

**GOLDAŞ KUYUMCULUK SANAYİ  
İTHALAT İHRACAT ANONİM ŞİRKETİ  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD BETWEEN  
JANUARY 01 AND DECEMBER 31, 2006  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

TABLE OF CONTENTS	PAGE
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	<b>1-2</b>
<b>CONSOLIDATED BALANCE SHEET</b> .....	<b>3-4</b>
<b>CONSOLIDATED INCOME STATEMENT</b> .....	<b>5</b>
<b>CONSOLIDATED CASH FLOW STATEMENT</b> .....	<b>6</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS'</b> .....	<b>7</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b> .....	<b>8-33</b>
NOTE 1 ORGANIZATION AND NATURE OF OPERATIONS.....	8
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS .....	9-10
NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES... ..	11-14
NOTE 4 CASH AND CASH EQUIVALENTS.....	14
NOTE 5 MARKETABLE SECURITIES .....	15
NOTE 6 FINANCIAL LIABILITIES.....	15
NOTE 7 TRADE RECEIVABLES AND PAYABLES.....	16
NOTE 8 FINANCE LEASE RECEIVABLES AND PAYABLES .....	17
NOTE 9 BALANCES AND TRANSACTIONS WITH RELATED PARTIES.....	18-19
NOTE 10 OTHER RECEIVABLES AND PAYABLES .....	20
NOTE 11 BIOLOGICAL ASSETS.....	20
NOTE 12 INVENTORIES.....	20
NOTE 13 RECEIVABLES FROM ONGOING CONSTRUCTION PROJECTS.....	20
NOTE 14 DEFERRED TAX ASSETS AND LIABILITIES.....	21
NOTE 15 OTHER CURRENT/NON-CURRENT ASSETS AND LIABILITIES .....	21
NOTE 16 FINANCIAL ASSETS .....	21
NOTE 17 POSITIVE / NEGATIVE GOODWILL.....	21
NOTE 18 INVESTMENT PROPERTIES.....	21
NOTE 19 PROPERTIES, PLANT AND EQUIPMENT .....	22
NOTE 20 INTANGIBLE FIXED ASSETS .....	23
NOTE 21 ADVANCES RECEIVED .....	23
NOTE 22 RETIREMENT PLANS .....	23
NOTE 23 PROVISIONS .....	24
NOTE 24 MINORITY INTEREST.....	25
NOTE 25 SHARE CAPITAL/ADJUSTMENTS TO SHARE CAPITAL .....	25
NOTE 26 CAPITAL RESERVES .....	25
NOTE 27 PROFIT RESERVES.....	25
NOTE 28 PREVIOUS PERIOD PROFITS / (LOSS) .....	26
NOTE 29 FOREIGN CURRENCY POSITION.....	26
NOTE 30 INVESTMENT INCENTIVE CERTIFICATES .....	27
NOTE 31 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES .....	27
NOTE 32 MERGERS AND ACQUISITIONS.....	27
NOTE 33 SEGMENT REPORTING .....	27
NOTE 34 SUBSEQUENT EVENTS .....	27
NOTE 35 DISCONTINUING OPERATIONS.....	27
NOTE 36 OPERATING INCOME.....	28
NOTE 37 OPERATING EXPENSES.....	28-29
NOTE 38 OTHER OPERATING INCOME AND EXPENSES.....	29
NOTE 39 FINANCIAL EXPENSES.....	30
NOTE 40 NET MONETARY GAIN/LOSS.....	30
NOTE 41 TAXATION.....	30
NOTE 42 EARNINGS PER SHARE .....	31-32
NOTE 43 CASH FLOW STATEMENT .....	32
NOTE 44 OTHER ISSUES TO BE DISCLOSED .....	32-33
NOTE 45 ELIMINATED ITEMS DURING CONSOLIDATION PROCESS.....	33

**INDEPENDENT AUDITOR' S REPORT OF  
GOLDAŞ KUYUMCULUK SANAYİ  
İTHALAT İHRACAT ANONİM ŞİRKETİ  
FOR THE PERIOD BETWEEN JANUARY 01 , 2006 - DECEMBER 31, 2006**

**Goldaş Kuyumculuk Sanayi İthalat İhracat A.Ş.**

**To the Board of Directors;**

1. We have audited the accompanying consolidated balance sheet of Goldaş Kuyumculuk Sanayi İthalat İhracat A.Ş. ("The Company") as of December 31,2006 and the related consolidated income statement and statement of changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes.
2. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Capital Markets Board of Turkey. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.
3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Capital Markets Board of Turkey. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

4. The Company keeps its statutory records in compliance with Turkish Commercial Code and Tax Procedural Laws and prepares its financial statements in New Turkish Liras. The accompanying financial statements are translated into US Dollars by using year-end exchange rate.
5. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Goldaş Kuyumculuk Sanayi İthalat İhracat Anonim Şirketi as of December 31,2006, and of its financial performance and its cash flows for the year then ended in accordance with Capital Markets Board of Turkey.

İstanbul, April 10, 2007

**KAPİTAL BAĞIMSIZ DENETİM VE YMM A.Ş.**  
**Correspondent Firm of RSM International**

Celal Pamukçu  
Partner in Charge