

TURKCELL ILETISIM HIZMETLERI A S

Form 20-F/A

November 08, 2006

As filed with the Securities and Exchange Commission on November 8, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F/A

Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2005

Commission File Number: 1-15092

TURKCELL ILETISIM HIZMETLERI A.S.

(Exact name of Registrant as specified in its charter)

TURKCELL

(Translation of Registrant's name into English)

Republic of Turkey

(Jurisdiction of incorporation or organization)

**Turkcell Plaza
Mesrutiyet Caddesi No: 153
34430 Tepebasi
Istanbul, Turkey**

(Address of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares	New York Stock Exchange
Ordinary Shares, Nominal Value TRY 1.000*	New York Stock Exchange
	Istanbul Stock Exchange

* Not for trading on the New York Stock Exchange, but only in connection with the registration of American Depositary Shares representing such ordinary shares pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

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Ordinary Shares, Nominal Value TRY 1.000

1,854,887,341

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** x **No** o

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. **Yes** o **No** x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** x **No** o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer x

Accelerated Filer o

Non-Accelerated Filer o

Indicate by check mark which financial statement item the registrant has elected to follow. **Item 17** o **Item 18** x

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). **Yes** o **No** x

Explanatory Note

This amendment to our Form 20-F report for the year ended December 31, 2005 is solely to amend the audit report of PricewaterhouseCoopers Accountants N.V. to cover the consolidated statements of income and comprehensive income and of changes in shareholders' equity and cash flows for the year ended December 31, 2003 of Fintur Holdings B.V.

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ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Turkcell Iletisim Hizmetleri Anonim Sirketi and its subsidiaries as of December 31, 2004 and 2005, and for each of the years in the three-year period ended December 31, 2005, with the Independent Registered Public Accounting Firm's Report thereon, are filed as part of this annual report, as follows:

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ITEM 19. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
12.1	Certification of Serkan Okandan, Acting Principal Executive Officer, pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
12.2	Certification of Serkan Okandan, Chief Financial Officer of Turkcell Iletisim Hizmetleri A.S., pursuant to Section 302 of the Sarbanes Oxley Act of 2002.
13.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors of
Turkcell Iletisim Hizmetleri Anonim Sirketi

We have audited the accompanying consolidated balance sheets of Turkcell Iletisim Hizmetleri Anonim Sirketi and its subsidiaries (the Company) as of December 31, 2004 and 2005, and the related consolidated statements of income, changes in shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the consolidated financial statements of Fintur Holdings B.V. (Fintur), a 41.45 percent owned investee company. The Company's investment in Fintur at December 31, 2004 and 2005 was \$175,141 thousand and \$243,579 thousand, respectively, and its equity in the net income of Fintur was \$18,927 thousand, \$43,646 thousand and \$67,599 thousand for the years ended December 31, 2003, 2004 and 2005, respectively. The consolidated financial statements of Fintur were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fintur, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Turkcell Iletisim Hizmetleri Anonim Sirketi and its subsidiaries as of December 31, 2004 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG CEVDET SUNER DENETIM VE YEMINLI MALI MUSAVIRLIK A.S.

KPMG Cevdet Suner Denetim ve
Yeminli Mali Musavirlik A.S.

April 5, 2006
Istanbul, Turkey

Report of independent accountants

To the Shareholders and Board of Directors of
Fintur Holdings B.V.

We have audited the consolidated balance sheets of Fintur Holdings B.V. (Fintur or the Company) and its subsidiaries as at 31 December 2005 and 2004 and the related consolidated statements of income and comprehensive income, of changes in shareholders' equity and of cash flows for each of the years in the three-year period ended 31 December 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

We conducted our audits of these consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fintur and its subsidiaries as at 31 December 2005 and 2004 and the results of their operations and their cash flows for each of the years in the three-year period ended 31 December 2005 in conformity with accounting principles generally accepted in the United States of America.

Rotterdam, 6 February 2006

PricewaterhouseCoopers Accountants N.V.

/s/ drs. R.A.J. Swaak RA

drs. R.A.J. Swaak RA

**TURKCELL ILETISIM HIZMETLERI ANONIM SIRKETI
AND ITS SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2004 AND 2005
(In thousands, except share data)**

	2004	2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 6)	\$ 763,821	795,091
Available for sale securities (Notes 3 and 7)		12,948
Held to maturity securities (Notes 3 and 7)	45,329	10,191
Trade receivables and accrued income, net (Note 8)	271,792	324,611
Due from related parties (Notes 3 and 9)	103,948	67,327
Inventories (Note 3)	13,007	9,198
Prepaid expenses	23,685	38,029
Other current assets, includes \$110,166 and \$34,105 of restricted cash as of December 31, 2004 and 2005, respectively (Note 10)	325,741	106,453
Deferred tax assets (Notes 3 and 20)	277,589	192,731
Total current assets	1,824,912	1,556,579
DUE FROM RELATED PARTIES (Notes 3 and 11)	65,971	80,906
PREPAID EXPENSES	6,482	13,879
INVESTMENTS (Note 12)	197,760	266,198
HELD TO MATURITY SECURITIES (Notes 3 and 7)	10,266	
FIXED ASSETS, net (Notes 3 and 13)	1,061,268	1,224,543
CONSTRUCTION IN PROGRESS (Note 14)	230,191	389,375
INTANGIBLES, net (Notes 3 and 15)	881,511	871,362
GOODWILL (Note 3)	1,349	
OTHER LONG TERM ASSETS (Note 3)	1,624	2,440
DEFERRED TAX ASSETS (Notes 3 and 20)	80,163	306
	\$ 4,361,497	4,405,588
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES		
Short term borrowings (Note 16)	\$ 549,079	564,503
Trade payables (Note 17)	616,816	137,775
Due to related parties (Notes 3 and 18)	6,711	5,774
Taxes payable (Note 20)	99,939	60,864
Other current liabilities and accrued expenses, includes \$111,718 and 123,613 of deferred income as of December 31, 004 and 2005, respectively (Note 19)	523,475	564,188
Total current liabilities	1,796,020	1,333,104
LONG TERM BORROWINGS (Note 21)	266,447	82,848
TRADE PAYABLES (Note 17)	213,740	
LONG TERM LEASE OBLIGATIONS	3,284	9
RETIREMENT PAY LIABILITY (Note 3)	12,875	16,707
DEFERRED TAX LIABILITIES (Notes 3 and 20)	11,757	185,297
MINORITY INTEREST (Note 3)	64,044	62,427
OTHER LONG TERM LIABILITIES	7,813	