

HACI ÖMER SABANCI HOLDİNG A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AT 30 SEPTEMBER 2006 (UNAUDITED)**

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 SEPTEMBER 2006

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HACI ÖMER SABANCI HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Notes	(Not Reviewed) 30 September 2006	(Restated) 31 December 2005
ASSETS			
Current assets		44.583.736	40.707.898
Cash and cash equivalents	4	3.464.033	4.255.300
Marketable securities (net)	5	6.990.957	6.536.860
Financial assets (net)			
- Available for sale	16.a	7.088.764	7.126.968
- Held-to-maturity	16.b	15.677	536.811
Derivative financial instruments	44	13.914	12.128
Reserve deposits with the Central Bank of the Republic of Turkey		3.443.010	3.927.451
Loans and advances to customers	45	19.747.450	15.608.156
Trade receivables (net)	7	1.390.828	1.292.252
Lease receivables (net)	8	49.507	122.576
Due from related parties (net)	9	20.641	19.615
Other receivables (net)	10	1.143.905	322.274
Biological assets (net)	11	-	-
Inventories (net)	12	1.167.272	900.504
Receivables from construction contracts work in progress (net)	13	-	-
Deferred income tax assets	14	-	-
Other current assets	15	47.778	47.003
Non-current assets		22.522.489	21.134.502
Loans and advances to customers	45	9.076.524	6.288.896
Trade receivables (net)	7	369.405	234.407
Lease receivables (net)	8	408.229	136.869
Due from related parties (net)	9	-	-
Other receivables (net)	10	50.682	47.564
Financial assets (net)			
- Available for sale	16.a	7.553.939	8.684.677
- Held-to-maturity	16.b	-	244.525
- Investments	16.c	171.996	114.965
Goodwill / negative goodwill (net)	17	279.325	299.618
Investment properties (net)	18	285.006	290.965
Property, plant and equipment (net)	19	3.904.398	4.229.444
Intangible assets (net)	20	254.839	199.265
Deferred income tax assets	14	168.146	363.307
Other non-current assets	15	-	-
Total Assets		67.106.225	61.842.400

These consolidated interim financial statements have been approved by Board of Directors on 1 December 2006 and signed on its behalf by Ahmet C. Dördüncü and Nedim Bozfakioğlu.

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2006 AND 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Notes	(Not Reviewed) 30 September 2006	(Restated) 31 December 2005
LIABILITIES			
Current liabilities		49.632.469	45.791.192
Short-term borrowings (net)	6	5.115.667	5.945.359
Current portion of long-term borrowings (net)	6	552.480	230.329
Banking customer deposits	46	41.272.818	36.778.571
Derivative financial instruments	44	19.408	70.280
Lease payables (net)	8	2.964	8.500
Other financial liabilities (net)	10	-	-
Insurance technical reserves		215.721	157.520
Trade payables (net)	7	768.625	908.348
Due to related parties (net)	9	13.412	8.399
Advances received	21	20.095	29.491
Construction contracts progress billings (net)	13	-	-
Provisions	23	61.095	233.862
Current liabilities	15	208.491	157.035
Deferred income tax liabilities	14	-	-
Other current liabilities (net)	10	1.381.693	1.263.498
Non-current liabilities		5.644.523	4.395.131
Long-term borrowings (net)	6	4.598.592	3.519.917
Banking customer deposits	46	220.346	149.082
Lease payables (net)	8	-	-
Other financial liabilities (net)	10	-	-
Trade payables (net)	7	351.900	209.264
Due to related parties (net)	9	-	-
Advances received	21	-	-
Insurance technical reserves		62.268	81.088
Provisions	23	156.610	142.373
Deferred income tax liabilities	14	185.472	271.401
Government grants	30	-	-
Other payables (net)	10	69.335	22.006
MINORITY INTERESTS	24	5.052.098	4.856.918
- Sabancı family members		2.035.147	1.986.062
- Others		3.016.951	2.870.856
SHAREHOLDERS' EQUITY		6.777.135	6.799.159
Share capital	25	1.800.000	1.800.000
Treasury shares	25	-	-
Capital reserves	26	3.797.040	4.010.259
Share premium		21.670	21.670
Share cancellation gains		-	-
Revaluation fund		11.891	12.455
Fair value reserve of financial assets		(120.442)	92.213
Inflation adjustment to shareholders' equity		3.883.921	3.883.921
Profit reserves	27	641.146	282.114
Legal reserves		92.463	76.136
Statutory reserves		-	-
Extraordinary reserves		747.332	567.538
Special reserves		-	-
Investment and property sales income to be added to the share capital		-	-
Translation reserve		(198.649)	(361.560)
Net income for the period		419.233	689.765
Retained earnings	28	119.716	17.021
Total liabilities and shareholders' equity		67.106.225	61.842.400

Commitments and contingent assets and liabilities

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONSOLIDATED STATEMENT OF INCOME FOR THE NINE-MONTH AND THREE-MONTH PERIODS ENDED 30 SEPTEMBER 2006 AND 2005

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

		(Not Reviewed) 1 January- 30 September 2006	(Not reviewed) 1 July- 30 September 2006	(Not Reviewed) 1 January- 30 September 2005	(Not reviewed) 1 January- 30 September 2005
OPERATING REVENUE	36	12.624.675	4.499.204	10.231.528	3.879.462
Sales (net)	36	7.734.031	2.662.284	6.287.142	2.342.734
Interest Income	36	4.890.644	1.836.920	3.944.386	1.536.728
Cost of Sales (-)		(6.084.455)	(2.070.886)	(4.840.516)	(1.795.898)
Interest Expense		(2.934.232)	(1.192.502)	(1.879.723)	(825.688)
Service Income (net)	36	-	-	-	-
Other Operating Income	36	-	-	-	-
GROSS PROFIT		3.605.988	1.235.816	3.511.289	1.257.876
Operating expenses (-)	37	(1.962.891)	(671.177)	(1.605.493)	(605.348)
OPERATING PROFIT		1.643.097	564.639	1.905.796	652.528
Other income	38	401.190	59.567	188.328	29.523
Other expenses (-)	38	(60.603)	(47.637)	(16.281)	(4.123)
Financial expenses (-)	39	(366.873)	(77.406)	(146.861)	(35.166)
Income from associates	16	105.412	19.166	38.097	19.832
INCOME BEFORE MONETARY LOSS, MINORITY INTEREST AND TAX		1.722.223	518.329	1.969.079	662.594
Monetary gain/ (loss)	40	-	-	-	-
PROFIT/LOSS OF MINORITY INTEREST	24	(813.234)	(275.640)	(771.438)	(239.415)
- Sabancı Family Members		(323.771)	(95.531)	(318.887)	(97.591)
- Others		(489.463)	(180.109)	(452.551)	(141.824)
INCOME BEFORE TAX		908.989	242.689	1.197.641	423.179
Taxation on income	41	(489.756)	(142.656)	(573.189)	(200.029)
NET INCOME FOR THE PERIOD		419.233	100.033	624.452	223.150
Earnings per share					
- usufruct shares (YTL)	42	-	-	198.239	70.841
- thousands of ordinary shares (YTL)	42	2.26	0.54	4.89	1.75

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006 AND 2005

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

	Share Capital	Share premium in excess of par value	Revaluation reserve	Fair value reserve of financial assets	Inflation adjustment to shareholders' equity	Legal reserves	Extraordinary reserves	Translation reserve	Net income for t he period	Retained earnings	Total
Balances at 31 December 2004											
- as previously reported	1.200.000	21.670	-	2.583	4.065.395	54.110	255.893	(307.744)	724.132	173.678	6.189.717
Accounting policy change (Note 2.3)	-	-	-	21.584	-	-	-	-	-	-	21.584
Balances at 1 January 2005											
- as restated	1.200.000	21.670	-	24.167	4.065.395	54.110	255.893	(307.744)	724.132	173.678	6.211.301
Effect of application of IFRS 3 (Note 2.3)	-	-	-	-	-	-	-	-	-	14.595	14.595
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	-	-	(14.501)	(14.501)
Dividends paid	-	-	-	-	-	-	-	-	-	(128.686)	(128.686)
Transfers	-	-	-	-	-	-	-	-	(724.132)	724.132	-
Available for sale investments net fair value gains, net of tax	-	-	-	42.103	-	-	-	-	-	-	42.103
Currency translation differences	-	-	-	-	-	-	-	(33.311)	-	-	(33.311)
Net income for the period	-	-	-	-	-	-	-	-	624.452	-	624.452
Balances at 30 September 2005	1.200.000	21.670	-	66.270	4.065.395	54.110	255.893	(341.055)	624.452	769.218	6.715.953
Balances at 1 January 2006	1.800.000	21.670	12.455	92.213	3.883.921	76.136	567.538	(361.560)	689.765	17.021	6.779.159
Transfers	-	-	-	-	-	16.327	179.794	-	(689.765)	493.644	-
Effect of change in the effective rate of subsidiaries	-	-	-	-	-	-	-	-	-	9.175	9.175
Purchase of usufruct shares (Note 42)	-	-	-	-	-	-	-	-	-	(269.325)	(269.325)
Dividends paid	-	-	-	-	-	-	-	-	-	(132.720)	(132.720)
Transfer from revaluation reserve	-	-	(1.921)	-	-	-	-	-	-	1.921	-
Available for sale investments net fair value losses, net of tax	-	-	-	(212.655)	-	-	-	-	-	-	(212.655)
Currency translation differences	-	-	1.357	-	-	-	-	162.911	-	-	164.268
Net income for the period	-	-	-	-	-	-	-	-	419.233	-	419.233
Balances at 30 September 2006	1.800.000	21.670	11.891	(120.442)	3.883.921	92.463	747.332	(198.649)	419.233	119.716	6.777.135

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

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS

Hacı Ömer Sabancı Holding A.Ş. (the “Holding”) was established in 1967 to coordinate and liaise the activities of companies operating in different fields including mainly finance, manufacturing and trade. The Holding is registered in Turkey and owned by the members of the Sabancı family (Note 25). The address of the registered office is as follows:

Sabancı Center, 4. Levent, Istanbul, Turkey.

Subsidiaries

The nature of the business of the Subsidiaries consolidated in these consolidated interim financial statements and, for the purposes of these consolidated interim financial statements, their respective business segments are as follows:

Subsidiaries	Nature of business	Business segment
Akbank T.A.Ş. (“Akbank”)	Banking	Finance
Sabancı Bank Plc. (“Sabank”)	Banking	Finance
Ak Uluslararası Bankası A.Ş. (“Ak Uluslararası”) (1)	Banking	Finance
Ak Emeklilik A.Ş. (“Ak Emeklilik”)	Pension	Finance
Aksigorta A.Ş. (“Aksigorta”)	Insurance	Finance
Advansa B.V. (“Advansa”)	Chemical	Chemicals
Pilsa Plastik Sanayi ve Ticaret A.Ş. (“Pilsa”)	Plastics	Chemicals
Bossa Ticaret ve Sanayi İşletmeleri A.Ş. (“Bossa”)	Textile	Textile
Yünsa Yünlü Sanayi ve Ticaret A.Ş. (“Yünsa”)	Textile	Textile
Companhia Bahiana de Fibras (“Cobafi”) (2)	Tire and tire reinforcement	Tire and tire reinforcement
Kordsa Global Endüstriyel İplik ve Kord Bezi Sanayi ve Ticaret A.Ş. (“Kordsa Global”) (3)	Tire and tire reinforcement	Tire and tire reinforcement
Temsa Termo Mekanik Sanayi ve Ticaret A.Ş. (“Temsa”)	Automotive	Automotive
Toyota Sabancı Pazarlama ve Satış A.Ş. (“Toyota Pazarlama”)	Automotive	Automotive
Çimsa Çimento Sanayi ve Ticaret A.Ş. (“Çimsa”)	Cement and clinker	Cement
Gıdasa Sabancı Gıda Sanayi ve Ticaret A.Ş. (“Gıdasa”) (4)	Food and beverage	Food
Teknosan İç ve Dış Ticaret A.Ş. (“Teknosan”)	Trade	Retailing
Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. (“Exsa”)	Trade	Other
Exsa UK Ltd. (“Exsa UK”)	Trade	Other
Universal Trading (Jersey) Ltd. (“Universal”)	Trade	Other
Ankara Enternasyonal Otelcilik A.Ş. (“AEO”)	Tourism	Other
Tursa Sabancı Turizm ve Yatırım İşletmeleri A.Ş. (“Tursa”)	Tourism	Other
Enerjisa Enerji Üretim A.Ş. (“Enerjisa”)	Energy	Other
Sapeksa Mensucat ve Toprak Mahsulleri Sanayi ve Ticaret A.Ş. (“Sapeksa”)	Agriculture	Other
Sabancı Telekomünikasyon Hizmetleri A.Ş. (“Sabancı Telekom”)	Telecommunication	Other
Bimsa Uluslararası İş, Bilgi ve Yönetim Sistemleri A.Ş. (“Bimsa”)	Trade of data processing systems	Other

(1) Effective from 9 March 2005, Akbank, a Subsidiary of the Holding, controls the operating and financial activities of Ak Uluslararası (formerly named BNP-AK Dresdner Bank A.Ş.) Accordingly, the results of operations of Ak Uluslararası has been consolidated since 9 March 2005. In prior periods Ak Uluslararası was included as an Associate in the consolidated financial statements and was accounted for by the equity method of accounting (Note 32).

(2) Sabancı Industrial Nylon Yarn, a Subsidiary of the Holding, acquired the 90,32% of shares of Cobafi on 13 May 2005 (Note 32).

(3) Kordsa Global was incorporated as a subsidiary of Sabancı Holding on 9 February 2006, as a result of restructuring in the business segment of tire and tire reinforcement.

(4) The Subsidiary of Sabancı Holding, Marsa Kraft Foods Sabancı Gıda Sanayi ve Ticaret A.Ş. (“Marsa”) was merged on 15 March 2006 with another Subsidiary of the Holding, Gıdasa, through the transfer of Marsa’s total assets and liabilities as of 31 December 2005.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 1 - ORGANIZATION AND NATURE OF OPERATIONS (Continued)

For the purposes of segment information, Sabancı Holding’s stand-alone financial statements have been included within the “Other” business segment (Note 33).

All the Subsidiaries are registered in Turkey except for Sabank, Exsa UK, Universal, Advansa, Cobafi and Sabancı Industrial Nylon Yarn (collectively referred to as the “Foreign Subsidiaries”). Sabank ve Exsa UK are registered in the United Kingdom, Universal, Advansa and Sabancı Industrial Nylon Yarn in the Netherlands and Cobafi in Brazil.

