarily attributable to its finance lease receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Sectoral analysis of finance lease receivables is as follows:

	31 March 2007 %	31 December 2006 %
Construction	17,24	17,82
Finance	14,02	13,25
Transportation	8,69	9,08
Textile	7,84	8,46
Metal Industry	7,00	6,70
Health	4,16	4,49
Chemical, Plastic and Pharmacy	5,71	4,31
Forestry Products and Paper	3,93	3,91
Food	3,40	3,71
Mining	2,94	3,11
Glass, Tile and Cement	2,37	2,54
Tourism	3,01	1,94
Other	19,69	20,68
TOTAL	100,00	100,00

(Amounts are expressed in thousand of New Turkish Lira (“NTL”) unless otherwise indicated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont’d)

i. Market Risk

Market risk is the fluctuations in interest rates, currency exchange rates or the price of marketable securities and other financial agreements that have an adverse financial impact on the Group. Main risks within the Group’s activities are interest rate and exchange rate risks.

Interest sensitivity analysis of the Group is as follows:

31 March 2007	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
ASSETS								
Liquid Assets	56.235	-	-	37.411	-	-	-	93.646
Marketable Securities (net)	-	-	-	-	-	-	17	17
Finance Lease Receivables (net)	24.174	89.541	83.477	159.261	370.871	3.509	-	730.833
Other Receivables (net)	6.174	12.833	3.101	961	449	-	-	23.518
Other Current Assets	4.509	-	-	-	-	-	35.528	40.037
Financial Assets (net)	-	-	-	-	-	-	7.102	7.102
Tangible Assets (net)	-	-	-	-	-	-	1.077	1.077
Intangible Assets	-	-	-	-	-	-	11	11
Positive/Negative Goodwill	-	-	-	-	-	-	166	166
Deferred Tax Asset	-	-	-	-	-	-	21	12
TOTAL	91.092	102.374	86.578	197.633	371.320	3.509	43.922	896.428
LIABILITIES								
Borrowings (net)	24.712	343.629	251.114	45.543	23.002	-	-	688.000
Trade Payables (net)	6.484	-	1.551	1.294	-	-	-	9.329
Finance Lease Payables	-	31	25	-	-	-	-	56
Advances Received	15.724	-	-	-	-	-	-	15.724
Provisions	131	-	-	-	498	-	-	629
Other Liabilities	1.374	-	-	12.376	-	-	-	13.750
Minority Interest	-	-	-	-	-	-	1.590	1.590
Equity	-	-	-	-	-	-	167.350	167.350
TOTAL	48.425	343.660	252.690	59.213	23.500	-	168.940	896.428
TOTAL POSITION	42.667	(241.286)	(166.112)	138.420	347.820	3.509	(125.018)	-

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

i. Market Risk (Cont'd)

31 December 2006	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
ASSETS								
Liquid Assets	81.254	-	-	37.335	-	-	-	118.589
Marketable Securities (net)	-	-	-	-	-	-	750	750
Finance Lease Receivables (net)	24.793	92.356	83.974	154.100	363.968	2.610	-	721.801
Other Receivables (net)	4.947	11.428	7.112	2.495	-	-	-	25.982
Other Current Assets	4.694	-	-	-	-	-	33.471	38.165
Financial Assets (net)	-	-	-	-	-	-	7.106	7.106
Tangible Assets (net)	-	-	-	-	-	-	1.176	1.176
Intangible Assets	-	-	-	-	-	-	12	12
Positive/Negative Goodwill	-	-	-	-	-	-	166	166
Deferred Tax Asset	-	-	-	-	-	-	19	19
TOTAL	115.688	103.784	91.086	193.930	363.968	2.610	42.700	913.766
LIABILITIES								
Borrowings (net)	29.881	277.333	365.563	7.497	31.860	-	-	712.134
Trade Payables (net)	12.543	651	211	1.941	874	-	-	16.220
Finance Lease Payables	-	34	31	26	-	-	-	91
Advances Received	11.952	-	-	-	-	-	-	11.952
Provisions	129	-	-	-	461	-	-	590
Other Liabilities	1.777	-	-	-	-	-	12.034	13.811
Minority Interest	-	-	-	-	-	-	1.603	1.603
Equity	-	-	-	-	-	-	157.365	157.365
TOTAL	56.282	278.018	365.805	9.464	33.195	-	171.002	913.766
TOTAL POSITION	59.406	(174.234)	(274.719)	184.466	330.773	2.610	(128.302)	-

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j. Liquidity Risk (Cont'd)

The Group is generally raising funds by liquidating its short term financial instruments such as collecting its receivables and turning into cash its bank balances. The Group's proceedings from these instruments are carried at their fair values in the books.

The Group obtains funds from its bankers if short of liquidity.

