

**NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2011**

**NET HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

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## NET HOLDING A.Ş.

BALANCE SHEETS (TRY)  
(XI-29 CONSOLIDATED)

		Not Audited	Audited
	Footnote References	31.03.2011	31.12.2010
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	129,048,971	148,879,172
Marketable securities	7	55,209,151	76,940,891
Trade receivables		0	0
- Trade receivables from related parties	10	6,814,993	3,722,940
- Other trade receivables	10	11,233,469	11,157,147
Liabilities due from financial activities	12	0	0
Other receivables			
- Due from related parties	11	3,377,376	3,366,552
- Other parties	11	9,920,557	9,836,036
Inventories	13	33,633,602	35,001,606
Biological assets	14	0	0
Other current assets	26	8,859,823	8,854,000
<b>(Sub total)</b>		<b>129,048,971</b>	<b>148,879,172</b>
Tangible assets hold for future sale	34	0	0
<b>Non - current assets</b>			
Trade receivables	10	297,948,942	289,128,807
Liabilities due from financial activities	12	0	202,325
Other receivables	11	810,235	492,168
Financial investments	7	2,304,029	2,304,029
Investments consolidated by equity pick-up method	16	81,487,532	78,544,070
Biological assets	14	0	0
Investment properties	17	38,273,921	36,436,148
Tangible assets	18	147,729,631	147,142,957
Intangible assets	19	132,616	138,594
Goodwill	20	0	0
Deferred tax assets	35	17,943,479	18,147,137
Other non-current assets	26	9,267,499	5,721,379
<b>TOTAL ASSETS</b>		<b>426,997,913</b>	<b>438,007,979</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial borrowings	8	74,787,344	75,288,532
Other financial liabilities	9	39,935,795	41,017,948
Trade payables	10	0	0
Other payables			
- Due to related parties	11	13,847,431	14,260,587
- Due to other parties	11	16,038,245	14,898,105
Liabilities due to financial activities	12	2,426,353	2,495,117
Government Incentives and grants		0	0
Current tax liabilities	35	14,064	76,922
Provision for payables	22	2,456,391	2,485,224
Other Current liabilities	26	69,065	54,629
<b>(Sub total)</b>		<b>74,787,344</b>	<b>75,288,532</b>
Liabilities of non-current assets for sale		0	0
<b>Non-current liabilities</b>			
Financial borrowings	8	25,891,186	28,201,585
Other financial liabilities	9	15,838,204	17,721,280
Trade payables	10	0	0
Other payables	11	402,609	451,604
- Due to related parties	11	0	0
Liabilities due to financial activities	12	0	0
Government Incentives and grants	21	0	0
Provisions	22	0	0
Provision for benefits provided to employees	24	1,005,544	969,246
Deferred tax liabilities	35	8,622,353	9,046,648
Other non-current liabilities	26	22,476	12,807
<b>SHAREHOLDERS' EQUITY</b>			
<b>Parent company's equity</b>			
Paid in capital	27	326,319,383	334,517,862
Inflationary adjustment of shareholder's equity	27	179,944,661	187,037,927
Cancellation of equity shares (-)	27	209,000,000	209,000,000
Share premium	27	56,808,615	56,808,615
Fair value reserve		(108,728,093)	(105,936,361)
- Fund of equity fair value	27	8,209,679	8,209,679
Currency conversion differences	27	21,845,291	21,845,291
Legal reserves	27	874,711	819,349
Retained earnings	27	2,657,831	2,657,831
Net profit for the period	27	(6,292,096)	(41,593,084)
		(4,431,277)	35,226,607
<b>Minority interest</b>	27	<b>146,374,722</b>	<b>147,479,935</b>
<b>TOTAL EQUITY</b>		<b>426,997,913</b>	<b>438,007,979</b>

NET HOLDİNG A.Ş.

INCOME STATEMENTS (TRY)  
(XI-29 CONSOLIDATED)