Joint Ventures

The nature of the business of the Joint Ventures proportionally consolidated in these consolidated interim financial statements at 30 September 2006 and, for the purposes of these consolidated interim financial statements, their respective business segments are as follows:

Joint Ventures	Nature of business	Segment	Venturer
Beksa Çelik Kord Sanayi ve Ticaret A.Ş. (“Beksa”) Brisa Bridgestone Sabancı Lastik Sanayi ve Ticaret A.Ş. (“Brisa”)	Tire and tire reinforcement	Tire and tire reinforcement	Bekaert
Akçansa Çimento Sanayi ve Ticaret A.Ş. (“Akçansa”) Oysa Çimento Sanayi ve Ticaret A.Ş. (“Oysa Çimento”)	Tire and tire reinforcement Cement and clinker	Tire and tire reinforcement Cement	Bridgestone Heidelberg
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş. (“Carrefoursa”)	Cement and clinker	Cement	Oyak
Diasa Dia Sabancı Süpermarketleri Ticaret A.Ş. (“Diasa”)	Trade of consumer goods	Retailing	Carrefour
Olmuksa International Paper Sabancı Ambalaj Sanayi ve Ticaret A.Ş. (“Olmuksa”)	Trade of consumer goods	Retailing	Dia S.A.
Dönkasan Dönüşen Kağıt Hammaddeleri Sanayi ve Ticaret A.Ş. (“Dönkasan”)	Corrugated containers	Other	International Paper
	Paper	Other	Olmuksa and Kartonsan

All the Joint Ventures are registered in Turkey.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Accounting standards

Preparation of consolidated interim financial statements

The consolidated interim financial statements of the Company have been prepared in accordance with the accounting and reporting principles issued by the Capital Markets Board (“CMB”), (“CMB Accounting Standards”). The CMB issued a comprehensive set of accounting principles in Communiqué No: XI-25 “The Accounting Standards in the Capital Markets” (the “Communiqué”). In the aforementioned communiqué, it has been stated that applying the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) is accepted as an alternative to conform to the CMB Accounting Standards. However, the Communiqué is effective for financial statements covering the first interim period after 10 January 2005. The CMB also issued the Communiqué No: XI-27 “Changes in the Accounting Standards in the Capital Markets” stating that applying International Financial Reporting Standards is in line with the requirements stated in the Communiqué.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, for companies operating in Turkey and preparing their financial statements in accordance with CMB Accounting Standards the application of inflation accounting is no longer required. Accordingly, the Holding did not apply IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB in its financial statements for the accounting periods starting 1 January 2005. These financial statements and the related notes have been presented in accordance with the formats required by the CMB.

Sabancı Holding and its Subsidiaries and Joint Ventures registered in Turkey maintain their books of account and prepare their statutory financial statements (“Statutory Financial Statements”) in YTL in accordance with the Turkish Commercial Code (“TCC”), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance, applicable Turkish insurance laws for insurance companies and banking law, accounting principles promulgated by the Banking Regulation and Supervising Agency for banks and accounting principles issued by the CMB for listed companies. The foreign Subsidiaries and Joint Ventures maintain their books of account in accordance with the laws and regulations in force in the countries in which they are registered. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the CMB Accounting Standards.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Basis of consolidation

- a) The consolidated interim financial statements include the accounts of the parent company, Hacı Ömer Sabancı Holding A.Ş., its Subsidiaries and Joint Ventures (collectively referred to as the “Group”) on the basis set out in sections (b) to (f) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated interim financial statements, and are prepared in accordance with CMB Accounting Standards as explained in Note 2.1. The result of operations of Subsidiaries, Joint Ventures and Associated companies are included or excluded in these consolidated interim financial statements subsequent to the date of acquisition or date of sale respectively.
- b) Subsidiaries are companies in which the Holding has the power to control the financial and operating policies for the benefit of the Holding, either (a) through the power to exercise more than 50% voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself and/or certain Sabancı family members and companies whereby the Holding exercises control over the voting rights of the shares held by them, or (b) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies.

The table below sets out all consolidated Subsidiaries and shows the proportion of ownership interest and effective interest of the Holding in these subsidiaries at 30 September 2006.

Subsidiaries	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Ownership interest shares held by Sabancı family members %	Proportion of ownership interest %	Proportion of effective interest %
Advansa	100,00	-	100,00	99,93
AEO	70,29	-	70,29	70,29
Akbank	43,61	23,55	67,16	39,46
Ak Emeklilik	99,41	-	99,41	61,61
Aksigorta	61,98	-	61,98	61,98
Bossa	50,12	23,14	73,26	50,12
Bimsa	100,00	-	100,00	90,10
Çimsa	50,80	2,06	52,86	49,82
Enerjisa	94,88	-	94,88	90,49
Exsa	45,70	54,30	100,00	27,71
Exsa UK	100,00	-	100,00	99,06
Gıdasa	99,68	-	99,68	99,67
Pilsa	51,23	48,77	100,00	51,23
Kordsa Global	100,00	-	100,00	100,00
Sabank	100,00	-	100,00	58,12
Sapeksa	52,84	44,87	97,71	34,84
Sabancı Telekom	100,00	-	100,00	100,00
Teknosa	51,92	48,08	100,00	51,91
Temsa	48,70	51,29	99,99	47,65
Toyota Pazarlama	65,00	-	65,00	65,00
Tursa	99,51	-	99,51	98,46
Universal	100,00	-	100,00	92,77
Yünsa	59,37	14,74	74,11	54,13

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

The balance sheets and statements of income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Holding and its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between the Holding and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Holding in its Subsidiaries are eliminated from shareholders' equity and income for the period, respectively.

Financial statements of subsidiaries, whose financial position at 30 September 2006 and result of operations for the period ended 30 September 2006 are insignificant to the overall consolidated interim financial statements, are not consolidated on the grounds of materiality. Such subsidiaries are classified as available for sale equity securities in these consolidated interim financial statements (Note 16.a).

- c) Joint Ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Holding and one or more other parties. The Group's interest in Joint Ventures is accounted for by way of proportionate consolidation. By this method, the Group includes its share of the assets, liabilities, income and expenses of each Joint Venture in the relevant components of the financial statements.

The table below sets out the Joint Ventures and shows the proportion of ownership interest and effective interest of the Holding in these Joint Ventures at 30 September 2006:

Joint Ventures	Direct and indirect ownership interest by the Holding and its Subsidiaries %	Proportion of effective interest %
Akçansa	39,72	36,88
Beksa	49,99	49,99
Brisa	43,63	43,63
Carrefoursa	38,78	38,78
Diasa	40,00	40,00
Dönkasan	33,13	33,12
Olmuksa	43,73	43,73
Oysa Çimento	41,09	20,47

Sabancı family members do not have any interest in the share capital of Joint Ventures.

- d) Investments in associates are accounted for by the equity method of accounting. These are entities over which the Holding generally has between 20% and 50% of voting rights, or over which the Holding has significant influence, but which it does not control. Unrealised gains that result from intercompany transactions between the Holding and its associates are eliminated on consolidation, whereas unrealised losses are eliminated unless they do not address any impairment. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Holding has incurred obligations or guaranteed obligations in respect of the associates. Such associates are accounted at fair value if the fair value can be determined objectively; otherwise, they are accounted at cost (Note 16.c and Note 2.e).

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Associates whose financial position at 30 September 2006 and result of operations for the period ended 30 September 2006 are insignificant to the overall consolidated financial statements are not accounted for by the equity method of accounting. Such Associates are classified as available for sale equity securities (Note 16.a).

The table below sets out all Associates and shows the total interest of the Holding in these associates at 30 September 2006:

<u>Associates</u>	Direct and indirect ownership interest by the Holding %
Philsa Philip Morris Sabancı Sigara ve Tütün San. ve Tic. A.Ş. (“Philsa”)	25,00
Philip Morris Sabancı Pazarlama Satış A.Ş. (“Philip Morrissa”)	24,75

Sabancı family members do not have any interest in the share capital of associates.

- e) Other investments in which the Holding and its Subsidiaries, have interest below 20%, or over which the Holding does not exercise a significant influence, or which are immaterial, are classified as available for sale. Available for sale investments that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value. Available for sale investments that have a quoted market price in active markets and whose fair values can be measured reliably are carried at fair value (Note 16.a and 16.c).
- f) The results of Subsidiaries are included or excluded from consolidation regarding to their effective dates of acquisition and disposal, respectively.

The portion of the profit or loss and net assets of subsidiaries attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parents, is presented as minority interest.

Certain Sabancı family members, Vaksa Hacı Ömer Sabancı Vakfı (the “Vaksa”), a charitable foundation established by Sabancı family members, and Akbank Tekait Sandığı, a retirement foundation for Akbank employees, have interests in the share capital of certain Subsidiaries and Associates. In these consolidated interim financial statements their interests are treated as outside interests and are not included in the Holding’s net assets and profits attributable to shareholders of the Holding.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Comparatives and restatement of prior years’ financial statements

Adjustments after initial accounting provisionally determined in accordance with IFRS 3

The goodwill arising from the acquisition of Gima Gıda ve İhtiyaç Maddeleri T.A.Ş. (“Gima”) by Carrefoursa, a Joint Venture of the Holding, has been adjusted as a result of the completion of the provisional accounting in accordance with IFRS 3 “Business Combinations” and the amounts and the explanations of the adjustments to the provisional values recognised during the current period is disclosed in the notes to consolidated interim financial statements (Note 17).

Çimsa, a Subsidiary of the Holding, had initially accounted the acquisition of Standart Çimento - Eskişehir and Lalahan plants from the Savings Deposit Insurance Fund on 26 December 2005 in accordance with provisional accounting basis and as result of completion of provisional accounting, has adjusted the amount of goodwill, inventories and deferred income tax liability in accordance with IFRS 3 (Note 17).

Restatement of IAS 39 “Financial Instruments” and IFRS 3 “Business Combinations”

As explained in Note 3, at 1 January 2005 the Group has derecognised the negative goodwill included in the consolidated financial statements at 31 December 2004 related to the acquisitions before 31 March 2004 in the amount of YTL 14.595 with a corresponding adjustment to the opening balance of retained earnings.

The Group has reclassified the securities under loans and advances to customers as trading financial assets in accordance with the revised IAS 39 “Financial Instruments” which is effective from 31 December 2004. The effect of this reclassification is as follows:

	1 January 2005
- Increase in available-for-sale investment securities	9.327.271
- Increase in held-to-maturity investment securities	467.769
- Decrease in loans and advances to customers	9.713.400
- Increase in deferred tax liability	26.941
- Increase in financial assets fair value reserve	21.584
- Increase in minority interest	33.115

2.4 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 recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.5 Convenience translation into English of consolidated interim financial statements originally issued in Turkish

As of 30 September 2006, the accounting principles described in Note 2.1 (defined as CMB Accounting Standards) differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting, presentation of the financial statements and the notes to them. Accordingly, the accompanying consolidated interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES

Where necessary, accounting policies for Subsidiaries and Joint Ventures have been changed to ensure consistency with the policies adopted by the Group. The significant accounting policies other than Group accounting which is described in Note 2, followed in the preparation of the accompanying consolidated interim financial statements are summarised below:

Revenue recognition

Banking

Interest income and expense are recognised in the income statement for all interest-bearing instruments on an accrual basis using the effective yield method based on the actual purchase price until, in management’s estimates and judgment, collection becomes doubtful. Interest income includes coupons earned on fixed income securities and accrued discount on treasury bills.

Commission income and fees for various banking services are recorded as income at the time they affect the transactions to which they relate.

Insurance

Life:

Premium income represents premiums accrued on policies issued, adjusted by the reserve for unearned premiums for annual life policies, during the period.

Non-Life:

Premium income represents premiums on policies written during the period, net of cancellations, as adjusted by the reserve for unearned premiums.

Other segments

Revenues are recognised on an accrual basis at the time deliveries or acceptances are made, the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income on a time proportion basis that takes into account the effective yield on the asset.

Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventory are materials, labour and an appropriate amount of factory overheads. Unit cost of inventories is determined on the weighted average basis (Note 12). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation in the consolidated interim financial statements (Note 19). Depreciation is provided on property, plant and equipment on a straight-line basis. The depreciation periods for property, plant and equipment, which approximate the economic useful lives of such assets, are as follows:

	<u>Years</u>
Buildings	20-50
Land improvements	20-50
Machinery and equipment	4-20
Motor vehicles	4-10
Furniture and fixtures	4-10

Gains or losses on disposals of property, plant and equipment is determined with respect to the difference between collections received and carrying amounts of property, plant and equipment and are included in the related income and expense accounts, as appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset plus residual value of the related assets.

Subsequent costs to property plant and equipment are included in the asset’s carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statements during the financial period to which they are incurred.

Borrowing costs are expensed when incurred.

Investment property

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business are classified as investment property and carried at cost less accumulated depreciation (except land) under the cost method less impairment charges, if any (Note 18). The cost of a self-constructed investment property is its cost at the date when the construction or development is complete. Until that date, the Group applies IAS 16 “Property, Plant and Equipment”. At that date, the property becomes investment property and thus it is transferred to investment property.

Intangible assets

Intangible assets consist of rights, computer software, development costs, purchased technology, mining rights and other identifiable rights. Intangible assets are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period not exceeding 10 years (Note 20). The amortisation of mining rights commences when the extraction begins.

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowings are recognised initially at the proceeds received, net of deferred transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Investment securities

In accordance with IAS 39, in the banking segment, the Group classifies its investments in debt and equity securities in the three following categories; held-to-maturity, available-for-sale assets and assets at fair value through profit or loss. Debt securities with fixed maturities, where management has both the intent and the ability to hold to the maturity are classified as “held-to-maturity financial assets”. Investment securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the interest rates, exchange rates or equity prices, or client’s servicing activity are classified as “available-for-sale financial assets”. The appropriate classification of investments is determined at the time of the purchase and re-evaluated by management on a regular basis.

All investment securities are initially recognised at cost. Transaction costs are included in the initial measurement of debt securities. Available-for-sale debt and equity investment securities are subsequently re-measured at fair value based on quoted bid prices, prices quoted by the Central Bank of the republic of Turkey in the Official Gazette or amounts derived from cash flow models.

Investments in equity instruments which do not have a quoted market price in an active market and for which other methods of making a reasonable estimate of fair value are clearly inappropriate or unworkable are carried at cost less any impairment.

Other investments in which the Holding has interest below 20% that do not have a quoted market price in active markets and whose fair value cannot be measured reliably are carried at cost less any provision for diminution in value.

Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are deferred in the equity until the financial asset is sold, collected or otherwise disposed of. Unrealised gains and losses arising from changes in the fair value of available for sale debt securities are the difference between the fair value of such securities and their amortised cost at the balance sheet date. When available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the income statement.

Held to maturity investments are carried at amortised cost using the effective yield method, less any provision for impairment.

The Group has reclassified its trading securities as financial assets at fair value through profit or loss in accordance with the revised IAS 39 which is effective from 1 January 2005 (Note 16.a).

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Financial assets at fair value through profit or loss are securities, which were either acquired for generating a profit from short-term fluctuations in price or dealer’s margin, or included in a portfolio in which a pattern of short-term profit making exists. Financial assets at fair value through profit or loss are initially recognised at cost and subsequently re-measured at fair value based on quoted bid prices. All related realised and unrealised gains and losses are included in the income statement.

All purchases and sales of financial assets at fair value through profit or loss that require delivery within the time frame established by regulation or market convention (“regular way” purchases and sales) are recognised at trade date, which is the date that the banks commit to purchase or sell the assets. Otherwise, such transactions are treated as derivatives until settlement occurs.

Financial instruments and financial risk management

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by individual Subsidiaries and Joint Ventures under policies, which are approved by their Board of Directors.

Foreign exchange risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency assets and liabilities to local currency. These risks are monitored by management and limited by analysis of the foreign currency position through obtaining positions within the approved limits (Note 29).