The maturity analysis of the Group is as follows:

31 March 2007	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	No maturity	Total
ASSETS								
Liquid Assets	56.235	-	-	-	37.411	-	-	93.646
Marketable Securities (net)	-	-	-	-	-	-	17	17
Finance Lease Receivables (net)	24.174	89.541	83.477	159.261	370.871	3.509	-	730.833
Other Receivables (net)	6.174	12.833	3.101	961	449	-	-	23.518
Other Current Assets	4.509	-	-	-	-	-	35.528	40.037
Financial Assets (net)	-	-	-	-	-	-	7.102	7.102
Tangible Assets (net)	-	-	-	-	-	-	1.077	1.077
Intangible Assets	-	-	-	-	-	-	11	11
Positive/Negative Goodwill	-	-	-	-	-	-	166	166
Deferred Tax Asset	-	-	-	-	-	-	21	21
TOTAL	91.092	102.374	86.578	160.222	408.731	3.509	43.922	896.428
LIABILITIES								
Borrowings (net)	24.712	93.691	39.102	180.876	349.619	-	-	688.000
Trade Payables (net)	6.484	-	1.551	1.294	-	-	-	9.329
Finance Lease Payables	-	31	25	-	-	-	-	56
Advances Received	15.724	-	-	-	-	-	-	15.724
Provisions	131	-	-	-	498	-	-	629
Other Liabilities	1.374	-	-	12.376	-	-	-	13.750
Minority Interest	-	-	-	-	-	-	1.590	1.590
Equity	-	-	-	-	-	-	167.350	167.350
TOTAL	48.425	93.722	40.678	194.546	350.117	-	168.940	896.428
LIQUIDITY POSITION	42.667	8.652	45.900	(34.324)	58.614	3.509	(125.018)	-

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j. Liquidity Risk (Cont'd)

31 December 2006	Up to 1 month	1-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	No maturity	Total
ASSETS								
Liquid Assets	81.254	-	-	-	37.335	-	-	118.589
Marketable Securities (net)	-	-	-	-	-	-	750	750
Finance Lease Receivables (net)	24.793	92.356	83.974	154.100	363.968	2.610	-	721.801
Other Receivables (net)	4.947	11.428	7.112	2.495	-	-	-	25.982
Other Current Assets	4.694	-	-	-	-	-	33.471	38.165
Financial Assets (net)	-	-	-	-	-	-	7.106	7.106
Tangible Assets (net)	-	-	-	-	-	-	1.176	1.176
Intangible Assets	-	-	-	-	-	-	12	12
Positive/Negative Goodwill	-	-	-	-	-	-	166	166
Deferred Tax Asset	-	-	-	-	-	-	19	19
TOTAL	115.688	103.784	91.086	156.595	401.303	2.610	42.700	913.766
LIABILITIES								
Borrowings (net)	29.881	58.587	94.788	173.156	355.722	-	-	712.134
Trade Payables (net)	12.543	651	211	1.941	874	-	-	16.220
Finance Lease Payables	-	34	31	26	-	-	-	91
Advances Received	11.952	-	-	-	-	-	-	11.952
Provisions	129	-	-	-	461	-	-	590
Other Liabilities	1.777	-	-	-	-	-	12.034	13.811
Minority Interest	-	-	-	-	-	-	1.603	1.603
Equity	-	-	-	-	-	-	157.365	157.365
TOTAL	56.282	59.272	95.030	175.123	357.057	-	171.002	913.766
LIQUIDITY POSITION	59.406	44.512	(3.944)	(18.528)	44.246	2.610	(128.302)	-

k. Mergers and Acquisitions:

The acquisition of subsidiaries and businesses are accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont’d)

l. 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 NTL, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than NTL (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. Foreign exchange gain and losses arising from monetary items’ translation, collection or disbursements are recognized in profit or losses.

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; and

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in NTL 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.

m. Earnings per Share:

In accordance with IAS 33, it is required that the companies publicly traded or in the process of public offer should disclose the earnings per share which is determined by excluding the items which might cause distortion in the net profit of the companies. The earning per share figure disclosed in the accompanying consolidated financial statements is calculated by dividing the net profit into the total number of common shares which represent the Group’s share capital.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n. Subsequent Events:

Events after the balance sheet date are those events, favorable and unfavorable, that occur between the balance sheet date and the date when the financial statements are authorized for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the balance sheet date); and

- those that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).

The Group records adjusting events after the balance sheet date and disclose non-adjusting events after the balance sheet date on the attached financial statements.

o. Provisions, Contingent Liabilities and Contingent Assets:

In case of an existent liability that stems from a past event, that the redeeming of which would by any chance require outflow of resources bearing economic use from the enterprise, and that the amount of which is reliably estimated, provision is made for the subject liability in the financial statements. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

p. Change in Accounting Policies, Accounting Estimates and Errors:

Changes in accounting policies or fundamental accounting errors are applied retrospectively and the consolidated financial statements for the prior periods are restated. If changes in accounting estimates relate only for one period, changes are applied in the current period but if changes in estimates relate more than one period, changes are applied both in the current and following periods prospectively.

q. Finance Lease:

- the Group as Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

q. Finance Lease (Cont'd):

- the Group as Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs (see above).

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

The Group does not have operating lease as of the balance sheet date.

s. Due to / from Related Parties

In the accompanying financial statements, shareholders of the Group, related companies, their directors and key management personnel and any groups to which they are known to be related, are considered and referred to as related companies.

The carrying value of due to and due from related parties are estimated to be their fair value.

t. Segmental Information:

Segmental information is prepared in business segment basis and the Group is in both leasing and factoring businesses. (Please see Note 33)

u. Construction Agreements:

None.

v. Discontinued Operations

None.

w. Government Grant and Incentives:

None.

x. Investment Properties:

None.

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

y. 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.