		Not Audited	Not Audited
	Footnote References	01.01.2011- 31.03.2011	01.01.2010- 31.03.2010
<b>OPERATING ACTIVITIES</b>			
Sales revenue	5-28	18,272,447	15,801,218
Cost of sales (-)	28	(11,074,726)	(9,806,209)
<b>Operating profit / loss</b>		<b>7,197,721</b>	<b>5,995,009</b>
Incomes from interest, wage, premium, commision and other	28	0	0
Expenses from interest, wage, premium, commision and other (-)	28	0	0
<b>Financial profit / loss</b>		<b>0</b>	<b>0</b>
<b>Gross profit / loss</b>		<b>7,197,721</b>	<b>5,995,009</b>
Marketing, sales and distribution expenses (-)	29	(1,267,152)	(934,358)
General administrative expenses (-)	29	(12,775,084)	(10,814,755)
Research and development expenses (-)	29	0	0
Other operating income	31	936,149	683,631
Other operating expenses (-)	31	(130,038)	(714,514)
<b>Net operating profit / loss</b>		<b>(6,038,404)</b>	<b>(5,784,987)</b>
Share of profit/loss from investments consolidated by equity pick-up method	16	2,887,653	(1,702,961)
(Non - operating) financial income	32	2,855,656	4,935,427
(Non - operating) financial expenses (-)	33	(4,966,600)	(3,231,241)
<b>Operating activity profit / loss before taxation</b>		<b>(5,261,695)</b>	<b>(5,783,762)</b>
<b>Operating activity tax income / expense</b>		<b>206,573</b>	<b>1,116,545</b>
- Current tax income / expense	35	(14,064)	(5,654)
- Deferred tax income / expense	35	220,637	1,122,199
<b>Operating income / (loss)</b>		<b>(5,055,122)</b>	<b>(4,667,217)</b>
Discontinued operations	34	0	0
<b>Net income / loss after tax of abolished activities</b>		<b>(5,055,122)</b>	<b>(4,667,217)</b>
<b>Net income / loss for the period</b>		<b>(5,055,122)</b>	<b>(4,667,217)</b>
<b>Distribution of current income / loss:</b>			
Minority interests	27	(623,845)	(558,723)
Parent company's share		(4,431,277)	(4,108,494)
<b>Earnings per share</b>	36	<b>(0.021)</b>	<b>(0.012)</b>

NET HOLDING A.Ş.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (TRY)  
(XI-29 CONSOLIDATED)

	Not Audited	Not Audited
	01.01.2011- 31.03.2011	01.01.2010- 31.03.2010
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(5,055,122)</b>	<b>(4,667,217)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Change in unrealized gain on available-for-sale investments	0	0
Change in revaluation of fixed assets	0	0
Change in hedge fund	0	0
Change in currency conversion difference	55,362	384,358
Actuarial loss / income from retirement pay provision	0	0
Income / (loss) from sales investments consolidated by equity pick-up method	0	(1,051,939)
Other comprehensive income share from subsidiaries subject to equity pick up method	0	11,155
Tax income / expenses relating other comprehensive income	0	0
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<b>55,362</b>	<b>(656,426)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(4,999,760)</b>	<b>(5,323,643)</b>
<b>Dispersal of Total Comprehensive Income</b>		
Minority interest	(623,845)	(977,564)
Parent Company's share	(4,375,915)	(4,346,079)

## NET HOLDİNG A.Ş.

### STATEMENTS OF CHANGES IN EQUITY (XI-29 CONSOLIDATED)

Consolidated Statements of Changes in Equity	Capital	Inflation adjustment of shareholders' equity	Cancellation of equity shares	Premium in excess of par	Revaluation fund	Currency conversion difference	Legal reserves	Retained earnings	Parent company's equity	Minority interest	Total shareholder's equity
Balances, January 1, 2010	338,442,000	91,992,446	(167,487,532)	8,092,077	21,800,048	(161,227)	2,675,912	(129,607,041)	165,746,683	42,876,359	208,623,042
Cancellation of equity shares	-	-	9,564,022	-	-	-	-	-	9,564,022	-	9,564,022
Effect of changing rate on mutual share capital and subsidiaries	-	-	-	-	-	-	-	-	-	(1,016,349)	(1,016,349)
Capital payment of minority	-	-	-	-	-	-	-	-	-	(1,325)	(1,325)
Legal reserves	-	-	-	-	-	-	1,325	-	1,325	(1,325)	-
Retained earnings	-	-	-	-	-	-	-	(2,102,608)	(2,102,608)	(495,114)	(2,597,722)
Cash flows from the sale of shares in stock market	-	-	-	-	-	-	-	(1,051,939)	(1,051,939)	(418,841)	(1,470,780)
Increase in fair value of subsidiaries	-	-	-	-	11,155	384,525	-	-	395,680	-	395,680
Currency conversion differences	-	-	-	-	-	(167)	-	-	(167)	-	(167)
Net profit / Loss for the period	-	-	-	-	-	-	-	(4,108,494)	(4,108,494)	(558,723)	(4,667,217)
Balances, March 31, 2010	338,442,000	91,992,446	(157,923,510)	8,092,077	21,811,203	223,131	2,677,237	(136,870,082)	168,444,502	40,386,007	208,830,509
Balances, January 1, 2011	209,000,000	56,808,615	(105,936,361)	8,209,679	21,845,291	819,349	2,657,831	(6,366,477)	187,037,927	147,479,935	334,517,862
Cancellation of equity shares	-	-	(2,791,732)	-	-	-	-	-	(2,791,732)	-	(2,791,732)
Effect of changing rate on mutual share capital and subsidiaries	-	-	-	-	-	-	-	74,381	74,381	(481,368)	(406,987)
Retained earnings	-	-	-	-	-	-	-	74,381	74,381	(481,368)	(406,987)
Currency conversion differences	-	-	-	-	-	55,362	-	-	55,362	-	55,362
Net profit / Loss for the period	-	-	-	-	-	-	-	(4,431,277)	(4,431,277)	(623,845)	(5,055,122)
Balances, March 31, 2011	209,000,000	56,808,615	(108,728,093)	8,209,679	21,845,291	874,711	2,657,831	(10,723,373)	179,944,661	146,374,722	326,319,383