In the banking segment, the difference between the assets and liabilities both denominated in foreign currency is defined as the “Net Foreign Currency (“FC”) position” and is the exposure to foreign currency risk. Another dimension of the foreign exchange risk is the change in the value of the foreign currencies themselves within the net FC position (cross rate risk). The Bank keeps the amount exposed to foreign exchange risk within the limits determined by the Risk Management Committee. The Risk Management Committee monitors the general economic conditions and developments in the markets and sets new limits when necessary. These limits are set and monitored separately for the net FC position and for the cross rate risk. When necessary swap and forward contracts are used as a tool to hedge the foreign exchange risk.

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. These exposures are managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities.

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

A major objective of the Bank’s asset and liability management is to ensure that sufficient liquidity is available to meet the Bank’s commitments to customers and to satisfy the Bank’s own liquidity needs. The ability to fund the existing and prospective debt requirements is managed by maintaining sufficient cash and marketable securities.

In spite of a substantial portion of deposits from individuals being short-term, diversification of these deposits by number and type of depositors together with the past experience of the Bank indicate that these deposits will provide a long-term and stable source of funding for the Bank.

Funding risk

The ability to fund the existing and prospective debt requirements is managed by maintaining the availability of adequate committed funding lines from high quality lenders.

Credit risk

Ownership of financial assets involves the risk that counterparties may be unable to meet the terms of their agreements. These risks are monitored by credit ratings and limiting the aggregate risk to any individual counterparty. The credit risk is generally highly diversified due to the large number of entities comprising the customer bases and their dispersion across many different industries.

Fair value of financial instruments

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Holding and its Subsidiaries and Joint Ventures using available market information and appropriate valuation methodologies. However, judgement is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Holding and its Subsidiaries and Joint Ventures could realise in a current market exchange.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

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NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

The following methods and assumptions were used to estimate the fair value of the financial instruments for which it is practicable to estimate fair value:

Financial assets

The fair value of the foreign currency denominated amounts, which are translated by using the exchange rates prevailing at period-end, is considered to approximate their fair value.

The fair values of certain financial assets carried at cost including cash and due from banks, deposits with banks and other financial assets are considered to approximate their respective carrying values due to their short-term nature.

The fair value of investment securities has been estimated based on market prices at balance sheet dates.

The carrying value of loans and advances to customers, along with the related allowances for uncollectibility, is considered to approximate their fair value.

The trade receivables are carried at amortised cost using the effective yield method, and hence are considered to approximate their fair values.

Financial liabilities

The fair value of customer deposits, short-term funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature.

Long-term borrowings, which are principally at variable rates and denominated in foreign currencies, are translated at period-end exchange rates and accordingly their carrying amounts approximate their fair values.

Trade payables are stated at their fair values.

Derivative financial instruments

The fair value of forward foreign exchange contracts and currency / interest rate swaps is estimated based on quoted market rates prevailing at the balance sheet date.

Earnings per share

Earnings per share for each class of shares disclosed in these consolidated interim statements of income is determined by dividing the net income after translation adjustment attributable to that class of shares by the weighted average number of shares of that class that have been outstanding during the period concerned. As disclosed in Note 42 earnings per share are calculated in accordance with IAS 33 “Earning per Share”.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

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NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Provisions, contingent assets and liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in financial tables and treated as contingent assets or liabilities

Leasing Transactions

1) The Group as a lessee

Finance leases

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in leasing payables.

The interest element of the finance cost is charged to the income statement over the lease period.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(2) The Group as a lessor

Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return.

Operating leases

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised on a straight-line basis over the lease term.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

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NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Related parties

For the purpose of the consolidated interim financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by or affiliated with them, Associates and Joint Ventures are considered and referred to as related parties. On consolidation, most of the related party activity is eliminated and the remainder is not material to the overall consolidated financial statements.

Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

A reportable segment is a business segment or a geographical segment identified based on the foregoing definitions for which segment information is required to be disclosed. A business segment or geographical segment should be identified as a reportable segment if a majority of its revenue is earned from sales to external customers and its revenue from sales to external customers and from transactions with other segments is 10% or more of the total revenue, external and internal, of all segments; or its segment result, whether profit or loss, is 10% or more of the combined result of all segments in profit or the combined result of all segments in loss, whichever is the greater in absolute amount; or its assets are 10% or more of the total assets of all segments.

The Group has selected business segments as the Group’s primary segment reporting format based on the risks and returns on products produced and services rendered reflecting the primary source of the enterprise’s risks and returns. Geographical segments have not been disclosed in these consolidated interim financial statements as the secondary segment reporting format on the grounds of materiality as the operations of the Group in geographical areas other than Turkey are not reportable geographical segments individually when compared with the overall consolidated interim financial statements.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

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NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Deferred income taxes

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to measure deferred income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised (Note 14 and 41).

Employee benefits

Defined benefit plans

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee and his/her dependants will receive on retirement, usually dependant on one or more factors such as age, years of service and compensation.

Akbank T.A.Ş. Tekait Sandığı Vakfı (the “Fund”) is a separate legal entity and a foundation recognised by an official decree, providing all qualified bank employees with pension and post retirement benefits. The Fund is a defined benefit plan under which the bank pays fixed contributions, and is obliged to pay amounts other than the fixed contribution to the Fund through constructively paying additional amounts or through contractual benefits that are not solely linked to the fixed contributions.

Temporary article 23 of the Banking Law No.5387 (new law) promulgated in the Turkish Grand National Assembly on 2 July 2005 includes the provision that requires bank pension funds to be transferred to the Social Security Institution within 3 years following the publication of the new law. In accordance with the new law, liability calculations should be made taking into account the pensions income and expenses of the fund by a commission including representatives from various institutions based on the transfer for each fund. The specified liability will be paid in annual equal instalments for a period not exceeding 15 years. On the other hand, some articles of the new law including the temporary 23rd article have been vetoed by the president and have been sent back to the parliament for review.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

The relevant article lays down the calculation method of the technical interest rate to be used in the actuarial calculation and the general framework related to the transfer operations; other procedures and parameters which will form the basis of the liability calculation will be created following the commencement of the commission.

The Bank management, as of 30 September 2006, envision that the liability amount to be calculated according to the specifications in the relevant article of the new law and the current actuarial balance sheet results of the pension fund will be commensurate with the assets of the pension fund and will not bring any further burden for the Bank.

The liability to be recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The Bank does not have the legal rights to access to the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, and therefore, no assets are recognised in the balance sheet in respect of defined benefit pension plans.

The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using expected real interest rates for New Turkish lira.

Employment termination benefits

Provision for employment termination benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees, completion of one year of service of the employees, employees’ being calling up for military service or death of the employees calculated in accordance with the Turkish Labour Law (Note 23.b).

Sale and repurchase agreements

In the banking segment, securities sold subject to linked repurchase agreements (“repos”) are retained in the financial statements as trading, available-for-sale or held to maturity financial assets and measured in accordance with the policies used in the measuring the relevant class. The counter party liability is included in customer deposits and the difference between sale and repurchase price is treated as interest and accrued over the life of the repo agreement using the effective yield method.

Securities purchased under agreements to resell (“reverse repos”) are recorded as loan to banks. The difference between sale and repurchase price is treated as interest and accrued over the life of the reverse repo agreement using the effective yield method.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Loans and advances to customers and provisions for loan impairment

Loans originated by providing money directly to the borrower or to a sub-participation agent at draw down are categorised as loans originated and are carried at amortised cost using the effective yield method. Costs incurring due to obtaining guarantees for originated loans are not considered as transaction costs and charged to the income statement. Loans originated by providing money directly to banks such as time or demand deposits are classified as due from banks.

A credit risk provision for loan impairment is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and recoverable amount, being the present value of expected cash flows, including the amount recoverable from guarantees and collateral, discounted based on the interest rate at inception.

The provision made during the period is charged against the profit for the period. Loans that can not be recovered are written off and charged against the allowance for loan losses. Such loans are written off after all the necessary legal proceedings have been completed and the amount of the loan loss is finally determined. Recoveries of amounts previously provided for are treated as a reduction from provision for loan losses for the period.

Deferred financing charges

Deferred financing charges (primarily comprising legal and other costs incurred in relation to obtaining long-term bank borrowings from financial institutions) are amortised, using the effective interest method, over the remaining life of the long-term bank borrowings.

Business combinations

In accordance with IFRS 3 “Business Combinations” all business combinations are accounted for by applying the purchase method. If the acquisition cost is higher than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as goodwill. Prior to the acquisition, the fair value differences of the net assets are accounted as fair value reserve in equity. Goodwill recognised in a business combination is not amortised, instead tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The Group performs an impairment test of goodwill at year-ends.

If the acquisition cost is lower than the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is accounted for as income in the related period (Note 32).

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NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Insurance technical reserves

Unearned premiums reserve

Unearned premiums are those proportions of the premiums written in a year that relate to the period of risk subsequent to the balance sheet date for all policies with more than one year of maturity.

Claim provisions

Claims are recorded in the period in which they occur, based on reported claims or on the basis of estimates when not reported. The provision for claims outstanding is the total estimated ultimate cost of settling all claims arising from events, which have occurred up to the end of the accounting period. Full provision is made for outstanding claims, including claim settlements, reported at the end of the period according to the insurance expert’s report, or according to the initial estimations of the insured and the expert.

Life assurance provision

The Subsidiaries dealing in life assurance are required to establish benefit reserves, which in the aggregate must be sufficient to provide for future guaranteed benefits as they become due. The life assurance provision is based on the level of premiums, as adjusted by commission, and administrative expenses and risk premiums that are computed on the basis of actuarial mortality assumptions, as approved by the Insurance Supervisory Office, which are applicable for Turkish insurance companies. The revenues obtained upon the investment activities in relation to the provisions held, are set aside as life assurance provision.

Derivative financial instruments

Derivative financial instruments, including forward foreign exchange contracts and currency and interest rate swap instruments are initially recognised in the balance sheet at cost (including transaction costs) and are subsequently re-measured at their fair value. All derivative financial instruments are classified as financial assets at fair value through profit or loss. Fair values are obtained from quoted market prices and discounted cash flow models as appropriate. Fair value of over-the-counter forward foreign exchange contracts is determined based on the comparison of the original forward rate with the forward rate calculated by reference to market interest rates of the related currency for the remaining period of the contract, discounted to 30 September 2006. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the fair value of derivatives at fair value through profit or loss are included in the income statement.

Certain derivative transactions, while providing effective economic hedges under the risk management position, do not qualify for hedge accounting under the specific rules under IAS 39 and are therefore treated as derivatives at fair value through profit or loss and their fair value gains and losses reported in the income statement.

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Gains and losses on forward foreign exchange contracts were calculated by valuing the contract with the spot exchange rate prevailing on the balance sheet date and comparing the amount arrived at with the original amount calculated on a straight line basis by using the spot rate prevailing at the beginning of the contracts. Gains and losses on interest rate swaps used for hedging purposes are recognised as income or expense on the same basis as the corresponding expense or income on the hedged position. Gains and losses on interest rate swaps were included in the interest income and expense as appropriate.

Foreign currency transactions

Functional currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The consolidated interim financial statements are presented in New Turkish lira, which is the functional currency of the Holding.

Foreign currency transactions and balances

Income and expenses arising in foreign currencies have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated into New Turkish lira at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items have been included in the income statement.

Foreign Group companies

The results of Group undertakings using a measurement currency other than New Turkish lira are first translated into New Turkish lira by using the average exchange rate for the period. The assets and liabilities of such Group undertakings are translated into Turkish lira by using the closing rate at the balance sheet date. Differences arising on retranslation of the opening net assets of such Group undertakings and differences between the average and period-end rates are included in translation reserve as a separate item in the shareholders' equity.

Research costs

Research costs are recognised as expense in the period in which they are incurred.

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 3 - SUMMARY OF SIGNIFICANT RELEVANT ACCOUNTING POLICIES (Continued)

Shareholders’ equity

In the restatement of shareholders’ equity items, the addition of funds formed due to hyperinflation such as revaluation value increase fund to share capital is not considered as a contribution from shareholders. Additions of legal reserves and retained earnings to share capital are considered as contributions by shareholders.

In the restatement of shareholders’ equity items added to share capital the capital increase registry dates or the payment dates is considered. In the restatement of share premium payment dates are considered (Note 25).

Use of estimates

The preparation of consolidated interim financial statements in conformity with CMB Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current event and actions, actual results ultimately may differ from those estimates.

Reserve deposits with the Central Bank of the Republic of Turkey

Reserve deposits represent the minimum deposits maintained with the Central Bank of the Republic of Turkey (the “Central Bank”), as required by the Turkish Banking Law (“Banking Law”), calculated on the basis of customer deposits taken at the rates determined by the Central Bank. In accordance with the current legislation, the mandatory reserve deposit rates for New Turkish lira and foreign currency deposits are 6% (31 December 2005: 6%) and 11% (31 December 2005: 11%), respectively. Interest income is recognised quarterly by using the interest rates determined by the Central Bank.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 4 - CASH AND CASH EQUIVALENTS

The details of cash and cash equivalents at 30 September 2006 and 31 December 2005 were as follows:

	30 September 2006	31 December 2005
Cash in hand		
- banking	985.905	859.554
- other companies	8.578	10.202
Banks - time deposits	1.955.559	2.598.640
Banks - demand deposits	383.356	292.691
Interbank money market placements	127.082	400.300
Due from reverse repo transactions	898	91.888
Other cash and cash equivalents	2.655	2.025
	3.464.033	4.255.300

Due from reverse repo transactions are secured with Turkish government bonds and treasury bills held for resale to banks under reverse repurchase agreements. The maturity of loan to banks is less than three months. The market values of such securities approximate carrying values, including accrued income at the respective balance sheet date.