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 is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases 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.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

z. Employee Benefits / Retirement Pay Provision:

Under the Turkish Law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Group. The total provision represents the vested benefit obligation as at the balance sheet date. Future retirement payments are discounted to their present value at the balance sheet date in accordance with IAS 19 "Employee Benefits" and reflected to the accompanying consolidated financial statements.

aa. Retirement Plans:

None.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

3. SUMMARY OF VALUATION PRINCIPLES / SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

ab. Agricultural Operations:

None.

ac. Statement of Cash Flows:

The Group prepares its statement of cash flow as an integral part of the financial statements in order to inform financial statement users about the change in the assets, financial structure and the ability to direct cash flow amounts and timing according to the economic situation.

4. LIQUID ASSETS

	31 March 2007	31 December 2006
Demand deposits	2.343	2.362
Time deposit (1-3 months)	53.819	78.698
Time deposit (over 3 months)	36.766	37.030
Interest accrual	718	499
	93.646	118.589

The details of time deposits as of 31 March 2007 are as follows:

Currency	Interest rate	Maturity	31 March 2007
NTL	(19,75%)	(01.04.2007)	3.062
US$	(3,19% - 5,15%)	(01.04.2007)	27.910
EURO	(1,70% - 3,50%	(01.04.2007-16.10.2008)	60.331
			91.303

As of 31 March 2007, NTL 34.769 thousand of total foreign currency deposits (31 December 2006: NTL 39.138 thousand) and 3.672 NTL thousand (31 December 2006: NTL 36.725 thousand) of total NTL deposits consist of accounts at its main shareholder, Türkiye İş Bankası.

The details of time deposits as of 31 December 2006 are as follows:

Currency	Interest rate	Maturity	31 December 2006
NTL	(21% - 21,25%)	(04.1.2007-29.01.2007)	36.233
US$	(4,25% - 5,10%)	(04.01.2007)	13.737
EURO	(2,55% - 3,81%)	(04.01.2007-16.10.2008)	66.257
			116.227

5. MARKETABLE SECURITIES (NET)

Trading Securities:	31 March 2007	31 December 2006
Mutual funds	17	750

The Group has T. İş Bankası A.Ş.'s mutual funds amounting to NTL 17 thousand. (31 December 2006: NTL 750 thousand)

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

6. BORROWINGS

	31 March 2007	31 December 2006
Short-term borrowings		
Short-term borrowings	301.697	325.514
Short-term portions of long-term borrowings	36.684	30.898
Total short-term borrowings	338.381	356.412
Long-term borrowings		
Long-term portions of long-term borrowings	349.619	355.722
Total long-term borrowings	349.619	355.722
Total borrowings	688.000	712.134

	31 March 2007	31 December 2006
Maturity analysis of borrowings		
Within 1 year	338.381	356.412
Within 1-2 years	340.004	344.879
Within 2-3 years	8.030	8.122
Within 3-4 years	1.585	2.721
Over 4 years	-	-
TOTAL	688.000	712.134

The details of short-term borrowings are as follows:

Currency Type	Interest Rate %	Currency Amount	31 March 2007
NTL	18,10% - 18,30%		8.170
US$	5,54% - 8,55%	82.372.434	113.683
EURO	4,26% - 6,45%	89.465.416	164.464
GBP	6,28%	744.672	2.012
Interest accruals			13.368
Total			301.697

Currency Type	Interest Rate %	Currency Amount	31 December 2006
NTL	18,60% - 19%		19.700
US$	5,45% - 8,82%	87.994.867	123.686
EURO	4,18% - 6,21%	93.166.069	172.497
Interest accruals			9.631
Total			325.514

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

6. BORROWINGS (Cont'd)

The details of short- term portions of long-term borrowings are as follows:

Currency Type	Interest Rate %	Currency Amount	31 March 2007
US$	4,02% - 8,55%	7.843.978	10.825
EURO	4,26% - 6,45%	14.066.667	25.859
Total			36.684

Currency Type	Interest Rate %	Currency Amount	31 December 2006
US$	3,95% - 8,55%	7.843.979	11.025
EURO	4,63% - 5,31%	10.733.333	19.873
Total			30.898

The details of long-term borrowings are as follows:

Currency Type	Interest Rate %	Currency Amount	31 March 2007
NTL	19,90% - 20,45%		37.700
US$	4,02% - 7,01%	100.500.279	138.700
EURO	4,29% - 5,59%	94.227.778	173.219
Total			349.619

Currency Type	Interest Rate %	Currency Amount	31 December 2006
NTL	19,90% - 20,45%		37.700
US$	3,95% - 8,55%	87.205.601	122.576
EURO	4,03% - 5,31%	105.561.112	195.446
Total			355.722

Interest rates are expressed in compound.

7. TRADE RECEIVABLES AND PAYABLES

Trade payables	31 March 2007	31 December 2006
Payables to finance lease suppliers	4.192	10.203
Other trade payables (*)	5.137	6.017
	9.329	16.220

(*) The Group insures the equipments that are subject to the leasing transactions and pays for the relevant costs in installments. Other trade payables consist of the Group's insurance premium payable and payable to suppliers resulting from daily operations of the Group.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

8. FINANCE LEASE RECEIVABLES AND PAYABLES

Finance Lease Receivables

31 March 2007	Short-Term	Long-Term	Total
Invoiced finance lease receivables	19.955	-	19.955
Doubtful finance lease receivables	32.729	-	32.729
Uninvoiced finance lease receivables	409.565	431.554	841.119
Less: Unearned interest income	(77.286)	(57.174)	(134.460)
Less: Allowance for doubtful receivables (*)	(25.250)	(3.260)	(28.510)
Net finance lease receivables	359.713	371.120	730.833

31 December 2006	Short-Term	Long-Term	Total
Invoiced finance lease receivables	22.200	-	22.200
Doubtful finance lease receivables	29.834	-	29.834
Uninvoiced finance lease receivables	405.027	420.678	825.705
Less: Unearned interest income	(74.597)	(54.100)	(128.697)
Less: Allowance for doubtful receivables (*)	(22.904)	(4.337)	(27.241)
Net finance lease receivables	359.560	362.241	721.801

(*)Allowance for doubtful receivables includes some allowances accounted by the Group in order to avoid some possible credit risks.

