

Textiles

BOSSA

Bossa, established in 1951, is one of Turkey's largest vertically integrated textile manufacturers with five production plants located on an area of 1.3 million square meters.

Bossa features a diverse range of fabrics for formal and smart casual wear, denims, sportswear and shirting, with a production capacity of 60 million meters for weaving and 70 million meters of dyeing and finishing.

Bossa, having achieved the ISO 9001 Quality Assurance Certificate, continuously utilizes total quality applications to remain a world-class manufacturer and is able to cope with the fierce competition resulting from changing consumer trends and expectations. In 2005, a new project was initiated under Sabancı Holding Business Excellence Program where quality and excellence will not only be production targets but will be widespread, well understood and applied concepts in each and every process throughout the Company.

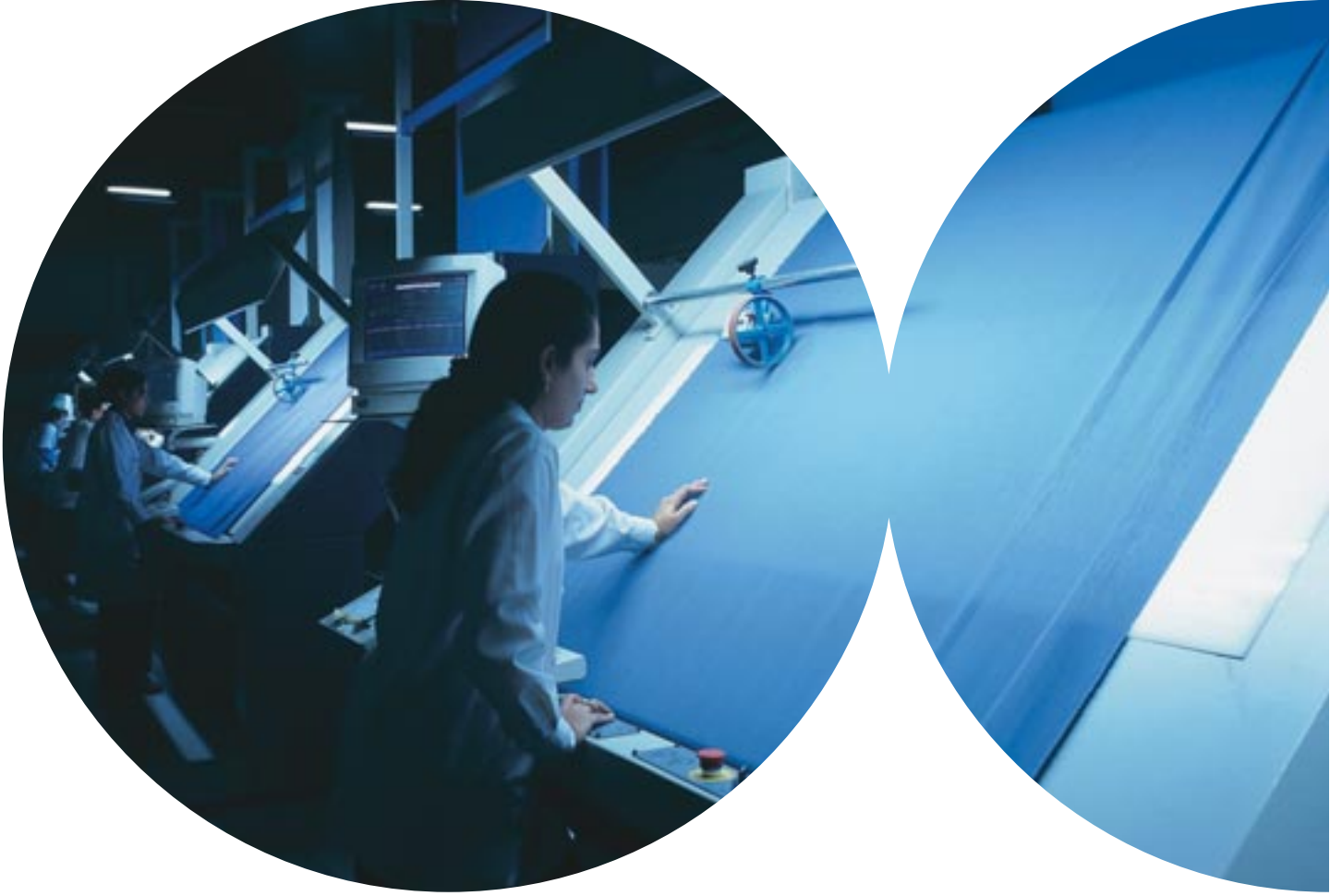
In 2005, Bossa's total production reached 43 million meters of denim and sportswear, formal and smart casual wear and shirting. Total sales were US\$ 165 million; exports accounted

for 60% of total sales. In 2005, investments for modernization, capacity increases and quality improvements were approximately US\$ 39 million.

In 2006, Bossa will continue to strive for excellence. Effective marketing and selling strategies will remain of utmost importance. As a result of cost saving activities and conversion of production plants to natural gas, overhead costs are expected to be lower than previous years.

The Company is also planning to overcome elevated and intense competitive threats coming from the Far East that began to be felt at the beginning of 2005 as a result of the removal of quotas on Chinese goods. Leveraging its favorable logistical proximity to Europe, targeting the middle and upper-end of the textile market based on its customer profile and producing the right product at the right time and the right price will help Bossa win over the competition.

Bossa's shares are listed on the Istanbul Stock Exchange with a free float of 25%.



YÜNSA

Established in 1973, Yünsa is Turkey's largest worsted wool fabric producer/exporter and ranks among the world's top ten producers of worsted fabric. Its principal export markets include the European Union, North America and Far Eastern countries.

Yünsa, with proven success in the manufacturing of fabrics for men's and women's apparel, has now added two new divisions to its product line: fabrics for men's and women's trousers and upholstery fabrics. The majority of the production is 100% wool fabric; in 2005, the production of worsted yarn increased by 28.7% to reach 2,345 tons while total fabric production was 10,065 km, an increase of 14.6% compared to 2004.

In 2005, Yünsa increased its revenue by 5.2% over figures for the previous year. Total sales were US\$ 84 million in 2005, of which export sales amounted to US\$ 59 million.

While Yünsa has adopted ISO 9001 Quality Standards, the Hohenstein Institute in Germany has licensed the operation with the Eko-Tex 100, certifying that Yünsa's products are not hazardous to the environment or health.

Yünsa's shares are listed on the Istanbul Stock Exchange with a free float of 17.6%.