Analysis of maturities at 30 September 2006 and 31 December 2005 was as follows:

	30 September 2006	31 December 2005
Demand	1.507.576	1.564.772
Up to 3 month	1.951.565	2.481.571
3 to 12 months	4.892	107.501
1 to 5 years	-	101.456
	3.464.033	4.255.300

Akbank, a Subsidiary of Sabancı Holding pledged its demand deposits as off-shore cash reserve and payment accounts in connection with long-term securitised borrowings from foreign institutions in the amount of USD 2.235 million (31 December 2005:USD 1.879 million). The details of demand deposits unavailable for use at the balance sheet date were as follows:

	30 September 2006	31 December 2005
Regarding long term securitised borrowings	61.980	67.064
Regarding debt securities in issue	31.427	2.618
	93.407	69.682

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 5 - MARKETABLE SECURITIES

The analysis of securities at fair value through profit and loss is as follows:

	30 September 2006	31 December 2005
Government bonds denominated in foreign currency	6.679.125	5.958.594
Eurobonds	206.428	482.553
Government bonds	49.710	29.114
Treasury bills	14.095	46.133
Share certificates	40.983	18.997
Mutual funds	616	1.469
	6.990.957	6.536.860

Analysis of maturities at 30 September 2006 and 31 December 2005 was as follows:

Period remaining to contractual maturity dates:

	30 September 2006			31 December 2005		
	Banking	Other Companies	Total	Banking	Other Companies	Total
Up to 3 months	3.857	13.897	17.754	46.056	209	46.265
3 to 12 months	953.580	-	953.580	87.937	38.647	126.584
1 to 5 years	5.814.472	-	5.814.472	6.142.559	-	6.142.559
Over 5 years	163.553	-	163.553	200.986	-	200.986
No maturity	40.982	616	41.598	18.997	1.469	20.466
	6.976.444	14.513	6.990.957	6.496.535	40.325	6.536.860

Period remaining to contractual repricing dates:

	30 September 2006			31 December 2005		
	Banking	Other Companies	Total	Banking	Other Companies	Total
Up to 3 months	3.517.247	13.897	3.531.144	2.032.380	209	2.032.589
3 to 12 months	3.203.679	-	3.203.679	3.183.960	38.647	3.222.607
1 to 5 years	50.983	-	50.983	1.060.212	-	1.060.212
Over 5 years	163.553	-	163.553	200.986	-	200.986
No maturity	40.982	616	41.598	18.997	1.469	20.466
	6.976.444	14.513	6.990.957	6.496.535	40.325	6.536.860

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 6 - FUNDS BORROWED, BORROWINGS AND DEBT SECURITIES IN ISSUE

Short-term funds borrowed, bank borrowings and debt securities in issue:

	30 September 2006	31 December 2005
Short-term	5.115.667	5.945.359
Short-term portion of long term	552.480	230.329
Total short term	5.668.147	6.175.688

Long-term funds borrowed, bank borrowings and debt securities in issue:

Long-term	4.598.592	3.519.917
Total	10.266.739	9.695.605

The maturity schedule at 30 September 2006 and 31 December 2005 are summarised below:

	30 September 2006	31 December 2005
Up to 3 months	2.630.825	2.246.286
3 to 12 months	3.037.321	3.929.402
1 to 5 year	3.381.744	2.426.379
Over 5 year	1.216.849	1.093.538
Total	10.266.739	9.695.605

The maturity schedule of long term borrowing at 30 September 2006 and 31 December 2005 are summarised below:

Period	30 September 2006
1 October 2007 – 30 September 2008	758.351
1 October 2008 – 30 September 2009	1.456.192
1 October 2009 – 30 September 2010	612.892
1 October 2010 – 30 September 2011	554.309
1 October 2011 and over	1.216.848
Total	4.598.592

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 6 - FUNDS BORROWED, BORROWINGS AND DEBT SECURITIES IN ISSUE (Continued)

Period	31 December 2005
1 January 2007 – 31 December 2007	365.625
1 January 2008 – 31 December 2008	868.047
1 January 2009 – 31 December 2009	675.897
1 January 2010 – 31 December 2010	516.808
1 January 2011 and over	1,093.540
	3,519.917

The repricing schedule of borrowings at 30 September 2006 and 31 December 2005 are summarised below:

	30 September 2006	31 December 2005
Up to 3 months	8,406.899	6,949.673
3 to 12 months	1,450.912	2,093.234
1 to 5 years	385.747	647.370
Over 5 years	23.181	5.328
	10,266.739	9,695.605

NOTE 7 - TRADE RECEIVABLES AND TRADE PAYABLES

Short-term and long-term trade receivables:

	30 September 2006	31 December 2005
Trade receivables	1,644.643	1,408.001
Notes and cheques receivable	141.623	134.285
	1,786.266	1,542.286
Less: doubtful receivables provision	(26.033)	(15.627)
	1,760.233	1,526.659

Short-term and long-term trade payables:

	30 September 2006	31 December 2005
Trade payables	1,120.391	1,117.344
Notes payable	134	268
	1,120.525	1,117.612

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 8 - LEASE RECEIVABLES AND LEASE PAYABLES

Short and long term lease receivables at 30 September 2006 and 31 December 2005 are summarized below (*):

	30 September 2006	31 December 2005
Gross investment in finance leases	551.038	306.788
Less: unearned finance income	(87.296)	(45.610)
Total investment in finance leases	463.742	261.178
Less: fair value loss	(6.006)	(1.733)
Net investment in finance leases	457.736	259.445

Lease receivables are originated rent amounts in agreement terms. The maturity schedule of receivables is summarized below.

	30 September 2006	31 December 2005
2006	49.507	122.576
2007	197.119	80.866
2008	131.764	41.265
2009	60.049	12.276
2010	19.297	2.462
	457.736	259.445

(*) Finance lease receivables are related to Ak Finansal Kiralama A.Ş., a subsidiary of Ak Uluslararası.

Lease payables at 30 September 2006 and 31 December 2005 are summarized below.

	30 September 2006	31 December 2005
Lease payables		
Current	2.964	8.500

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 9 - DUE TO AND DUE FROM RELATED PARTIES

Due from related parties

	30 September 2006	31 December 2005
Brisa	2.984	2.387
Oysa	2.979	1.118
Carrefoursa	2.916	2.593
Diasa	2.043	849
Akçansa	2.031	3.284
Beksa	714	716
Olmuksa	192	427
Other	6.782	8.241
	20.641	19.615

Due to related parties

	30 September 2006	31 December 2005
Brisa	11.576	5.522
Olmuksa	1.618	1.455
Beksa	10	75
Akçansa	6	127
Other	202	1.220
	13.412	8.399

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NOTE 10 - OTHER RECEIVABLES AND PAYABLES

Other current / non-current receivables

	30 September 2006	31 December 2005
Receivables on cheques in clearance	46.557	95.567
Deductible VAT	93.106	49.061
Receivables from credit cards payments	8.306	11.364
Job advances given	8.179	2.431
Other (*)	1.038.439	211.415
	1.194.587	369.838

(*) Amount includes the EURO 339 million (YTL 643.143) receivable of Advansa regarding its asset sale of pet, pet reform and pta production entities located in Turkey (Artensa A.Ş.) United Kingdom (Advansa UK Ltd.) and Romania (Advansa Romania SRL) together with associated production technology and licences to La Seda Barcelona.

Other current / non-current payables

	30 September 2006	31 December 2005
Payables related to credit card transactions	625.731	536.835
Other taxes and funds	143.958	113.899
Bonus liability to credit card customers	94.996	75.857
Unearned commission income	68.774	42.792
Import deposits and transfer orders	61.792	20.176
Payables on cheques in clearance	43.819	114.824
Payment orders to correspondent banks	33.172	27.848
Due to personnel	14.846	28.203
Saving deposits insurance	8.034	6.900
Other	355.906	318.170
	1.451.028	1.285.504

NOTE 11 - BIOLOGICAL ASSETS

None (31 December 2005: None).

NOTE 12 - INVENTORIES

	30 September 2006	31 December 2005
Raw materials and supplies	358.060	318.144
Semi-finished goods	130.845	87.417
Finished goods and merchandise	597.863	432.759
Spare parts	80.504	62.184
	1.167.272	900.504

NOTE 13 - RECEIVABLES FROM CONSTRUCTION CONTRACTS WORK IN PROGRESS AND CONSTRUCTION CONTRACTS PROGRESS BILLINGS

None (31 December 2005: None).

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 14 - DEFERRED INCOME TAX ASSETS AND LIABILITIES

The Group recognises deferred tax income assets and liabilities based upon temporary differences arising between their financial statements as reported under CMB Accounting Standards and their statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for CMB Accounting Standards and tax purposes.

Deferred income taxes will be calculated on temporary differences that are expected to be realised or settled based on the taxable income in coming years under the liability method using a principal tax rate of 20% (31 December 2005: 30%) (The rate is 30% for the companies using the investment allowance as deduction from the corporate tax base after 1 January 2006).

The composition of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred tax has been provided at 30 September 2006 and 31 December 2005 using the enacted tax rates, were as follows:

	<u>30 September 2006</u>		<u>31 December 2005</u>	
	Cumulative temporary difference	Deferred tax assets / (liabilities)	Cumulative temporary difference	Deferred tax assets / (liabilities)
Deferred income tax assets:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	(88.345)	18.368	(62.872)	18.861
- Inventories	(20.478)	4.229	(32.727)	8.280
Tax losses carried forward	(86.701)	17.671	(252.470)	75.805
Provision for loan losses	(206.716)	41.932	(177.095)	53.128
Provision for employment termination benefits	(127.162)	26.616	(120.650)	35.689
Investment allowances	(171.375)	7.983	(1.029.166)	120.250
Valuation difference on				
Investment securities	(5.722)	1.144	-	-
Unearned interest income	(4.843)	989	(5.136)	1.556
Other temporary differences	(236.428)	49.214	(160.675)	49.738
Deferred income tax assets		168.146		363.307
Deferred income tax liabilities:				
Difference between tax base and carrying value of:				
- Property, plant and equipment	673.736	(133.871)	726.134	(204.436)
- Inventories	2.894	(685)	1.751	(525)
Reversal of country risk provision	90.201	(36.080)	76.826	(30.731)
Deferred financing charges	14.762	(2.817)	16.484	(4.945)
Valuation difference				
on investment securities	-	-	56.478	(16.937)
Other temporary differences	56.341	(12.019)	44.118	(13.827)
Deferred income tax liabilities		(185.472)		(271.401)
Deferred income tax (liabilities)/assets - net		(17.326)		91.906

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 14 - DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

Deferred income tax assets:

	30 September 2006	31 December 2005
Deferred income tax assets to be recovered after more than 12 months	90.696	277.961
Deferred income tax assets to be recovered within 12 months	77.450	85.346
	168.146	363.307

Deferred income tax liabilities:

	30 September 2006	31 December 2005
Deferred income tax liabilities to be recovered after more than 12 months	143.259	214.029
Deferred income tax liabilities to be recovered within 12 months	42.213	57.372
	185.472	271.401

Movements of deferred income tax assets for the periods ended at 30 September 2006 and 2005 were as follows:

	30 September 2006	30 September 2005
Balances at 1 January-as previously reported	84.206	89.763
Effect of business combination	7.700	-
Balances at 1 January-as restated	91.906	89.763
Change in the scope of consolidation	(1.309)	-
Business combinations	-	15.411
Fair value increase of financial assets	578	-
Effect of currency translation	1.533	(13.129)
(Charged)/credited to income statement	(110.034)	17.924
Balances at 30 September	(17.326)	109.969

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

	30 September 2006	31 December 2005
Other Current/Non-Current Assets		
Prepaid expenses	47.778	47.003
Other Current/Non-Current Liabilities		
Expense accruals	208.491	157.035

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NOTE 16 - FINANCIAL ASSETS

a) Securities available-for-sale:	30 September 2006	31 December 2005
Debt securities		
- Government bonds	10.303.250	11.373.387
- Government bonds denominated in foreign currency	2.897.229	3.410.951
- Eurobonds	859.804	658.108
- Treasury bills	486.675	202.356
- Mutual funds	23.759	53.914
	14.570.717	15.698.716
Equity securities		
- Listed	16.670	82.550
- Unlisted	55.316	30.379
	71.986	112.929
Total securities available-for-sale	14.642.703	15.811.645

Analysis of maturities at 30 September 2006 and 31 December 2005 were as follows:

Period remaining to contractual repricing dates for available-for-sales securities:

	30 September 2006			31 December 2005		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	435.015	11.325	446.340	3.044.761	15.807	3.060.568
3 to 12 months	6.566.859	27.901	6.594.760	7.805.444	110.340	7.915.784
1 to 5 years	7.145.466	44.056	7.189.522	4.410.631	77.420	4.488.051
Over 5 years	268.671	-	268.671	193.149	-	193.149
No maturity	22.577	120.833	143.410	88.371	65.722	154.093
	14.438.588	204.115	14.642.703	15.542.356	269.289	15.811.645

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 16 - FINANCIAL ASSETS (Continued)

Period remaining to contractual maturity dates for available-for-sale securities:

	30 September 2006			31 December 2005		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	435.015	11.325	446.340	305.904	3.056	308.960
3 to 12 months	6.566.859	75.565	6.642.424	6.707.667	110.341	6.818.008
Current	7.001.874	86.890	7.088.764	7.013.571	113.397	7.126.968
1 to 5 years	7.145.466	44.056	7.189.522	8.247.265	77.420	8.324.685
Over 5 years	268.671	-	268.671	193.149	-	193.149
No maturity	22.577	73.169	95.746	88.371	78.472	166.843
Non-current	7.436.714	117.225	7.553.939	8.528.785	155.892	8.684.677
	14.438.588	204.115	14.642.703	15.542.356	269.289	15.811.645

The breakdown of available-for-sale equity securities at 30 September 2006 was as follows:

Listed	Share (%)	Carrying amount	Business
Ak Yatırım Ortaklığı A.Ş. (*)	45,62	13.346	Investment management
Others		3.324	
		16.670	
Unlisted	Share (%)	Carrying amount	Business
Liman İşletmeleri Nakliyat ve Tic. A.Ş.	15,00	8.358	Vessel transportation
Ak Portföy Yönetimi A.Ş. (**)	99,99	3.591	Portfolio management
Others		43.367	
		55.316	

(*) The Group owns 45,62% of the shares of Ak Yatırım Ortaklığı A.Ş. Due to the insignificance of the financial impact on the financial position and results of Sabancı Holding, Ak Yatırım Ortaklığı A.Ş. was not accounted by equity method of accounting and carried at cost less provision for diminution in value at 30 September 2006 and 31 December 2005.

(**) The Group owns 99,99% of the shares of Ak Portföy Yönetimi A.Ş. Due to the insignificance of the financial impact on the financial position and results of Sabancı Holding, Ak Portföy Yönetimi A.Ş. was not accounted by equity method of accounting and carried at cost less provision for diminution in value at 30 September 2006 and 31 December 2005.

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 16 - FINANCIAL ASSETS (Continued)

The breakdown of available-for-sale equity securities at 31 December 2005 is as follows:

Listed	Share (%)	Carrying amount	Business
Türkiye Sınai Kalkınma Bankası A.Ş.(*)	6,45	59.312	Investment banking
Ak Yatırım Ortaklığı A.Ş.	45,62	19.976	Investment management
Others		3.262	-
82.550			

(*) Akbank, a subsidiary of the Holding, sold the 6,45% of the shares of Türkiye Sınai Kalkınma Bankası A.Ş. with a nominal value of YTL 12.893.915 in Istanbul Stock Exchange wholesale market. The investment sales income amounted to YTL 52.975.