Movement of allowance for doubtful receivables	31 March 2007	31 December 2006
Allowance at the beginning of the period	27.241	32.392
Additions	5.351	10.249
Write offs	(423)	(6.593)
Collections	(3.659)	(8.807)
Allowance at the end of the period	28.510	27.241

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

8. FINANCE LEASE RECEIVABLES AND PAYABLES (Cont'd)

The distribution of finance lease receivables according to their maturities as of 31 March 2007 is as follows:

	2007	2008	2009	2010	2011	2012 and after	Total
Financial lease receivables	345.523	296.343	146.379	50.879	16.218	9.951	865.293
Unearned interest	(62.192)	(45.735)	(18.015)	(5.662)	(1.675)	(1.181)	(134.460)
Total	283.331	250.608	128.364	45.217	14.543	8.770	730.833

The distribution of finance lease receivables according to their maturities as of 31 December 2006 is as follows:

	2007	2008	2009	2010	2011	2012 and after	Total
Financial lease receivables	429.819	256.309	116.981	35.737	8.771	2.881	850.498
Unearned interest	(74.596)	(36.377)	(13.108)	(3.666)	(679)	(271)	(128.697)
Total	355.223	219.932	103.873	32.071	8.092	2.610	721.801

As of 31 March 2007, the average interest rates of finance lease receivables denominated all in foreign currency are 10,01% for US$, 9,72% for EURO and %25,73 for NTL, respectively.(31 December 2006: 9,91% for US$ and 9,85% for EURO and %25,07 for NTL).

As of 31 March 2007, the distribution of uninvoiced rental receivables according to foreign currency types is as follows:

Foreign Currency	Principal Foreign Currency	Principal	Unearned Interest Foreign Currency	Unearned Interest
US $	162.609.369	224.417	26.260.817	36.242
EURO	151.853.470	279.153	21.076.557	38.745
NTL		203.089		59.473
Total		706.659		134.460

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

8. FINANCE LEASE RECEIVABLES AND PAYABLES (Cont'd):

As of 31 December 2006, the distribution of uninvoiced rental receivables according to foreign currency types are as follows:

Foreign Currency	Principal Foreign Currency	Principal	Unearned Interest Foreign Currency	Unearned Interest
US $	148.193.935	208.301	21.066.678	29.611
EURO	155.690.931	288.262	21.816.287	40.393
NTL		200.445		58.693
Total		697.008		128.697

Finance Lease Payables

	31 March 2007	31 December 2006
Finance lease payables	58	95
Less: cost of deferred finance lease payable	(2)	(4)
Net finance lease payable	56	91

9. DUE FROM / TO RELATED PARTIES (NET)

Finance Lease Receivables	31 March 2007	31 December 2006
Türkiye İş Bankası A.Ş.	97.898	92.584
Gemport Gemlik Liman İşletmeleri A.Ş.	301	712
Bayek Tedavi Sağlık Hizmetleri ve İşletmesi A.Ş.	704	694
Avea İletişim Hizmetleri A.Ş.	3.858	-
Anadolu Anonim Türk Sigorta A.Ş.	239	662
Other	677	982
	103.677	95.634
Payables to Related Parties		
Anadolu Anonim Türk Sigorta A.Ş.	5.068	5.728
Türkiye İş Bankası A.Ş.	-	382
Türkiye Sınai Kalkınma Bankası A.Ş.	324	14
Gemport Gemlik Liman İşletmeleri A.Ş.	119	18
Other	34	104
	5.545	6.246
Borrowings		
Türkiye İş Bankası A.Ş.	181.127	188.758
Türkiye Sınai Kalkınma Bankası A.Ş.	9.734	9.852
	190.861	198.610

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

9. DUE FROM / TO RELATED PARTIES (NET) (Cont'd)

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Finance Lease Interest Income		
Türkiye İş Bankası A.Ş.	2.094	1.621
Gemport Gemlik Liman. İşl. A.Ş.	18	62
İş Koray Turizm Ormancılık Madencilik	1	59
Bayek Tedavi Sağlık Hizm. Ve İşl. A.Ş.	18	44
Anadolu Anonim Türk Sigorta A.Ş.	10	2
Other	44	60
	2.185	1.848
Interest Income		
Türkiye İş Bankası A.Ş.	985	598
Türkiye Sınai Kalkınma Bankası A.Ş.	-	33
	985	631
Interest Expenses		
Türkiye İş Bankası A.Ş.	2.678	3.054
Türkiye Sınai Kalkınma Bankası A.Ş.	249	78
	2.927	3.132
Rent Expense		
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	217	201
Commission Income		
Anadolu Anonim Türk Sigorta A.Ş.	477	490
Compensation of Key Client Personnel		
Short-term benefits	486	471

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

10. OTHER RECEIVABLES AND PAYABLES (NET)

	31 March 2007	31 December 2006
Factoring receivables (*)		
Domestic factoring receivables (net)	20.711	25.888
Export and import factoring receivables(net)	3.187	544
Accruals on factoring receivables	167	196
Unearned interest income	(547)	(646)
Doubtful factoring receivables	889	859
Gross factoring receivables	24.407	26.841
Provision for doubtful factoring receivables	(889)	(859)
	23.518	25.982

(*) The balance consists of factoring receivables of the subsidiary İş Factoring Finansman Hizmetleri A.Ş. which is owned by the Group with the ownership percentage of 78,23 %.

