

# ANADOLU ISUZU

ANNUAL REPORT 2015



As  
**Anadolu Isuzu**  
We exist to provide  
**reliable** vehicles  
and services to meet what  
people need in a  
**fast** and  
**sustainable**  
way!



Every institution has a soul, a cause, a reason to be. Anadolu Isuzu is inside the social life every day, everywhere with its vehicles that add added value to the quality of life. All workers of Anadolu Isuzu work with the consciousness of this reason of being.

# ANADOLU ISUZU

As Anadolu Isuzu, we exist to provide **reliable** vehicles and services to meet what people need in a **fast** and **sustainable** way!







**M. KAMIL ESER**  
Chairman of the Board

Our specialized human resources, added value of our R&D Center, breakthroughs we target in marketing through our CRM Project, added value we shall receive by our vision of localization and with our synergic cooperation with our providers, we will achieve many successful results in 2016, as we did in 2015.

# A successful performance from every aspect in a tough year

**D**ear shareholders, We left behind a hard year in many aspects. Despite the general economic problems, the year 2015 was a successful year for both the automotive sector and Anadolu Isuzu. Turkish automotive sector grew 25% in 2015. Growth rate of the commercial vehicle sector where Anadolu Isuzu is active, realized as 30%. Growth rate in light commercial vehicle market was 34%, in heavy commercial vehicle market was 8%.

## **GROWTH ABOVE THE SECTOR AVERAGE**

As the Turkish automotive market was reaching in record levels in 2015, we, by growing above the market in many segments, have shown the success of increasing our market share. We reached 29% growth rate in the truck market that grew 7%. Our light truck sales rose 72% in 2015 in comparison to 2014. We increased our domestic sales 39% in midi buses. In the bus market which grew 47%, the rise in our domestic sales was 630%.

## **POSITIVE RESULTS IN IMPORTANT INDICATORS**

This rise in our market share was shown in our financial indicators as successful performances. Total production amount that was 7,680 in 2014, rose to the level of 11,162 in 2015. Our sales numbers rose to 9,907 from 8,898. This success we achieved in the sales numbers brought an important rise in the sales income too. Our net sales of 729,144,000 TL in 2014 came close to the billion-frontier and rose to 935,495,000 TL level. Rise in the gross profit levels was above the rise in net sales level for last three years. We also continued our investments together with our success in production and sales. Our investment expenditures in 2015 were 54,690,000 TL. Number of our employees is rising continually for last five years. By 2015 this number reached to 944.

## **50 PATENTS, 90 DESIGN REGISTRATIONS**

In 2015, we made new investments towards our R&D Center. Our R&D Center moved to its independent building and Test Center came into service. Our R&D Center, active since 2009, continues its activities with its skilled and experienced staff that can build a vehicle from scratch and test it. Near to 50 patent applications and more than 90 design registration applications were made by the end of 2015. Number of applications was doubled in last two years. This investment of ours will not only serve to Anadolu Isuzu but also to our suppliers and will greatly speed our efforts of localization in production.

## **STRATEGICAL BREAKTHROUGH: CRM PROJECT**

We completed the necessary preliminary studies for another project in 2015. Our CRM Project will be put on practice in 2016. We shall accomplish a breakthrough in customer relations management with this project. We will reach to optimum customer satisfaction from customer segmentation and will develop our marketing strategies in this frame. We believe that we shall seize an important increase in our sales through this project.

Our sales figures rose to 9,907 from 8,898. The success we achieved in sales figures also brought an important rise in sales income. Our net sales of 729,144,000 TL of 2014 became close to the billion-frontier in 2015, rising to the level of 935,495,000 TL. Rise in the gross profit levels was above the rise in net sales level for last three years.

## **VISION OF LOCALIZATION IN PRODUCTION**

We managed an important breakthrough in our localization studies in 2014. One of the World's most demanded pick-ups and part of our product segment D-MAX's first domestic assembly came out of the production band. We won the title of first country to produce D-MAX in Europe. Our 12-meter new urban public transport vehicle Citiport was launched and Citiport was awarded as 'Europe's Most Comfortable and Ergonomic Bus' in the ECW (European Coach Week) contest in Busworld Kortrijk 2015 Fair. We continue to add new models to our product segment. Passing to a higher segment in truck class, we launched our 15.7-ton new truck model TORA.