Unlisted	Share (%)	Carrying amount	Business
Liman İşletmeleri Nakliyat ve Tic. A.Ş.	15,00	8.358	Vessel transportation
Ak Portföy Yönetimi A.Ş.	99,99	3.591	Portfolio management
Others		18.430	-
30.379			

b) Securities held-to-maturity:	30 September 2006	31 December 2005
Debt securities		
- Treasury bills denominated in foreign currency	-	152.724
- Bonds denominated in foreign currency	-	120.421
- Treasury bills	15.677	21.256
- Government bonds	-	6.414
- Government bonds denominated in foreign currency	-	480.521
	15.677	781.336

Period remaining to contractual maturity dates for held-to-maturity securities:

	30 September 2006			31 December 2005		
	Banking	Other companies	Total	Banking	Other companies	Total
Up to 3 months	7.525	-	7.525	31.071	-	31.071
3 to 12 months	-	8.152	8.152	498.295	7.445	505.740
Current	7.525	8.152	15.677	529.366	7.445	536.811
1 to 5 years	-	-	-	163.025	-	163.025
Over 5 years	-	-	-	81.500	-	81.500
Non-current	-	-	-	244.525	-	244.525
	7.525	8.152	15.677	773.891	7.445	781.336

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 16 - FINANCIAL ASSETS (Continued)

Period remaining to contractual repricing dates for held-to maturity securities:

	30 September 2006			31 December 2005		
	Banking	Other companies	Total	Banking companies	Other	Total
Up to 3 months	7.525	-	7.525	34.130	-	34.130
3 to 12 months	-	8.152	8.152	495.236	7.445	502.681
1 to 5 years	-	-	-	163.025	-	163.025
Over 5 years	-	-	-	81.500	-	81.500
	7.525	8.152	15.677	773.891	7.445	781.336

c) Investment in associates

	30 September 2006	Share(%)	31 December 2005	Share(%)
Philsa	144.322	25,00	96.216	25,00
Philip Morrissa	27.674	24,75	18.749	24,75
	171.996		114.965	

Income from Associates was as follows:

	1 January- 30 September 2006	1 July- 30 September 2005
Philsa	83.457	23.721
Philip Morrissa	21.955	14.376
	105.412	38.097

The summary financial information of associates is as follows:

	30 September 2006		31 December 2005	
	Total assets	Total liabilities	Total assets	Total liabilities
Philsa	1.131.651	513.565	805.523	471.322
Philip Morrissa	304.284	184.570	236.245	167.681
	1.435.935	698.135	1.041.768	639.003

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 16 - FINANCIAL ASSETS (Continued)

Sales revenue	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
Philsa	4.162.457	1.419.953	3.459.304	1.291.837
Philip Morrissa	4.527.273	1.508.781	3.706.658	1.426.431
	8.689.730	2.928.734	7.165.962	2.718.268

Net income	1 January- 30 September 2006	1 July - 30 September 2006	1 January- 30 September 2005	1 July - 30 September 2005
Philsa	288.803	98.569	93.787	49.086
Philip Morrissa	82.027	24.446	57.740	29.908
	370.830	123.015	151.527	78.994

NOTE 17 - GOODWILL / NEGATIVE GOODWILL (NET)

The movements in goodwill during the nine periods ended 30 September 2006 and 2005 is as follows:

	Goodwill
Balances at 1 January-as previously reported	290.968
Adjustment to goodwill provisionally accounted under IFRS3	8.650
1 January 2006-adjusted	299.618
Credited to income statement	(10.480)
Impairment	(10.950)
Change in the scope of consolidation	(3.344)
Currency translation differences	4.481
30 September 2006	279.325
	Goodwill
1 January 2005	176.162
Currency translation difference	(1.240)
30 September 2005	174.922

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 18 - INVESTMENT PROPERTY (NET)

Cost	1 January 2006	Additions	Disposals	Change in the scope of consolidation	Impairment	30 September 2006
Land	88.266	-	-	(1.227)	-	87.039
Buildings	229.628	-	-	(915)	-	228.713
Total	317.894			(2.142)		315.752
Accumulated depreciation						
Buildings	26.929	3.930	-	(113)	-	30.746
Net book value	290.965					285.006
Cost	1 January 2005	Additions	Disposals	Transfers	Impairment	30 September 2005
Land	119.548	212	(2.012)	28.246	-	145.994
Buildings	253.497	39.863	(1.477)	(435)	(3.356)	288.092
Total	373.045	40.075	(3.489)	27.811	(3.356)	434.086
Accumulated depreciation						
Buildings	36.317	4.650	(190)	4.285	-	45.062
Net book value	336.728					389.024

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (NET)

Cost	1 January 2006	Currency translation differences	Additions	Disposals	Change in the scope of consolidation	Impairment	Partial Disposal of subsidiary	30 September 2006
Land and land improvements	317.292	(1.223)	8.463	(3.254)	(3.770)	-	(13.827)	303.681
Buildings	2.012.984	11.261	67.796	(30.092)	(2.930)	-	(13.578)	2.045.441
Machinery and equipment	4.789.203	106.169	228.534	(278.925)	3.529	(63.031)	(770.155)	4.015.324
Motor vehicles	136.140	1.262	11.008	(10.715)	14	-	(19)	137.690
Furniture and fixtures	1.357.827	3.428	57.932	(30.536)	(7.675)	-	(3.632)	1.377.344
	8.613.446	120.897	373.733	(353.522)	(10.832)	(63.031)	(801.211)	7.879.480
Construction in progress	181.395	12.892	91.441	(24.882)	(1.050)	-	(10.392)	249.404
	8.794.841	133.789	465.174	(378.404)	(11.882)	(63.031)	(811.603)	8.128.884
Accumulated depreciation								
Land and land improvements	64.485	495	5.522	(207)	33	-	-	70.328
Buildings	669.397	3.537	45.149	(12.316)	(899)	-	(6.139)	698.729
Machinery and equipment	2.719.257	15.931	179.660	(196.357)	3.189	-	(439.481)	2.282.199
Motor vehicles	103.938	640	7.698	(8.818)	9	-	-	103.467
Furniture and fixtures	1.008.320	2.340	89.831	(23.555)	(5.242)	-	(1.931)	1.069.763
	4.565.397	22.943	327.860	(241.253)	(2.910)	-	(447.551)	4.224.486
Net book value	4.229.444							3.904.398

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 19 - PROPERTY, PLANT AND EQUIPMENT (NET) (Continued)

Cost	1 January 2005	Currency translation differences	Additions	Disposals	Change in the scope of consolidation	Business combinations	Transfers	30 September 2005
Land and land improvements	345.225	(2.154)	9.858	(17.475)	578	4.643	(28.246)	312.429
Buildings	1.948.840	(8.833)	34.558	(28.443)	1.259	51.908	(73.352)	1.925.937
Machinery and equipment	4.532.557	16.305	129.857	(155.152)	5.988	245.712	-	4.775.267
Motor vehicles	127.828	(124)	8.902	(8.788)	363	831	-	129.012
Furniture and fixtures	1.194.714	(1.695)	48.039	(24.005)	126	91.487	73.787	1.382.453
	8.149.164	3.499	231.214	(233.863)	8.314	394.581	(27.811)	8.525.098
Construction in progress	193.899	(1.484)	301.711	(186.776)	48	16.085	-	323.483
	8.343.063	2.015	532.925	(420.639)	8.362	410.666	(27.811)	8.848.581
Accumulated depreciation								
Land and land improvements	59.147	(130)	4.802	(1.170)	225	224	-	63.098
Buildings	670.025	(2.321)	41.849	(7.362)	728	8.756	(36.396)	675.279
Machinery and equipment	2.703.931	8.897	156.966	(140.954)	4.670	63.476	-	2.796.986
Motor vehicles	102.456	(42)	6.876	(5.847)	324	628	-	104.395
Furniture and fixtures	897.858	(1.265)	94.154	(19.416)	112	52.272	32.111	1.055.826
	4.433.417	5.139	304.647	(174.749)	6.059	125.356	(4.285)	4.695.584
Net book value	3.909.646							4.152.997

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 20 - INTANGIBLE ASSETS

	30 September 2006	31 December 2005
Cost	388.680	299.047
Accumulated depreciation	(133.841)	(99.782)
	254.839	199.265

YTL 120.708 increase in intangible assets relates to the mining rights acquired in connection with the acquisition of Tufanbeyli Elektrik Üretim A.Ş. by Enerjisa.

NOTE 21 - ADVANCES RECEIVED

	30 September 2006	31 December 2005
Advances received from customers	20.095	29.491

NOTE 22 - RETIREMENT PLANS

As disclosed in Note 3 to the consolidated interim financial statements, Akbank T.A.Ş. Tekaüt Sandığı Vakfı (the “Fund”) is a separate legal entity and a foundation recognised by an official decree, founded on the basis of Social Insurance Law No: 506, Temporary Article No: 20, providing all qualified bank employees with pension and post retirement benefits. According to the temporary article numbered 38 of the Turkish insurance law, and the “Decree on Actuaries”, the Fund is subject to the inspection of a listed actuary. There is no technical or actual deficit in the financial statements of the Fund necessitating the accounting of a provision.

NOTE 23 - PROVISIONS

a) Income taxes payable

	30 September 2006	31 December 2005
Corporation and income taxes currently payable	252.248	792.376
Less: prepaid taxes	(191.153)	(558.514)
Total taxes payable	61.095	233.862

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

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NOTE 23 - PROVISIONS (Continued)

The Corporate Tax Law was amended as of 13 September 2006 with Law No 5520. The majority of the clauses of Law No 5520 are effective as of 01.01.2006. Corporation tax rate of the fiscal year 2006 is 20% (2005: 30%). Corporation tax is payable at a rate of 20% on the total income of the Company after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc) and corporate income tax deductions (like research and development expenditures deduction). No further tax is payable unless the profit is distributed (except withholding tax at the rate of 19,8 % on the investment incentive allowance utilised within the scope of the Income Tax Law Transitional Article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid after 23 July 2006 are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations calculate corporate tax quarterly at the rate of 20% on their corporate income and declare it until the 10th day and pay it on the 17th day by the second month following each calendar quarter end. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In accordance with Tax Law No: 5024 “Law Related to Changes in Tax Procedure Law, Income Tax Law and Corporate Tax Law” that was published on the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004, the income and corporate taxpayers will prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish Lira. In accordance with the aforementioned law provisions, in order to apply inflation adjustment, cumulative inflation rate (TURKSTAT WPI) over last 36 months and 12 months must exceed 100% and 10%, respectively. Inflation adjustment has not been applied as these conditions were not fulfilled in the year 2005.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

Tax returns are open for 5 years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses can not be carried back to offset profits from previous periods.

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 23 - PROVISIONS (Continued)

There are numerous exemptions in the Corporate Tax Law concerning the corporations. Those related to Sabancı Holding are as follows:

Exemption for Participation in Subsidiaries:

Dividend income from participation in shares of capital of another full fledged taxpayer corporation (except for dividends from investment funds participation certificates and investment partnerships shares) are exempt from corporate tax.

Preferential right certificate sales and issued premiums exemption

Gains from issued premiums derived from the disposal of sales at nominal values during incorporations and the capital increase of joint stock companies are exempt from corporate tax.

Exemption for Participation into Foreign Subsidiaries

The participation income of corporations participating in 10% or more of the capital of a limited liability or joint stock company which does not have its legal or business centre in Turkey (except for corporations whose principal activity is financial leasing or investment of marketable securities) for at least one year until the date of the income is generated and transferred to Turkey until the date of the filing of the corporate income tax return of the fiscal year in which the income is generated is exempt from corporation tax subject to those subsidiaries are subject to corporate income tax, or alike, in their country of legal or business centre at the rate of at least 15% (at corporate income tax rate applicable in Turkey for those companies whose principal activity is financial assurance or insurance).

Exemption for sale of Participation Shares and Property

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account in the liabilities and it must not be withdrawn from the entity for a period of 5 years. The cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realized.

Brokerage houses and real estate companies who are dealing with the trading and the leasing of the real estate can not benefit from this exemption.

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NOTE 23 - PROVISIONS (Continued)

Exemption for Investment Allowance

The investment allowance application which had been in force for a significant period of time was abolished by Law No.5479 dated 30.03.2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the following amounts from their income related to the years 2006, 2007 and 2008 as well as the investment allowance amounts they could not offset against 2005 gains which were present as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005.

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No.193, with Law No.4842.

b) In the scope of the abolished 19th article of Income Tax Law No.193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economical and technical integrity.

Accordingly, gains with the above nature which are in the profit/loss figures are taken into consideration, in the calculation of corporate tax.

Apart from the abovementioned exceptions in the determination of the corporate tax base, allowances cited in the articles 8, 9 and 10 of Corporate Tax Law and article 40 of Income Tax Law are taken into consideration.

b) Provision for employment termination benefits

Under Turkish Labour Law, the Group is 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 achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to length of service prior to retirement. At 30 September 2006 the amount payable consists of one month’s salary limited to a maximum of YTL 1.857,44 (31 December 2005: YTL 1.727,15) for each year of service.

There are no agreements for pension commitments other than the legal requirement as explained above.

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

The reserve has been calculated by estimating the present value of the future probable obligation of the Holding arising from the retirement of the employees.

IAS 19 “Employee Benefits” requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. Accordingly actuarial assumptions were used in the calculation of the total liability as these actuarial assumptions apply to each individual company’s defined benefit plan and legal framework in which those companies operate.

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NOTE 23 - PROVISIONS (Continued)

Movements in the reserve for employment termination benefits for the periods ended 30 September are as follows:

	30 September 2006	30 September 2005
Balances at 1 January	142.373	124.925
Change in the scope of consolidation	3.765	(39)
Acquisition	-	8.068
Payments during the period	(29.033)	(29.387)
Charge for the period	39.505	39.760
Balances at 30 September	156.610	143.327

NOTE 24 - MINORITY INTEREST

	30 September 2006	30 September 2005
Balances at 1 January - as previously reported	4.856.918	4.693.824
Accounting policy change	-	33.115
Balances at 1 January - as restated	4.856.918	4.726.939
Effect of change in the effective rate of subsidiaries	(9.175)	14.501
Non-cash capital increase correction	(778)	(100.653)
Disposal of subsidiary	-	(2.420)
Capital increase	682	(9.050)
Increase in share premium	-	(160)
Partial disposal of subsidiary	53.845	-
Dividends paid	(374.298)	(878.958)
Business combination	-	45.781
Currency translation differences	37.644	(6.584)
Available for sale investments net fair value change, net of tax	(325.974)	68.298
Net income for the period	813.234	771.438
Balances at 30 September	5.052.098	4.629.132

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 25 - CAPITAL/ADJUSTMENT TO SHARE CAPITAL

The Holding's authorised and issued capital consists of 180.000.000.000 (31 December 2005: 180.000.000.000) shares of YKr 1 each.

The Holding's authorised and paid-in share capital and shareholding structure at 30 September 2006 and 31 December 2005 were as follows:

Shareholders:	Share (%)	30 September 2006	Share (%)	31 December 2005
Sabancı family members	58,37	1.050.594	58,37	1.050.594
Public quotation	25,20	453.686	25,20	453.686
Sakıp Sabancı Holding A.Ş.	14,81	266.578	14,81	266.578
Sabancı University	1,62	29.142	1,62	29.142
Share capital	100,00	1.800.000	100,00	1.800.000
Share premium		21.670		21.670

NOTE 26 - CAPITAL RESERVES

At 30 September 2006 and 31 December 2005, the restated amounts and the shareholders' equity restatement differences of equity accounts were as follows:

30 September 2006	Historical amount	Restated amount	Restatement difference
Share capital	1.800.000	5.226.761	3.426.761
Share premium	21.670	300.122	278.452
Legal reserves	92.463	175.566	83.103
Extraordinary reserves	747.332	842.937	95.605
	2.661.465	6.545.386	3.883.921

31 December 2005	Historical amount	Restated amount	Restatement difference
Share capital	1.800.000	5.226.761	3.426.761
Share premium	21.670	300.122	278.452
Legal reserves	76.136	159.239	83.103
Extraordinary reserves	567.538	663.143	95.605
	2.465.344	6.349.265	3.883.921

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

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NOTE 27 - PROFIT RESERVES

Retained earnings, as per the statutory financial statements other than legal reserves, are available for distribution, subject to the legal reserve requirement referred to below.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Holding’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital, however this does not apply to Holding companies. Under the TCC, the legal reserves can only be used to offset loss and are not available for any other usage unless the loss exceeds 50% of paid-in share capital.