11. BIOLOGICAL ASSETS

None.

12. INVENTORIES

None.

13. RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS (NET)

None.

14. DEFERRED TAX ASSETS AND LIABILITIES (NET)

The Group recognizes deferred tax assets and liabilities based upon the temporary differences arising between its financial statements as reported for IFRS purposes and financials prepared according to the Turkish tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IFRS and tax legislation. Deferred tax assets resulting from deductible temporary differences are not recognized or it is provided provision if it is not probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

	31 March 2007	31 December 2006
Deferred tax (liability) /asset	21	19

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

14. DEFERRED TAX ASSETS AND LIABILITIES (NET) (Cont'd)

	31 March 2007	31 December 2006
Temporary differences subject to deferred tax:		
Finance lease adjustment	32.527	32.389
Tax base difference in tangible and intangible assets	9.406	7.540
Retirement pay provision	498	461
Finance lease income accruals	168	(2.419)
Allowance for doubtful finance lease receivables	2.873	1.347
Forward / swap accrual	3.980	2.452
Unreal finance expense	2.413	9.654
Tax losses carried forward	4.706	4.706
Unused investment incentives	388.124	388.124
Other	326	267
	445.021	444.521

The effective tax rate has been applied as 30% except investment incentives since the Company has decided to use investment incentive option in case the Company has taxable income in the following years. On the other hand, the Company's subsidiary İş Factoring A.Ş. does not have investment incentive to be used for the following years, thus the effective tax rate has been determined as 20%. Investment incentive certificates are revoked commencing from 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of 31 December 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. While the investment incentive amount that cannot be deducted from 2008 taxable income will not be carried forward to following years, legally, there is still uncertainity about the future. Therefore, a provision has been provided for the deferred tax asset of the Company in the accompanying financial statements.

	31 March 2007	31 December 2006
Deferred Tax Assets/(Liabilities)		
Finance lease adjustment	9.758	9.717
Tax base difference in tangible and intangible assets	2.824	2.264
Retirement pay provision	137	127
Finance lease income accruals	51	(726)
Allowance for doubtful finance lease receivables	862	404
Forward / swap accrual	1.194	736
Unreal finance expense	724	2.896
Tax losses carried forward	1.412	1.412
Unused investment incentives	95.221	95.221
Other	97	80
Deferred tax asset	112.280	112.131
Provision	(112.259)	(112.112)
Deferred tax asset (net)	21	19

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

14. DEFERRED TAX ASSETS AND LIABILITIES (NET) (Cont'd)

Deferred tax assets/ (liabilities) movement for the period ended as of 31 March 2007 is as follows:

	31 March 2007	31 December 2006
Opening balance 1 January	19	23
Deferred tax benefit / (expense)	2	(4)
Closing balance	21	19

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

Other Current/ Non-Current Assets	31 March 2007	31 December 2006
Equipment to be leased (*)	4.056	18.762
Advances given	22.649	4.419
VAT deductible and other VAT	4.186	5.478
Insurance premium receivables	4.509	4.694
Assets held for sale	2.917	2.917
Other (**)	1.720	1.895
	40.037	38.165

(*) The Company purchases machinery and equipment from domestic and foreign suppliers on behalf of the lessees on the basis of the leasing contract terms. The balance includes the total amount paid for these machinery and equipment but not charged to the lessees yet as of 31 March 2007 and 31 December 2006.

Other current/ non-current liabilities	31 March 2007	31 December 2006
Social security premiums payable	325	353
Forward accrual	397	771
Provision for unused leave	210	59
Litigation provisions (*)	12.289	12.096
Other	529	532
	13.750	13.811

(*) The Company's subsidiary, İş Factoring Finansman Hizmetleri A.Ş., had a tax audit and tax penalty notifications were sent to İş Factoring Finansman Hizmetleri A.Ş. within the context of article 16 in Corporate Tax Law. İş Factoring A.Ş has brought a lawsuit against the relevant authorities concerning the cancellation of the given tax penalty notifications and on condition of keeping a right to bring a lawsuit and given blocked cheques amounting to NTL 4.265 thousand to the tax office regarding the amounts claimed for the notifications. These blocked cheques have been journalized as other receivables in the accompanying financial statements.

As a recent development, İş Factoring Finansman Hizmetleri A.Ş. has lost the pending lawsuits against the tax authorities with a right to appeal to the Supreme Court. Tax notifications with regards to the finalized lawsuits have been issued by the Tax Office and submitted to İş Factoring Finansman Hizmetleri A.Ş., while in accordance with the court judgment, İş Factoring Finansman Hizmetleri A.Ş. has filed an appeal with a motion to stay at the Supreme Court. Due to fact that existing lawsuits are still pending at Supreme Court and on condition of keeping all its rights resulting from these lawsuits, İş Factoring Finansman Hizmetleri A.Ş. applied to the Ministry of Finance with the request for an installment payment plan regarding the tax dutiees and penalties. These applications were accepted by the Ministry of Finance and the Company started to fulfill its payment obligations according to the installment plans. The accompanying financial statements include provision for this case amounting to NTL 12.289 thousand.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