## **TOWARDS FIRST 100 IN ISO 500**

One of our targets is to rank among the first 100 in ISO 500. During last two years' process we went up from 210th rank to 150th rank. We also had an important success in brand recognition. In the 'Turkey's most valued 100 brands' list determined by Brand Finance we were in the 73rd place. Adoption of Anadolu Isuzu's sustainable and innovative growth strategy by the administration and employees is behind all these successes. We are developing our product portfolio, localizing the production, producing innovative approaches and executing an active marketing strategy. Our strategy, helps us to increase our sales, decrease our costs and penetrate to new markets.

## **TO NEW SUCCESSES IN A TOUGH YEAR**

Our powerful and specialized human resources, our R&D Center's added value to technology and design, new breakthroughs we'll seize in marketing by the CRM Project's putting into practice, added value provided by our localization vision and through our synergic cooperation with our suppliers we shall reach many successful results this year too. Year 2016 will be a process where we shall share new successes in production, in domestic and foreign sales, in product development. We shall also see the reflection of all these successes on the financial indicators. Because Anadolu Isuzu, with its experience of more than 30 years and its investments, is a competitive organism which can sustain its successful performance in hard times...

Our 12-meter new urban public transport vehicle Citiport was launched and Citiport was awarded as 'Europe's Most Comfortable and Ergonomic Bus' in the ECW (European Coach Week) contest in Busworld Kortrijk 2015 Fair.





TUĞRUL ARIKAN  
General Manager

# Sustainable success through visionary approach

Our employees and shareholders are our biggest reassurance behind sustainable success. Our employees' self-sacrificing efforts and our shareholders' cooperation made very important contribution to our closure of year 2015 which had compelling stages.

**A**tough year was 2015... Turkey left two elections full of political uncertainties behind in an atmosphere of a global economy which couldn't fully exit from stagnation. Alongside with this, a war which has turned every stone in Middle East is continuing more violently in Syria, our neighbor with the longest land border. In short, 2015 was a hard process both in political and economical terms... We entered into 2016 in this atmosphere.

Despite all this political and economic uncertainty, we won't exaggerate if we say that Turkish automotive market has shown a miraculous success. It makes all of us happy to see the 25% growth of the Turkish automotive sector in 2015. Commercial vehicle market which we are active in grew 30%, showing a much better performance. While reaching 34% growth in light commercial vehicle market, 8% growth was seen in heavy commercial vehicle market.

## WE ARE FICTIONALIZING THE FUTURE FROM TODAY

Proactive approaches carry great importance for a firm in global economy. These investments only succeed if an organic approach is realized for every process in

the enterprise. In other words, it's not only to invest, carrying a firm to future; making this investment in rhyme with all the processes, realizing it bottom to top, top to bottom with interactive processes is also important.

In the information age, a company must work as a learning organism, whichever sector it's active in. This is possible through a disciplined and elastic structure. We have set important breakthroughs in this point. We are evolving into a participating, interactive and transforming structure.

In 2015, we started to accomplish two great investments to transform the structure of Anadolu Isuzu. R&D Center and the CRM Project... Our R&D Center has created an important added value with the realized projects until today. Our new R&D Center put onto service, will completely meet customer needs, we target to set forth innovative products every kind of design and test done with our own facilities. Infrastructure studies of our CRM Project are about to finish... With coming in play of this project an Anadolu Isuzu which better listens to, understands and knows its customer come forth.

## VISIONARY APPROACH BRINGS SUCCESS

Our employees are our biggest security behind the sustainable success. Our employees' self-sacrificing efforts made very important contribution to our closure of year 2015 which had compelling stages. We are developing the performance of our employees, offering all opportunities for their professional development and putting the safety of employees above everything with our human resources vision.

In 2015 we determined our 'Reason of Being': As Anadolu Isuzu, we exist to provide reliable vehicles and services to meet what people need in a fast and sustainable way.