# NET HOLDİNG A.Ş.

## STATEMENTS OF CASH FLOWS

		Not Audited	Not Audited
(XI-29 CONSOLIDATED)	Footnote References	31.03.2011	31.03.2010
<b>OPERATING INCOME/LOSS BEFORE TAXES</b>		(5,261,695)	(5,783,762)
<b>Adjustments to reconcile net income to net cash from operating activities:</b>			
Amortisation and depreciation expense	17-18-19	2,936,465	2,856,246
Interest accruals of bank borrowings	8	262,058	930,764
Provision for severance pay	24	64,799	49,152
Provisions for other liabilities	22	(67,070)	143,633
Rent income accruals	26	24,989	12,499
Investments subject to equity pick-up method	16	(2,943,462)	1,307,280
Effect of changing rate on mutual share capital and subsidiaries	27	(2,791,732)	9,564,022
<b>Net cash provided by operating activities before changes in operating assets and liabilities</b>		<b>(7,775,648)</b>	<b>9,079,834</b>
<b>Changes in operating assets and liabilities</b>			
Trade receivables	10	(76,322)	1,204,671
Trade receivables from related parties	10	(3,092,053)	(882,931)
Inventories	13	1,368,004	1,801,188
Other receivables	11	(84,521)	(100,938)
Other receivables from related parties	11	(10,824)	(1,321,144)
Other current assets	26	(5,823)	(7,435,757)
Long term trade receivables	10	202,325	209,486
Long term other receivables	11	(318,067)	(50,739)
Other non-current assets	26	(3,546,120)	(49,709)
Trade payables	10	(413,156)	4,821,359
Other short term liabilities	11	(68,764)	(860,240)
Other payables to related parties	11	1,140,140	349,556
Provision for liabilities	22	38,237	0
Other short term liabilities	26	(10,553)	13,447
Long term trade payables	10	0	1,129,272
Long term other payables	11	(48,995)	1,238
Long term other liabilities	26	9,669	(11,360)
Severance pay		(28,501)	0
		<b>(4,945,324)</b>	<b>(1,182,601)</b>
Taxes Paid	35	(76,922)	(10,619)
<b>Net cash provided by operating activities</b>		<b>(12,797,894)</b>	<b>7,886,614</b>
<b>Cash flows from investing activities</b>			
Investment expenditures	17-18-19	(5,421,734)	(1,998,979)
Disposals in tangible fixed assets	17-18-19	66,800	3,499,774
Foreign currency conversion difference	27	55,362	(167)
<b>Net cash provided by investing activities</b>		<b>(5,299,572)</b>	<b>1,500,628</b>
<b>Cash flows from financing activities</b>			
Short term borrowings	8	(1,344,211)	(1,738,305)
Long term borrowings	8	(1,883,076)	(418,368)
Effect of changing rate on mutual share capital and subsidiaries		(406,987)	(2,597,722)
Earnings from the sale of shares in stock market		0	(1,470,780)
Change in capital of minority interests		0	(1,016,349)
Increase in fair value of subsidiaries		0	395,680
<b>Net cash used by financing activities</b>		<b>(3,634,274)</b>	<b>(6,845,844)</b>
Net increase/ (decrease) In cash and cash equivalents		(21,731,740)	2,541,398
Cash and cash equivalents at the beginning of the period	6	76,940,891	10,576,488
<b>Cash and cash equivalents at the end of the period</b>		<b>55,209,151</b>	<b>13,117,886</b>