16. FINANCIAL ASSETS (NET)

	31 March 2007		31 December 2006	
Name	NTL	Share (%)	NTL	Share (%)
İş Yatırım Menkul Değerler A.Ş. - (İş Yatırım)	5.990	6,0	5.990	6,0
İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.	764	0,9	768	0,9
Camiş Menkul Değerler A.Ş.	2	0,05	2	0,05
TSKB Menkul Değerler A.Ş.	18	0,06	18	0,06
İş Net Elektronik Bilgi Üretim Dağ. Tic. Ve İletişim Hiz. A.Ş. – (İş Net)	328	1,0	328	1,0
Total	7.102		7.106	

17. POSITIVE / (NEGATIVE) GOODWILL

The Company has purchased nominal shares of İş Factoring Finansman Hizmetleri A.Ş. amounting to NTL 12.517 thousand with a price of US $ 10.952.375 as of 11 August 2004. The shareholding rate on this subsidiary is 78,23 %. Positive goodwill has been occurred amounting to NTL 169 thousand on purchased equity of NTL 16.603 thousand. The net amount of goodwill as at the balance sheet date is NTL 166 thousand. Within the framework of IFRS 3 "Mergers and Acquisitions" which is effective from 1 January 2005, no amortization is applied to goodwill realized out of the acquisitions after December 31, 2004 for the annual periods beginning on or after 31 March 2004, and analysis of provision for impairment is performed as of each balance sheet date for goodwill.

18. INVESTMENT PROPERTIES

None.

19. TANGIBLE ASSETS

Acquisition cost	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leasehold Improvements	Total
Opening balance 1 January 2007	466	3.113	1.819	2.848	8.246
Additions	-	2	8	-	10
Disposals	-	-	-	-	-
Closing balance 31 March 2007	466	3.115	1.827	2.848	8.256
Accumulated depreciation					
Opening balance 1 January 2007	(225)	(2.806)	(1.637)	(2.402)	(7.070)
Charge for the period	(23)	(29)	(22)	(35)	(109)
Disposals	-	-	-	-	-
Closing balance 31 March 2007	(248)	(2.835)	(1.659)	(2.437)	(7.179)
Net book value as of 31 March 2007	218	280	168	411	1.077
Net book value as of 31 December 2006	241	307	182	446	1.176

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

20. INTANGIBLE ASSETS

	Rights
Acquisition cost	
Opening balance 1 January 2007	170
Additions	-
Disposals	-
Closing balance 31 March 2007	170
Accumulated amortization	
Opening balance 1 January 2007	(158)
Charge for the period	(1)
Disposals	-
Closing balance 31 March 2007	(159)
Net book value as of 31 March 2007	11
Net book value as of 31 December 2006	12

21. ADVANCES RECEIVED

	31 March 2007	31 December 2006
Advances received (*)	15.724	11.952

(*) Advances received consist of the leasing advances received from lessees for the machinery and equipment which are not in use of the lessees, yet.

22. RETIREMENT BENEFITS

None.

23. PROVISIONS

Short term provisions:

	31 March 2007	31 December 2006
Corporate tax provision	131	472
Prepaid taxes	-	(343)
Corporate tax provision	131	129

Long term provisions:

Retirement pay provision:	31 March 2007	31 December 2006
1 January	461	379
Increase during the year	37	102
Amounts paid	-	(20)
Period End	498	461

23. PROVISIONS (Cont'd)

Retirement Pay Provision

Under the Turkish Labor Law, the Company and its Turkish subsidiaries and associates are required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and reaches the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of NTL 1.960,69 (2006: NTL 1.857,44) for each period of service at 31 March 2007.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of employees. IFRS require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

The provisions at the respective balance sheet dates have been calculated assuming an annual inflation rate of 5% and a discount rate of 11%, resulting in a real discount rate of approximately 5,71%. (31 December 2006: annual inflation 5% , interest rate 11% and resulting real discount rate 5,71%) . Turnover rate to estimate the probability of retirement is taken as 0%. (2006: 0%)

24. MINORITY SHARE

The Company owns 78,23% of İş Factoring Finansman Hizmetleri A.Ş. Therefore, minority share is calculated from balance sheet and income statement of the subsidiary amounting to NTL 1.5.90 thousand (31 December 2006: NTL 1.603 thousand) and NTL 11 thousand, respectively as of 31 March 2007 (31 December 2006: NTL 3.135 thousand).

25. CAPITAL / TREASURY STOCK

The Company consolidates its subsidiaries with a full consolidation method. The carrying value of the subsidiaries is eliminated with the corresponding share capital amounts in the accompanying consolidated financial statements.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

26. CAPITAL RESERVES

As of 31 March 2007 and 31 December 2006 share capital held is as follows:

CAPITAL

Shareholders	(%)	31 March 2007	(%)	31 December 2006
Türkiye İş Bankası A.Ş.	27,79	27.794	27,79	27.794
Türkiye Sınai Kalkınma Bankası A.Ş.(TSKB)	28,56	28.560	28,56	28.560
Publicly traded	42,30	42.296	42,30	42.296
Cam Pazarlama A.Ş.	0,45	450	0,45	450
Nemtaş Nemrut Liman İşletmeleri A.Ş.	0,90	900	0,90	900
TOTAL	100,00	100.000	100,00	100.000