Dividend distribution is made by the Holding in Turkish lira in accordance with its Articles after deducting taxes and setting aside the legal reserves as discussed above. In accordance with the Articles, dividends may also be paid to the Board of Directors of the Holding in amounts of up to 4%, to the holders of the usufruct shares in the amount of 3% and to Vaksa in the amount of 3%, in each case, of the distributable profits remaining after deducting taxes, legal reserves and the first dividend.

Public companies distribute dividends according to CMB regulations as follows:

In accordance with Communiqué XI/25, effective from 1 January 2004, companies are obliged to distribute at least 30% of their distributable profit, which is calculated based on the financial statements prepared in accordance with IFRS. Based on the decision of the General Assembly, the distribution of a minimum of 30% of the distributable profit can be made as cash or as bonus shares or as a combination of a certain percentage of cash and bonus shares. The income of the Subsidiaries, Joint Ventures and Associated companies of the Holding will not be taken into consideration in the calculation of dividends of the parent company, if they have not declared dividends in their general assemblies.

For the purposes 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 difference between the inflated and historical amounts of these items is presented in shareholders’ equity in total as restatement difference.

Restatement difference of shareholders’ equity can only be netted off against prior years’ losses and used as an internal source in capital increase where extraordinary reserves can be netted off against prior years’ losses, used in distribution of bonus shares and distribution of dividends to shareholders.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 27 - PROFIT RESERVES (Continued)

In accordance with the above explanation, the composition of the Holding's shareholders' equity, which is considered as the basis for profit distribution is as follows:

	30 September 2006	31 December 2005
Capital	1.800.000	1.800.000
Share premium	21.670	21.670
Legal reserves	92.463	76.136
Extraordinary reserves	747.332	567.538
Shareholders' equity restatement difference	3.883.921	3.883.921
Net income	419.233	689.765
Retained earnings	119.716	17.021
Total shareholders' equity subject to dividend distribution	7.084.335	7.056.051
Translation reserve	(198.649)	(361.560)
Revaluation reserve	11.891	12.455
Fair value reserve	(120.442)	92.213
Shareholders' equity per consolidated financial statements	6.777.135	6.799.159

NOTE 28 - RETAINED EARNINGS

	30 September 2006
Balance at 1 January 2006	17.021
Effect of change in the effective rate of subsidiaries	9.175
Transfer of net income at 31 December 2005	493.644
Purchase of usufruct shares	(269.325)
Dividends paid	(132.720)
Transfer from revaluation fund	1.921
Balance at 30 September 2006	119.716

NOTE 29 - FOREIGN CURRENCY POSITION

Foreign currency denominated assets and liabilities held by the Holding before consolidation eliminations at 30 September 2006 and 31 December 2005 were as follows:

	30 September 2006	31 December 2005
Assets	29.152.360	25.304.424
Liabilities	(29.638.500)	(26.118.652)
Net foreign currency position	(486.140)	(814.228)

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 29 - FOREIGN CURRENCY POSITION (Continued)

	30 September 2006				
	USD	EUR	GBP	Other	Total
Cash and due from banks	1.516.751	1.212.873	464.508	29.452	3.223.584
Trading securities	6.111.679	773.874	-	-	6.885.553
Derivative financial instruments	4.182	2.137	7.297	86	13.702
Reserve deposits at Central Bank	-	1.517.555	-	-	1.517.555
Loans and advances to customers	7.342.649	4.624.198	51.487	14.360	12.032.694
Investment securities	3.033.704	727.817	-	-	3.761.521
Trade receivables	222.398	437.823	173.598	44.663	878.482
Other receivables	46.471	741.680	26.650	24.468	839.269
Total foreign currency denominated assets	18.277.834	10.037.957	723.540	113.029	29.152.360
Funds borrowed, bank borrowings and debt securities in issue	8.099.067	2.791.396	43.939	17.183	10.951.585
Customer deposits	9.228.954	7.561.808	789.944	162.957	17.743.663
Derivative financial instruments	5.539	465	13.138	136	19.278
Trade payables	144.774	233.547	144.374	54.223	576.918
Other payables	145.490	162.115	18.470	20.981	347.056
Total foreign currency denominated liabilities	17.623.824	10.749.331	1.009.865	255.480	29.638.500
Net balance sheet position	654.010	(711.374)	(286.325)	(142.451)	(486.140)
	31 December 2005				
	USD	EUR	GBP	Other	Total
Cash and due from banks	1.770.368	1.372.953	217.502	33.872	3.394.695
Trading securities	5.638.279	802.868	-	-	6.441.147
Derivative financial instruments	4.863	1.020	5.991	254	12.128
Reserve deposits at Central Bank	-	1.190.957	-	-	1.190.957
Loans and advances to customers	5.160.374	3.353.073	57.515	2.013	8.572.975
Investment securities	4.155.071	572.988	76.675	20.536	4.825.270
Trade receivables	192.583	465.722	77.651	29.975	765.931
Other receivables	64.877	13.810	16.263	6.371	101.321
Total foreign currency denominated assets	16.986.415	7.773.391	451.597	93.021	25.304.424
Funds borrowed, bank borrowings and debt securities in issue	8.388.164	1.826.117	126.724	10.852	10.351.857
Customer deposits	8.193.099	5.955.814	630.961	161.174	14.941.048
Derivative financial instruments	39.823	19.373	10.862	222	70.280
Trade payables	131.187	305.037	73.016	30.737	539.977
Other payables	122.507	59.636	30.111	3.236	215.490
Total foreign currency denominated liabilities	16.874.780	8.165.977	871.674	206.221	26.118.652
Net balance sheet position	111.635	(392.586)	(420.077)	(113.200)	(814.228)

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 30 - GOVERNMENT GRANTS

None (31 December 2005: None).

NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	30 September 2006	31 December 2005
Letters of guarantee issued	2.320.308	2.227.769
Foreign currency acceptance credits	709.689	838.159
Letter of credits	43.195	49.179
	3.073.192	3.115.107

Commitments for resale and repurchase of debt securities:

Commitments for resale and repurchase of debt securities (government bonds, treasury bills and Eurobonds) at 30 September 2006 and 31 December 2005 were as follows:

	30 September 2006	31 December 2005
Repurchase commitments	3.555.278	5.489.288
Resale commitments	127.127	91.885

Commitments to forward currency purchase / sale and swap transactions:

	30 September 2006	31 December 2005
Forward currency purchases		
YTL	54.552	410
USD	74.539	204.377
EUR	80.427	718.182
JPY	48.314	43.380
GBP	157.225	339.685
	415.057	1.306.034
Forward currency sales		
YTL	91.746	27.862
USD	141.899	983.941
EUR	166.424	214.420
JPY	2.012	95.137
GBP	20.665	48.755
	422.746	1.370.115

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 31 - PROVISIONS, COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

	30 September 2006	31 December 2005
Currency swap purchases		
USD	888.399	857.195
EUR	613.027	816.540
GBP	301.565	265.462
CHF	33.700	17.777
Other	121.431	83.721
	1.958.122	2.040.695
Currency swap sales		
YTL	2.000	-
USD	634.402	832.273
EUR	1.266.926	1.216.265
GBP	47.281	8.296
	1.950.609	2.056.834
Interest rate swap purchases		
YTL	470.000	-
USD	194.376	326.729
EUR	1.188.561	315.649
GBP	489.388	323.694
JPY	-	13.680
	2.342.325	979.752
Interest rate swap sales		
YTL	470.000	-
USD	646.719	320.154
EUR	736.218	315.649
GBP	489.388	323.694
JPY	-	20.520
	2.342.325	980.017
Spot purchases	158.317	78.170
Spot sales	158.239	78.170
Commitments - Other companies		
Letters of guarantee given	500.575	729.677
Other guarantees given	75.221	43.810
	575.796	773.487

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 32 - BUSINESS COMBINATIONS

The business combinations between 1 January and 30 September 2006 are as follows:

Enerjisa, a subsidiary of the Holding, acquired 99,97% of shares of Tufanbeyli Elektrik Üretim A.Ş. (“Tufanbeyli Elektrik”) from Park Holding A.Ş. in consideration of YTL 124.694 on 2 September 2006. Tufanbeyli has generated a net income of YTL 167 as of 30 June 2006 following this acquisition. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the acquisition costs are as follows:

Property plant and equipment, net	711
Intangible assets- net (*)	120.708
Other assets	3.333
Other liabilities	(27)
Minority interest in negative net assets as of acquisition date	(31)
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Total net assets	124.694
Less: cost of acquisition	(124.694)

(*) The acquired intangible assets represent mining rights.

The business combinations between 1 January and 31 December 2005 are as follows:

Akbank, a subsidiary of Sabancı Holding, acquired 60% of shares of its prior associate Ak Uluslararası Bankası A.Ş. (formerly named BNP Ak Dresdner Bank A.Ş.) from the foreign shareholders in consideration of YTL 64.337 on 9 March 2005. The excess of the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over cost of acquisition amounted to YTL 24.968 and was credited to other operating income. The net income of Ak Uluslararası Bankası A.Ş. for the period between the acquisition date and 31 December 2005 is YTL 24.076. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

Loans and advances to customers	239.223
Financial assets	201.087
Property plant and equipment, net	12.983
Other assets	8.533
Customer deposits	(8.288)
Other borrowed funds and debt securities issued	(290.942)
Other liabilities	(10.426)
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Total net assets	152.170
Net assets owned by Holding before acquisition	(82.305)
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Total net assets acquired	69.865
Less: cost of acquisition	(44.897)
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Excess recognised in the statement of income as of 31 December 2005	(24.968)

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 32 - BUSINESS COMBINATIONS (Continued)

Sabancı Industrial Nylon Yarn, a Subsidiary of the Holding, acquired 50% of shares of Kordsa LLC from E.I. du Pont de Nemours and Company, which is a joint venturer of Kordsa LLC, in consideration of YTL 133.349 on 30 April 2005. The excess amount of YTL 52.269 that arose from the excess of the fair value of the identifiable assets, liabilities and contingent liabilities acquired from the purchase consideration is included in other operating income. Kordsa LLC has generated a net income of YTL 9.650 until 31 December 2005 after this acquisition. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

Trade receivable	67.516
Inventories	63.684
Property plant and equipment, net	223.180
Intangible assets,-net	10.176
Other assets	44.558
Financial liabilities	(97.255)
Trade payables	(53.868)
Other liabilities	(72.374)
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Total net assets	185.617
Less: cost of acquisition	(133.349)

Excess recognised in income statement as of 31 December 2005 (52.268)

Sabancı Industrial Nylon Yarn, a Subsidiary of the Holding, acquired 90,32% of shares of Cobafi from Acordis/Diolen in consideration of YTL21.320 on 13 May 2005. The excess amount of YTL10.449 that arose from the excess of the fair value of the identifiable assets, liabilities and contingent liabilities acquired from the purchase consideration is included in other operating income. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

Trade receivables	7.796
Inventory	23.758
Property plant and equipment, net	19.982
Other assets	15.223
Financial liabilities	(18.780)
Trade payables	(3.431)
Other liabilities	(12.779)
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Total net assets	31.769
Less: cost of acquisition	(21.320)

Excess recognised in income statement as of 31 December 2005 (10.449)

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(Amounts expressed in thousands of New Turkish lira (“YTL”) unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 32 - BUSINESS COMBINATIONS (Continued)

Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş., a joint venture of Sabancı Holding, acquired 65,33% of shares of Gıma Gıda ve İhtiyaç Maddeleri T.A.Ş. and 34,95% of Endi Tüketim Malları Ticaret ve Sanayi A.Ş. (“Endi”) from Fiba Holding A.Ş.in consideration of YTL 72.192 on 13 July 2005. The amount of goodwill arising as a result of this transaction amounted to YTL 94.884. The total net income of the acquirees amounted to YTL 11.090 for the period ended 31 December 2005 after the acquisition. The fair values of identifiable assets, liabilities and contingent liabilities acquired and the cost of acquisition are as follows:

Inventory	9.029
Property plant and equipment, net	15.343
Intangible assets	269
Other assets	7.144
Financial liabilities	(13.070)
Trade payables	(34.373)
Other liabilities	(19.771)
Minority interest in negative net assets as of acquisition date	(5.743)
Total net assets	(41.172)
Less: cost of acquisition	(72.192)
Goodwill	113.364

Çimsa Çimento Sanayi ve Ticaret A.Ş., a subsidiary of Sabancı Holding, acquired the Eskişehir and Lalapaşa plants of Standart Çimento Sanayi A.Ş. (“Standart Çimento”) from Savings Deposits Insurance Fund in consideration of YTL 235.784 (USD 175.000.000) on 26 December 2005. The fair values of identifiable assets, liabilities, contingent liabilities and cost of acquisition are as follows:

Inventory	2.310
Property plant and equipment, net	74.903
Intangible assets	22.759
Deferred tax asset	3.871
Employment termination benefits	(199)
Total net assets	103.644
Less: cost of acquisition	(235.784)
Goodwill	132.140

(*) The acquired intangible assets represent the mining rights.

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING

a) External revenues

	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
Finance	6.358.779	2.273.275	5.170.189	1.967.619
Tire and tire reinforcements	992.216	353.426	771.008	309.062
Automotive	1.219.973	394.387	984.313	380.361
Textile	308.797	104.690	260.244	80.681
Chemicals	1.279.661	499.612	1.239.067	446.417
Cement	536.649	211.442	366.681	143.326
Retail	1.216.927	392.454	860.338	349.439
Food and beverage	343.172	122.725	301.499	116.685
Other	368.501	147.193	278.189	85.872
	12.624.675	4.499.204	10.231.528	3.879.462

b) Segment assets

	30 September 2006	31 December 2005
Tire and tire reinforcements	1.215.516	880.361
Automotive	706.037	511.642
Textile	497.172	456.838
Chemicals	1.568.012	1.413.551
Cement	845.536	645.534
Retail	819.362	818.030
Food and beverage	316.462	261.401
Finance	60.142.543	55.542.083
Banking	59.472.976	54.780.220
Insurance	669.567	761.863
Other	1.568.553	1.444.531
Segment assets (*)	67.679.193	61.973.971
Investment in associated companies	171.996	114.965
Other	171.996	114.965
Unallocated assets	736.007	937.046
Less: intercompany eliminations and reclassifications	(1.480.971)	(1.183.582)
Total assets per consolidated financial statements	67.106.225	61.842.400

(*) Segment assets mainly comprise of operating assets.

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

c) Segment liabilities	30 September 2006	31 December 2005
Tire and tire reinforcements	218.312	195.382
Automotive	237.620	231.851
Textile	57.456	48.267
Chemicals	151.683	271.055
Cement	86.855	58.426
Retail	377.466	329.300
Food and beverage	135.949	81.324
Finance	53.448.128	48.611.674
Banking	52.758.072	48.071.665
Insurance	690.056	540.009
Other	331.434	220.092
Segment liabilities (*)	55.044.903	50.047.371
Unallocated liabilities	1.276.973	1.211.655
Less: intercompany eliminations and reclassifications	(1.044.884)	(1.072.703)
Total liabilities per consolidated financial statements	55.276.992	50.186.323

(*) Segment liabilities comprise of operating liabilities and exclude items such as taxation and certain corporate borrowings.