CAPITAL RESERVES

	31 March 2007	31 December 2006
Increase/(Decrease) in fair value reserve of financial assets	43	46
Shareholders' equity inflation restatement differences	12.581	12.581
Capital	12.581	12.581
Legal reserves	-	-
Extraordinary reserves	-	-
TOTAL	12.624	12.627

27. PROFIT RESERVES

	31 March 2007	31 December 2006
Legal reserves	3.360	3.186
Extraordinary reserves	36.471	12.513
TOTAL	39.831	15.699

The legal reserves consist of the first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

28. RETAINED EARNINGS

	31 March 2007	31 December 2006
Retained earnings	4.907	1.593

29. FOREIGN CURRENCY POSITION

31 March 2007	US$ 000	EUR 000	CHF 000	GBP 000	JPY 000	NTL
Cash and cash equivalents	20.442	33.492	11	9	27	89.819
Finance lease receivables (*)	166.144	155.259	-	-	-	514.707
Factoring receivables	422	634	-	750	-	3.776
Advances given	2.685	8.679	37	116	78.442	20.930
Equipment to be leased	1.024	995	-	-	-	3.242
Financial liabilities	(194.667)	(200.261)	-	-	-	(638.829)
Advances received	(2.947)	(4.177)	-	-	-	(11.746)
Trade payables	(519)	(1.092)	(362)	-	(59.994)	(3.832)
Finance lease payables	(40)	-	-	-	-	(56)
Forward transactions	4.809	4.928	-	-	-	15.695
Net foreign currency position						(6.294)

(*) This amount is composed of invoiced and uninvoiced finance lease receivables.

31 December 2006	US$ 000	EUR 000	CHF 000	AUD 000	JPY 000	NTL
Cash and cash equivalents	10.240	36.329	11	2	27	81.673
Finance lease receivables (*)	151.660	159.958	-	-	-	509.336
Factoring receivables	431	300	-	-	-	1.162
Advances given	681	1.622	-	-	-	3.961
Equipment to be leased	6.368	2.411	-	-	-	13.415
Financial liabilities	(185.545)	(212.113)	-	-	-	(653.530)
Advances received	(2.806)	(3.093)	-	-	-	(9.671)
Trade payables	(958)	(2.499)	(360)	-	(65.405)	(7.161)
Finance lease payables	(65)	-	-	-	-	(91)
Forward transactions	24.637	11.859	-	-	-	56.587
Net foreign currency position						(4.319)

(*) This amount is composed of invoiced and uninvoiced finance lease receivables.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

30. GOVERNMENT GRANTS AND INCENTIVES

None.

31. COMMITMENTS AND CONTINGENCIES

As of 31 March 2007, letter of guarantees amounting to NTL 1.501 thousand (31 December 2006: NTL 1.586 thousand) are given to customs, authorities and banks.

As of 31 March 2007, the total risk of court cases opened and currently pending against the Group amounts to approximately NTL 359 thousand (31 December 2006: NTL 256 thousand). The Company provided a provision amounting to NTL 41 thousand (31 December 2006: NTL 41 thousand). Besides, since the Group's subsidiary İş Factoring Finansman Hizmetleri A.Ş. has lost court cases as aforementioned before, provision amounting to NTL 12.289 thousand has been booked in the accompanying financial statements.

Forward contracts:

	31 March 2007		31 December 2006	
	Currency Amount	NTL	Currency Amount	NTL
Purchases:				
US$	5.000.000	6.901	25.000.000	35.140
EURO	5.000.000	9.192	12.000.000	22.218
		16.093		57.358
Sales:				
YTL	17.635.000	17.635	58.911.446	58.911
		17.635		58.911

	31 March 2007	31 December 2006
Maturity Analysis:		
Short-term	16.093	57.358
Long-term	-	-
	16.093	57.358
Maturity Analysis		
Short-term	17.635	58.911
Long-term	-	-
	17.635	58.911

The Group has cross currency swap amounting to EURO 20.000.000 having maturities of 09.10.2008 and 16.10.2008. The Group earns an interest of Libor per annum for the receivable amounting to EURO 20.000.000 and pays an compound interest of 19,90% -20,45% for the payable amounting to NTL 37.700 thousand per annum.

32. MERGERS AND ACQUISITIONS

During the current period, the Group does not have any merger and acquisition activities.

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

33. SEGMENTAL INFORMATION

As of 31 March 2007,

	Leasing	Factoring	Consolidation eliminations	Consolidated
Total assets	885.026	28.009	(16.607)	896.428
Total liabilities	706.783	20.705	-	727.490
Net profit	10.029	(52)	11	9.988

As of 31 December 2006,

	Leasing	Factoring	Consolidation eliminations	Consolidated
Total assets	892.844	37.529	(16.607)	913.766
Total liabilities	724.630	30.168	-	754.798
Net profit	38.707	(14.396)	3.135	27.446

Income Statement as of 31 March 2007

	Leasing	Factoring	Eliminations	Consolidated
OPERATING INCOME	17.668	1.421	-	19.089
Operating expenses (-)	(3.132)	(523)	-	(3.655)
NET OPERATING PROFIT / (LOSS)	14.536	898	-	15.434
Other income and profit	967	11	-	978
Other expenses and losses (-)	(1.662)	(580)	-	(2.242)
Finance income/expenses (-) (net)	(3.812)	(253)	-	(4.065)
OPERATING PROFIT / (LOSS)	10.029	76	-	10.105
Minority interest	-	-	11	11
PROFIT/(LOSS)BEFORE TAXATION	10.029	76	11	10.116
Taxation	-	(128)	-	(128)
NET PROFIT / (LOSS)	10.029	(52)	11	9.988