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

d) Segmental analysis for the nine-month period ended 30 September 2006

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Finance			Inter segment elimination	Total	
								Banking	Insurance	Total finance			
External revenues	992.216	1.219.973	308.797	1.279.661	536.649	1.216.927	343.172	5.813.635	545.144	6.358.779	368.501	-	12.624.675
Inter segment revenues	4.472	2.334	244	17.306	19	2.551	7.712	51.246	1.810	53.056	126.099	(213.793)	-
Intra segment revenues	30.032	5	725	2	3.349	7.777	-	2.958	-	2.958	1.195.674	(1.240.522)	-
Combined revenues	1.026.720	1.222.312	309.766	1.296.969	540.017	1.227.255	350.884	5.867.839	546.954	6.414.793	1.690.274	(1.454.315)	12.624.675
External revenues	992.216	1.219.973	308.797	1.279.661	536.649	1.216.927	343.172	5.813.635	545.144	6.358.779	368.501	-	12.624.675
Inter segment revenues	4.472	2.334	244	17.306	19	2.551	7.712	51.246	1.810	53.056	126.099	(213.793)	-
Consolidated revenue	996.688	1.222.307	309.041	1.296.967	536.668	1.219.478	350.884	5.864.881	546.954	6.411.835	494.600	(213.793)	12.624.675
Cost of goods sold (*)	(801.023)	(1.026.769)	(221.475)	(1.184.870)	(312.949)	(954.287)	(298.757)	(3.490.255)	(501.524)	(3.991.779)	(443.588)	266.849	(8.968.648)
General administrative expenses	(45.367)	(16.099)	(20.408)	(30.492)	(22.388)	(141.585)	(15.108)	(1.121.086)	(48.709)	(1.169.795)	(31.625)	-	(1.492.867)
Sales, marketing and distribution expenses	(45.207)	(89.363)	(23.255)	(90.428)	(5.709)	(101.346)	(52.072)	-	-	-	(30.656)	-	(438.036)
Research and development expenses	(4.343)	(3.829)	(7.357)	(6.951)	-	-	(305)	-	-	-	-	-	(22.785)
Inter segment adjustment	-	(430)	68	98	(75)	-	714	(29)	(3)	(32)	(2.056)	(22.016)	(23.729)
Operating result	100.748	85.817	36.614	(15.676)	195.547	22.260	(14.644)	1.253.511	(3.282)	1.250.229	(13.325)	31.040	1.678.610
Other unallocated operating expenses													(35.513)
Net operating result													1.643.097
Other income/(expense)- net	123	(9.461)	(3.142)	(100.790)	(8.126)	(3.628)	(280)	138.704	15.100	153.804	(18.227)	-	10.273
Segment result													1.653.370

(*) In the banking segment cost of sales includes interest expense, fee and commission expense, provision for loan losses and other operating income.

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(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

Segmental analysis for the three-month period ended 30 September 2006

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Finance		Total finance	Inter segment elimination Other	Total	
								Banking	Insurance				
External revenues	353.426	394.387	104.690	499.612	211.442	392.454	122.725	2.116.227	157.047	2.273.274	147.194	-	4.499.204
Inter segment revenues	1.251	167	90	7.246	17	983	2.906	1.403	255	1.658	39.508	(53.826)	-
Intra segment revenues	10.395	4	411	2	1.433	6.832	-	165	-	165	244.761	(264.003)	-
Combined revenues	365.072	394.558	105.191	506.860	212.892	400.269	125.631	2.117.795	157.302	2.275.097	431.463	(317.829)	4.499.204
External revenues	353.426	394.387	104.690	499.612	211.442	392.454	122.725	2.116.227	157.047	2.273.274	147.194	-	4.499.204
Inter segment revenues	1.251	167	90	7.246	17	983	2.906	1.403	255	1.658	39.508	(53.826)	-
Consolidation revenue	354.677	394.554	104.780	506.858	211.459	393.437	125.631	2.117.630	157.302	2.274.932	186.702	(53.826)	4.499.204
Cost of goods sold (*)	(281.712)	(337.187)	(73.013)	(470.741)	(121.575)	(295.497)	(113.155)	(1.310.946)	(135.594)	(1.446.540)	(173.453)	99.524	(3.213.349)
General administrative expenses	(562)	(5.796)	(6.232)	(10.548)	(9.401)	(45.992)	(5.762)	(385.004)	(15.331)	(400.335)	(10.960)	-	(495.588)
Sales, marketing and distribution expenses	(30.502)	(32.286)	(8.145)	(32.897)	-	(36.908)	(15.547)	-	-	-	(11.495)	-	(167.780)
Research and development expenses	(1.557)	(882)	(2.504)	(2.458)	-	-	(106)	-	-	-	-	-	(7.507)
Inter segment adjustment	-	(61)	23	-	(25)	(33)	5	(9)	(1)	(10)	(886)	(38.304)	(39.291)
Operating result	40.344	18.342	14.909	(9.786)	80.458	15.007	(8.934)	421.671	6.376	428.047	(10.092)	7.394	575.689
Other unallocated operating expenses													(11.050)
Net operating result													564.639
Other income/(expense)- net	1.573	(5.121)	(1.280)	(80.698)	(6.103)	(6.831)	4.768	25.097	(688)	24.409	10.337	-	(58.946)
Segment result													505.693

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

Segmental analysis for the nine-month period ended 30 September 2005

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Finance			Inter segment elimination	Total	
								Banking	Insurance	Total finance			
External revenues	767.161	984.185	260.218	1.224.957	366.666	858.330	297.382	4.751.813	418.376	5.170.189	302.440	-	10.231.528
Inter segment revenues	3.847	128	26	14.110	15	2.008	4.117	11.920	2.360	14.280	155.252	(193.783)	-
Intra segment revenues	32.852	-	97	2.013	1.660	2.924	827	2.519	-	2.519	1.231.899	(1.274.791)	-
Combined revenues	803.860	984.313	260.341	1.241.080	368.341	863.262	302.326	4.766.252	420.736	5.186.988	1.689.591	(1.468.574)	10.231.528
External revenues	767.161	984.185	260.218	1.224.957	366.666	858.330	297.382	4.751.813	418.376	5.170.189	302.440	-	10.231.528
Inter segment revenues	3.847	128	26	14.110	15	2.008	4.117	11.920	2.360	14.280	155.252	(193.783)	-
Consolidated revenue	771.008	984.313	260.244	1.239.067	366.681	860.338	301.499	4.763.733	420.736	5.184.469	457.692	(193.783)	10.231.528
Cost of goods sold (*)	(613.298)	(806.353)	(196.790)	(1.096.340)	(244.850)	(687.189)	(263.570)	(2.211.096)	(400.913)	(2.612.009)	(412.724)	208.063	(6.725.060)
General administrative expenses	(40.108)	(14.062)	(20.293)	(30.757)	(16.239)	(45.049)	(14.537)	(906.245)	(42.507)	(948.752)	(31.413)	-	(1.161.210)
Sales, marketing and distribution expenses	(21.793)	(68.546)	(20.629)	(91.722)	(4.713)	(115.827)	(55.305)	-	-	-	(28.742)	-	(407.277)
Research and development expenses	(3.268)	(2.430)	(6.243)	(5.293)	-	-	(216)	-	-	-	-	-	(17.450)
Inter segment adjustment	2.001	(553)	68	20	(75)	282	(12.260)	(28)	(3)	(31)	(2.099)	35.638	22.991
Operating result	94.542	92.369	16.357	14.975	100.804	12.555	(44.389)	1.646.364	(22.687)	1.623.677	(17.286)	49.918	1.943.522
Other unallocated operating expenses													(37.726)
Net operating result													1.905.796
Other income/(expense)- net	8.603	(6.594)	(11.087)	(31.200)	19.498	25.279	(1.141)	23.316	26.343	49.659	(24.900)		28.117
Segment result													1.933.913

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

Segmental analysis for the three-month period ended 30 September 2005

	Tire and tire reinforcements	Automotive	Textile	Chemicals	Cement	Retail	Food and beverage	Finance		Total finance	Inter segment elimination	Total	
								Banking	Insurance				
External revenues	305.215	380.233	80.655	432.307	143.311	347.431	112.568	1.839.280	128.339	1.967.619	110.123	-	3.879.462
Inter segment revenues	1.007	(5.333)	25	4.198	7	1.041	1.722	1.907	926	2.833	56.496	(61.996)	-
Intra segment revenues	11.125	-	14	(52)	499	2.004	413	954	-	954	183.478	(198.435)	-
Combined revenues	317.347	374.900	80.694	436.453	143.817	350.476	114.703	1.842.141	129.265	1.971.406	350.097	(260.431)	3.879.462
External revenues	305.215	380.233	80.655	432.307	143.311	347.431	112.568	1.839.280	128.339	1.967.619	110.123	-	3.879.462
Inter segment revenues	1.007	(5.333)	25	4.198	7	1.041	1.722	1.907	926	2.833	56.496	(61.996)	-
Consolidated revenue	306.222	374.900	80.680	436.505	143.318	348.472	114.290	1.841.187	129.265	1.970.452	166.619	(61.996)	3.879.462
Cost of goods sold (*)	(250.773)	(299.929)	(63.273)	(378.595)	(88.895)	(278.504)	(96.217)	(965.954)	(122.280)	(1.088.234)	(141.921)	59.934	(2.626.407)
General administrative expenses	(13.342)	(4.528)	(6.730)	(8.943)	(5.262)	14.209	(4.530)	(358.918)	(13.386)	(372.304)	(11.404)	-	(412.834)
Sales, marketing and distribution expenses	(5.831)	(25.585)	(6.539)	(32.453)	(1.550)	(82.690)	(18.854)	-	-	-	(10.159)	-	(183.661)
Research and development expenses	(1.235)	655	(2.122)	(2.085)	-	-	(75)	-	-	-	2.082	-	(2.780)
Inter segment adjustment	-	(184)	23	20	(25)	243	-	(8)	(1)	(9)	(729)	10.619	9.958
Operating result	35.041	45.329	2.039	14.449	47.586	1.730	(5.384)	516.307	(6.402)	509.905	4.488	8.557	663.738
Other unallocated operating expenses													(11.210)
Net operating result													652.528
Other income/(expense)- net	(2.641)	(1.411)	(939)	(7.137)	(2.994)	11.393	(1.710)	8.405	6.074	14.479	(10.338)		(1.298)
Segment result													651.230

HACI ÖMER SABANCI HOLDİNG A.Ş.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

e) Operating results

i) Banking

	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
Interest on loans	2.833.770	1.064.660	1.990.896	758.573
Interest on investment and trading securities	1.819.388	669.973	1.794.006	701.892
Fee and commission income	800.044	272.225	667.886	231.114
Interest from other banks	203.803	92.523	109.308	39.403
Net trading gains on securities	122.947	7.082	139.541	71.438
Other interest income	33.683	9.764	50.176	36.860
Total operating revenues	5.813.635	2.116.227	4.751.813	1.839.280
Less: fee and commission income and net trading gains on securities	(922.991)	(279.307)	(807.427)	(302.552)
Total interest income	4.890.644	1.836.920	3.944.386	1.536.728
Interest expense	(2.934.232)	(1.192.502)	(1.879.723)	(825.688)
Interest income - net	1.956.412	644.418	2.064.663	711.040
Operating costs				
Interest expense	(2.934.232)	(1.192.502)	(1.879.723)	(825.688)
Foreign exchange trading gains - net	(91.685)	41.532	27.134	(17.289)
Operating expense	(1.121.086)	(385.004)	(906.245)	(358.918)
Fee and commission expense	(172.275)	(65.272)	(173.711)	(63.953)
Provision for loan losses	(240.846)	(93.310)	(172.904)	(57.126)
Total operating costs	(4.560.124)	(1.694.556)	(3.105.449)	(1.322.974)
Add: interest expense	2.934.232	1.192.502	1.879.723	825.688
Add: fee and commission income and net trading gains on securities	922.991	279.307	807.427	302.552
Operating results	1.253.511	421.671	1.646.364	516.306

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENT REPORTING (Continued)

ii) Insurance

	1 January- 30 September 2006	1 July- 30 September 2006	1 July- 30 September 2005	1 July- 30 September 2005
Gross premiums written	545.144	157.047	418.376	128.339
Outward reinsurance premiums	(244.301)	(66.553)	(208.588)	(59.285)
Change in the provision for unearned premiums, net of reinsurance	(41.410)	2.339	(29.831)	(2.736)
Earned premiums, net of reinsurance	259.433	92.833	179.957	66.318
Claims paid - gross	(339.319)	(131.592)	(244.539)	(86.369)
Claims paid – reinsurers' share	153.668	56.182	123.579	43.720
Change in the provision for claims	(13.880)	1.972	(14.964)	(10.373)
Claims incurred, net of reinsurance	(199.531)	(73.438)	(135.924)	(53.022)
Change in life assurance provision	9.661	11.966	(3.053)	2.814
Commission expense - net	(24.136)	(9.654)	(21.160)	(9.126)
Other technical income - net	45.427	21.707	19.820	6.984
General administrative expenses	(48.709)	(15.331)	(42.507)	(13.386)
Operating results	(3.282)	6.376	(22.687)	(6.402)

iii) Non-financial products

Net sales	6.265.896	2.225.930	5.061.340	1.911.844
Cost of sales	(5.079.932)	(1.818.462)	(4.122.477)	(1.536.152)
Gross profit	1.185.964	407.468	938.863	375.692
Operating expenses	(793.096)	(270.876)	(656.741)	(233.044)
Operating profit	392.868	136.592	282.122	142.648

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENTAL REPORTING (Continued)

f) Interests in joint ventures

Aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities and income and expense items related to Joint Ventures which are proportionally consolidated in the consolidated interim financial statements are as follows on a combined basis:

	30 September 2006	31 December 2005		
Balance sheet				
Current assets	442.924	442.916		
Non-current assets	935.111	973.894		
Total assets	1.378.035	1.416.810		
Current liabilities	410.370	404.918		
Non-current liabilities	56.268	76.638		
Total liabilities	466.638	481.556		
Outside interests	4.402	4.143		
Shareholders' equity	906.995	931.111		
Total liabilities, outside interests and shareholders' equity	1.378.035	1.416.810		
Income statement	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
Operating profit	87.480	37.249	84.913	16.111
Financial (expense)/ income- net	921	5.756	254	(4.795)
Income before taxation on income and outside interests	88.401	43.005	85.167	11.316
Taxation on income	(39.465)	(4.151)	(19.198)	947
Income/ (loss) before outside interests	48.936	38.854	65.969	12.263
Outside interests	(259)	(239)	1.229	2.741
Net income/ (loss) for the period	48.677	(38.615)	67.198	15.004

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENTAL REPORTING (Continued)

g) Amortisation charge, negative goodwill income and capital expenditures

1 January - 30 September 2006

	<u>Finance</u>		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Retail	Other	Total
	Banking	Insurance									
Depreciation and amortisation	82.858	3.359	51.146	9.990	27.745	63.005	40.495	9.373	23.697	47.440	359.108
Capital expenditure	105.372	2.191	53.698	24.626	15.084	125.824	82.842	37.907	30.915	10.172	488.631

1 July - 30 September 2006

	<u>Finance</u>		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Retail	Other	Total
	Banking	Insurance									
Depreciation and amortisation	27.673	1.108	15.982	4.136	9.093	18.935	15.405	3.068	7.176	14.805	117.381
Capital expenditure	57.744	518	32.165	10.893	2.480	83.235	41.465	18.954	14.934	2.115	264.503

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 33 - SEGMENTAL REPORTING (Continued)

1 January - 30 September 2006

	<u>Finance</u>		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Retail	Other	Total
	Banking	Insurance									
Depreciation and amortisation	80.790	3.439	33.349	7.556	26.437	52.420	33.384	9.196	26.487	54.344	327.402
Impairment of investment property	-	-	-	-	-	-	-	-	-	3.356	3.356
Impairment of goodwill	(24.968)	-	(32.282)	-	-	-	-	-	-	-	(57.250)
	55.822	3.439	1.067	7.556	26.437	52.420	33.384	9.196	26.487	57.700	273.508
Capital expenditure	55.334	4.916	75.059	25.008	50.678	57.942	56.138	21.580	16.067	41.734	404.456

1 July - 30 September 2005

	<u>Finance</u>		Tire and tire enforcements	Automotive	Textile	Chemicals	Cement	Food and beverage	Retail	Other	Total
	Banking	Insurance									
Depreciation and amortisation	24.659	1.408	14.566	3.945	8.940	17.936	11.211	3.326	10.159	11.109	107.259
Capital expenditure	32.264	2.293	32.855	11.298	13.229	20.971	26.457	8.226	6.333	8.409	162.335

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 34 - SUBSEQUENT EVENTS

As at 17 October 2006, an agreement has been signed between Citigroup Inc., Citibank Overseas Investment Corporation ("Citibank") and particular corporate shareholders of Akbank mainly H.Ö. Sabancı Holding A.Ş., Aksigorta A.Ş. as well as some individual shareholders from Sabancı Family related with the purchase of 20% of Akbank shares by Citibank.

After the sale of 20% of Akbank T.A.Ş. shares to Citibank; H.Ö. Sabancı Holding A.Ş., its subsidiaries and the Sabancı Family will continue to be the owners of the majority of Akbank T.A.Ş. shares.

NOTE 35 - DISCONTINUED OPERATIONS

Advansa, a subsidiary of the Holding registered in Netherlands, signed a share sales agreement with La Seda De Barcelona on 28 July 2006 regarding the asset sale of pet, pet reform and pta production entities located in Turkey (Artensa A.Ş.), United Kingdom (Advansa UK Ltd) and Romania (Advansa Romania SRL) together with associated production technology and licences. Following the approval of competition authorities in related countries, the assets are priced at EUR 339 million (equivalent of YTL 643.143 at 30 September 2006) and transferred to La Seda De Barcelona.

The summary financial information of the entities subject to the sales transaction is as follows:

	1 January 2006 - 30 September 2006
Total proceeds from sales	643.143
Less: Net asset / (liability) disposed	(685.065)
<hr/>	
Total loss on sale (Note: 38)	(41.922)

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 36 - OPERATING INCOME

	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
Finance	6.358.779	2.273.275	5.170.189	1.967.619
Non-finance	6.265.896	2.225.929	5.061.339	1.911.843
	12.624.675	4.499.204	10.231.528	3.879.462

NOTE 37 - OPERATING EXPENSES

	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
General and administrative expenses	1.517.367	502.516	1.189.857	421.607
Marketing, selling and distribution expenses	422.795	161.174	398.239	181.079
Research and development expenses	22.729	7.487	17.397	2.662
	1.962.891	671.177	1.605.493	605.348

NOTE 38 - OTHER INCOME/EXPENSES AND GAINS/LOSSES

Other income	1 January- 30 September 2006	1 July - 30 September 2006	1 January- 30 September 2005	1 July - 30 September 2005
Foreign exchange gains	264.754	51.028	69.493	21.229
Interest income	58.168	12.455	58.051	8.294
Gain on sale of associate	52.975	-	-	-
Gain on sale of property, plant and equipment	7.861	724	-	-
Negative goodwill income	-	-	57.250	-
Other - net	17.432	(4.640)	3.534	-
	401.190	59.567	188.328	29.523

Other expense	1 January- 30 September 2006	1 July - 30 September 2006	1 January- 30 September 2005	1 July - 30 September 2005
Loss on sale of associate (*)	41.922	41.922	-	-
Idle time expense	4.488	1.059	11.043	3.259
Loss on sale of property, plant and equipment-net	3.493	232	4.433	514
Provision expenses	2.963	1.163	805	350
Impairment losses	2.603	-	-	-
Other	5.134	3.261	-	-
	60.603	47.637	16.281	4.123

(*) Amount includes Advansa investment sales loss.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 39 - FINANCIAL EXPENSES

	1 January - 30 September 2006	1 July - 30 September 2006	1 January - 30 September 2005	1 July - 30 September 2005
Foreign exchange losses	249.093	26.698	79.507	14.580
Interest expense	56.888	25.154	26.688	5.604
Other financial expenses	60.892	25.554	40.666	14.982
	366.873	77.406	146.861	35.166

Financial expenses relates only to segments other than banking.

NOTE 40 - NET MONETARY POSITION PROFIT/LOSSES

Gain/loss on net monetary position is calculated as the difference between the assets and liabilities as a result of restatement of the non-monetary assets and liabilities and income statement for the changes in the general purchasing power. However, since inflation adjustment is not made for the period beginning on or after 1 January 2005, there is no gain/loss on net monetary position for the six-month period ended 30 September 2006. (1 January - 30 September 2005: None).

NOTE 41 - TAXES ON INCOME

Total taxes payable for the period ended 30 September 2006 and 2005 were reconciled to current period tax charge as follows:

	30 September 2006	30 September 2005
Corporation and income taxes currently payable	252.248	632.113
Tax charge to equity relating to available for sale financial assets	127.956	(41.000)
Currency translation adjustment	(482)	-
Current period tax charge	379.722	591.113
Deferred taxation	110.034	(17.924)
Taxation on income	489.756	573.189

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 42 - EARNINGS PER SHARE

Earnings per share for each class of shares disclosed in these consolidated statements of income is determined by dividing the net income after translation adjustment attributable to that class of shares by the weighted average number of shares of that class that have been outstanding during the year.

	1 January- 30 September 2006	1 July- 30 September 2006	1 January- 30 September 2005	1 July- 30 September 2005
Earnings per share in full YTL				
- ordinary share	2,26	0,54	4,89	1,75
- usufruct shares (*)	-	-	198.239	70.841
Weighted average number of shares with YKR 1 face value each				
- ordinary shares	180.000.000.000	180.000.000.000	120.000.000.000	120.000.000.000
- usufruct shares	-	-	189	189

(*) The Holding purchased the 189 usufruct shares that are issued in accordance with the 13th article of the Article of Association of Sabancı Holding which entitles its holders to 3% dividend from the distributable net income without any voting rights for YTL 1.425 each.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings and revaluation surplus calculated before 1 January 2004. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier year. When the number of ordinary shares outstanding increases as a result of bonus shares after the balance sheet date but before the issue of financial statements, the earnings per share calculation is based on the new number of shares. No bonus shares were issued during the period 1 January – 30 September 2006. Bonus shares issued during the year ended 31 December 2005 was as follows:

	Number of shares issued attributable to transfers to share capital from		
	Retained earnings	Revaluation surplus	Total
31 December 2005	41.852.610	18.147.390	60.000.000

The earnings attributable to each class of shares for each period were as follows:

	Vaksa share	Usufruct shares	Ordinary shares	Total
1 January - 30 September 2006	12.577	-	406.656	419.233
1 July - 30 September 2006	3.001	-	97.032	100.033
1 January - 30 September 2005	18.734	37.467	568.251	624.452
1 July - 30 September 2005	6.695	13.389	203.066	223.150

There was no difference between basic and diluted earnings per share for any class of shares for any of these periods.

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 43 - STATEMENTS OF CASH FLOW

	Notes	1 January - 30 September 2006	1 January - 30 September 2005
Income before taxation and minority interests		1.722.223	1.969.079
Adjustments to reconcile income before taxation and outside interest to net cash provided by operating activities:			
Depreciation and amortisation		359.108	327.402
Provision for loan losses		178.669	163.515
Insurance technical reserves		(45.629)	(47.848)
Change in employment termination benefits reserve	23	39.505	39.760
Re-measurement of derivatives at fair value		(52.658)	295.937
Income from associates		(105.412)	(38.097)
Currency translation adjustment		76.955	(1.759)
Goodwill charge to the income statement	17	10.480	-
Impairment charge on tangible assets and investment property		63.031	3.356
Goodwill Impairment		10.950	-
Loss on sale of associate		41.922	-
Negative goodwill income		-	(57.250)
Other		15.040	4.394
Net cash provided by operating activities before changes in operating assets and liabilities		2.314.184	2.658.489
Changes in operating assets and liabilities			
Increase in trade receivable		(233.574)	(243.453)
(Increase) / decrease in due from related parties		(1.026)	1.183
Increase in inventory		(266.768)	(9.635)
Increase in other receivables and other current assets		(1.146.225)	(127.583)
Increase in lease receivables		(198.291)	(215.900)
Increase in trade payables		2.913	104.214
Increase / (decrease) in due to related parties		5.013	(13.883)
Increase in insurance technical reserve		85.010	78.378
Increase in other liabilities and advances received		207.557	198.056
Changes in assets and liabilities in banking segment			
Increase in marketable securities		(454.097)	(2.472.765)
Increase in loans		(7.105.591)	(5.832.404)
Increase in customer deposits		4.565.511	10.982.551
Decrease / (increase) in reserve with the Central Bank of the Republic of Turkey		484.441	(108.470)
		(4.055.127)	2.340.289
Income taxes paid		(552.489)	(544.219)
Employment termination benefits paid	23	(29.033)	(29.387)
Net cash (used in) / provided by operating activities		(2.322.465)	4.425.172
Cash flows from investing activities:			
Capital expenditures		(488.631)	(404.456)
Investment in available-for-sale and held-to-maturity securities (non-banking segments)		1.395.394	(4.252.300)
Subsidiary acquisition	32	(124.694)	(298.426)
Partial disposal of the subsidiary	24	53.845	-
Increase due to change in scope of consolidation		-	24.307
Proceeds from sale of associate		643.219	-
Proceeds from sale of property, plant and equipment		222.495	56.951
Dividends received		40.411	40.990
Net cash provided by / (used in) investing activities		1.742.039	(4.832.934)
Cash flows from financing activities:			
Increase in short term funds borrowed, bank borrowings and debt securities in issue		571.134	1.794.217
Decrease / (increase) on finance lease payables		(5.536)	4.921
Dividends paid		(132.720)	(128.686)
Acquisition of usufruct shares	42	(269.325)	-
Dividends paid to outside interests	24	(374.298)	(878.958)
Increase in share capital of outside interests		(96)	(109.863)
Net cash provided by financing activities		(210.841)	681.631
Net increase in cash and cash equivalents		(791.267)	273.869
Cash and cash equivalents at the beginning of the period	4	4.255.300	3.232.154
Cash and cash equivalents at the end of the period	4	3.464.033	3.506.023

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS

a) Loans and advances to customers

	30 September 2006	31 December 2005
Consumer loans and credit cards receivables	9.464.503	6.994.921
Small-scale enterprises	2.513.871	1.956.879
Financial institutions	2.224.682	1.868.413
Project finance loans	1.319.963	1.433.489
Mining	1.086.594	942.802
Food and beverage, wholesale and retail	835.594	759.436
Textile	812.124	618.697
Construction	741.167	499.435
Agriculture and forestry	478.696	242.734
Automotive	473.942	797.058
Telecommunication	463.267	103.454
Chemicals	433.092	785.744
Health care and social services	281.942	207.778
Tourism	270.055	190.235
Electronics	222.525	136.011
Other manufacturing industries	1.892.105	885.017
Others	5.519.960	3.652.968
Total	29.034.082	22.075.071
Non-performing loans	505.630	359.050
Total loans and advances to customers	29.539.712	22.434.121
Allowance for loan losses	(715.738)	(537.069)
Net loans and advances to customers	28.823.974	21.897.052

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 45 - LOANS AND ADVANCES TO CUSTOMERS (Continued)

The maturity schedule of loans and advances to customers at 30 September 2006 and 31 December 2005 are summarised below:

	30 September 2006	31 December 2005
Up to 3 months	12.421.033	7.296.166
3 to 12 months	7.326.417	8.311.990
Current	19.747.450	15.608.156
1 to 5 year	7.222.843	5.435.713
Over 5 year	1.853.681	853.183
Non-current	9.076.524	6.288.896
	28.823.974	21.897.052

The repricing schedule of loans and advances to customers at 30 September 2006 and 31 December 2005 are summarised below:

	30 September 2006	31 December 2005
Up to 3 months	16.191.314	12.746.841
3 to 12 months	8.076.516	5.803.853
1 to 5 year	3.949.461	2.980.224
Over 5 year	606.683	366.134
	28.823.974	21.897.052

Movements in the allowance for loan losses were as follows:

	30 September 2006	30 September 2005
Balance at 1 January	537.069	336.628
Gross provisions	316.080	226.310
Recoveries	(127.850)	(85.094)
Written-off	(39.784)	(11.556)
Net specific provision	148.446	129.660
Net additional provision	30.223	33.855
	715.738	500.143

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NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Amounts expressed in thousands of New Turkish lira ("YTL") unless otherwise indicated. Currencies other than YTL are expressed in thousands unless otherwise indicated.)

NOTE 46 - BANKING CUSTOMER DEPOSITS

	30 September 2006			31 December 2005		
	Demand	Time	Total	Demand	Time	Total
Savings deposits	3.036.809	23.891.771	26.928.580	2.668.137	18.097.911	20.766.048
Commercial deposits	2.264.807	5.460.430	7.725.237	1.953.702	4.448.533	6.402.235
Bank deposits	108.758	1.156.681	1.265.439	99.761	2.560.729	2.660.490
Funds deposited under						
repo transactions	-	3.943.863	3.943.863	-	5.478.089	5.478.089
Other	675.190	954.855	1.630.045	602.341	1.018.450	1.620.791
	6.085.564	35.407.600	41.493.164	5.323.941	31.603.712	36.927.653

NOTE 47 - MUTUAL FUNDS

At 30 September 2006, the Group manages twelve (31 December 2005: thirteen) mutual funds and ten mutual pension funds ("Funds") which were established under Capital Markets Board Regulations. At 30 September 2006, the Funds' investment portfolio includes government bonds, treasury bills and share certificates of YTL 3.340.822 (31 December 2005: YTL 4.170.599). In accordance with the Funds' statute, the Group purchases and sells marketable securities for the Funds, markets their participation certificates and provides other services and charges management fees ranging from 0.0010%-0.0020%. At 30 September 2006, management fees and commissions earned by the Group amounts to YTL 88.645 (30 September 2005: YTL 89.243).

NOTE 48 - DISCLOSURE OF OTHER MATTERS

None (31 December 2005: None).

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