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

33. SEGMENTAL INFORMATION (Cont'd)

Income Statement as of 31 March 2006

	Leasing	Factoring	Eliminations	Consolidated
OPERATING INCOME	25.108	667	-	25.775
Operating expenses (-)	(2.367)	(428)	-	(2.795)
NET OPERATING PROFIT / (LOSS)	22.741	239	-	22.980
Other income and profit	489	7	-	496
Other expenses and losses (-)	(1.651)	16	-	(1.635)
Finance income/expenses (-) (net)	(11.736)	51	-	(11.685)
OPERATING PROFIT / (LOSS)	9.843	313	-	10.156
Minority interest	-	-	(48)	(48)
PROFIT/(LOSS)BEFORE TAXATION	9.843	313	(48)	10.108
Taxation	-	(93)	-	(93)
NET PROFIT / (LOSS)	9.843	220	(48)	10.015

34. SUBSEQUENT EVENTS

Capital increase decision of the Company from 100.000.000 NTL to 139.500.000 NTL was taken by Board of Directors. The Company made necessary applications to Capital Market Board for capital increase and the legal procedures are still going on.

35. DISCONTINUED OPERATIONS

None.

36. OPERATING INCOME (NET)

Finance lease income	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Interest Income	24.210	20.224
Foreign exchange gains / (losses)	(6.542)	4.884
Factoring income	1.421	667
	19.089	25.775

(Amounts are expressed in thousand of New Turkish Lira ("NTL") unless otherwise indicated.)

37. OPERATING EXPENSES

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Personnel expenses	(2.181)	(1.710)
Depreciation expense	(110)	(178)
Office rent expenses	(217)	(201)
Other operating expenses	(1.147)	(706)
	(3.655)	(2.795)

38. OTHER INCOME / EXPENSE AND PROFIT / LOSSES

Income and Profit from Other Operations

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Commission income	477	495
Other	501	1
	978	496

Expense and Loss from Other Operations

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Allowance for doubtful receivables (*)	(1.692)	(1.443)
Other	(550)	(192)
	(2.242)	(1.635)

(*) The current year charge of NTL 5.351 thousand has been netted off with the collections amounting to NTL 3.659 thousand.

(Amounts are expressed in thousand of New Turkish Lira (“NTL”) unless otherwise indicated.)

39. FINANCE EXPENSE (NET)

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Foreign exchange gains / (losses) (net)	5.491	(5.217)
Interest income	1.483	1.822
Interest expense	(11.039)	(8.290)
	(4.065)	(11.685)

40. NET MONETARY GAIN / (LOSS)

Since the Group did not apply inflation accounting in 2006, there is no monetary gain or loss in the accompanying statement of income.

41. TAXATION

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Provisions for taxes on income		
Current tax provision	131	129
Deferred tax income / (expense)	(3)	(36)
	128	93

Corporation Tax

The Group is subject to the Turkish corporation taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group’s results for the year.

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

The effective tax rate in 2007 is 20%. (2006: 20%)

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate was decreased to 20% for 2006 in the second quarter of 2006. The excess income tax paid of corporate income that was calculated at the rate of 30% during the first quarter will be deducted from tax returns in following periods.

Losses can be carried forward for offset against future taxable income for up to 5 years. Losses cannot be carried back for offset against profits from previous periods.

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

41. TAXATION (Cont'd)

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% starting from 24 April 2003. This rate was changed to 15% with the code numbered 5520 article 15 commencing from 21 June 2006. However until the resolution of Council of Ministers, it has been used as 10%. With the resolution of Council of Ministers, effective from 23 July 2006, income withholding tax rate has been changed to 15%.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 24 April 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 1 January 2006. If companies cannot use investment incentive due to inadequate profit, such outstanding investment incentive can be carried forward to following years as of 31 December 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 Company cannot use the investment incentive carried forward, the effective tax rate will be 20% and the unused investment incentive will be cancelled.

The Company has chosen to use investment incentive for the following years, thus the effective tax rate of the Company is 30%. On the other hand, the Company's subsidiary İş Factoring A.Ş. does not have investment incentive to be used for the following years, thus the effective tax rate has been determined as 20%.

Inflation adjusted tax calculation:

In 2003 and the previous years, profit for the period on which taxation was being calculated, used to be uninflated balances except for the effect of the annual revaluation of the fixed assets and the depreciation calculated thereon. The Law 5024 published in the Official Gazette of 30 December 2003 numbered 25332 requires the application of inflation accounting in 2004 and the following periods provided that the inflation rate reaches the limits set out by the Law. The Turkish Tax Law is similar to IAS 29. As the conditions outlined in the Turkish Tax Law occurred the Company adjusted its financial statements according to the regulations and calculated current period tax base over these financial statements as of 31 December 2004. These financial statements constituted the opening balances for 2005. In accordance with the Law 5024, such threshold has not been met in 2005, thus the Group did not apply inflation accounting for the periods then ended.

42. EARNINGS PER SHARE

The weighted average number of shares of the Group and earnings per share are as follows:

	01.01.2007 - 31.03.2007	01.01.2006 - 31.03.2006
Number of outstanding shares	10.000.000.000	10.000.000.000
Net period profit (thousand NTL)	9.988	10.015
Earning per share (NTL)	0,10	0,10

43. OTHER ISSUES

None.