In 2015, we determined our 'Reason of Being' together with our employees: We exist to provide reliable vehicles and services to meet what people need in a fast and sustainable way.

While adopting our 'Reason of Being' our solution partners will make important contribution. As one of Turkey's important producers, we shall focus more on the localization efforts in the coming stage. The support and cooperation shown in the truck and light truck segment by our suppliers until today have great importance for us. Our suppliers are the irreplaceable solution partners of our successes... We shall concentrate on supplier development efforts. Because to develop ourselves as main producers, supporting industry must be able to run together with us...

## TRANSPARENT COMMUNICATIONS WITH SHAREHOLDERS

We exist with our partners and shareholders. Anadolu Isuzu is a public firm with foreign partners... Therefore shareholders are our fundamental components. Isuzu Motors Limited is Japan's century old automotive giant. Itochu is an important supplier and financier in global scale... And we are a firm quoted in Borsa Istanbul. For all these features of ours, transparency has a strategic importance for us... Tightening our relations with our shareholders by strengthening our investor relations management is among our targets.

## EVERY MOMENT WE ARE INSIDE LIFE

Anadolu Isuzu is a firm which produces vehicles that touch life every day, every

hour. It serves with its products in communication and transportation, life's two most essential areas. On roads, bus stations, in front of company buildings everyone sees our logo... We are inside life every moment. A company so much in lives taking on tasks in social responsibility projects carries great importance. We see social responsibility not as a duty but as a part of our own existence. And in our activities in this field, beyond focusing on publicity, we focus on target oriented, value adding work which adds color into life. We also make a point of organizing activities connected to the sector we are in.

## OUR SUCCESS IS REGISTERED WITH AWARDS

We are getting the results of our vision and investments. In the year 2015 we had our fill of awards. Citiport was awarded as 'Europe's Most Comfortable and Ergonomic Bus'. According to Brand Finance's research, we are one of Turkey's most valued 100 brands. Our successes were also registered with various awards in the fields of communications, environment and social responsibility.

Exports will play a great role in our growth. We expect an important growth in our export activities in 2016.

We rose to 150th place in ISO 500 companies list. Our target is to rank among the first 100. To realize this, we must take either first or second place in all the segments we are in. We must find new markets abroad, raise our export activities. Exports will play a great role in our growth. We are waiting an important growth in our export activities in 2016. We need two things to realize those targets: Firstly, to come forth with customer focused, innovative products and services. Secondly, to have a sales and service network offering fastest and active solutions to the needs of customers.

It is predicted that the year 2016 will be a troublesome year in global scale as the year 2015. However Anadolu Isuzu, as a firm with its powerful adaptation talent, dynamic administration, financially sound structure, will continue its sustainable growth trend under all circumstances. And in every indication.





Foundation of Çelik Montaj company.

Signature of technical assistance agreement with Isuzu.

Launching of the first vehicle NPR 59 produced with Japanese license.

Start of the manufacturing of the midibus and the small bus which were the designs of AIOS

NKR-Wide light truck production has started.

The company name changed as Anadolu Isuzu. Usage of total quality management systems was activated

The company's shares started to be traded in Borsa İstanbul.

1965

1983

1985

1987

1991

1995

1997

1981

1984

1986

1989

1994

1996

1999

Registration of Anadolu Otomotiv Industry title.

Start of truck manufacturing with Isuzu Motors Ltd.

Signature of partnership agreement between Isuzu / Itochu / Anadolu Endüstri Holding; Establishment of first Turkish/ Japanese partnership in the automotive sector.

Municipality type vehicle production has started.

Export operations have started.

ISO-9002 certificate received and new factory founded.

The new factory in Gebze Şekerpınar commenced production.



2000

2003

2005

2007

2009

2011

2014

NQR 3 axle truck production has started.

The 20th anniversary of Isuzu brand in Turkey was celebrated; Sales of D-Max pick-up began; 80.000th Isuzu were unloaded from Isuzu production line.

The production of new-looking Turquoise has started, NPR, NQR, NQR 3D's new face and engines were renewed. Roybus, Classic and Urban's face and engines were renewed.

IMM (Isuzu Manufacturing Management), globally shared manufacturing system of Isuzu, started to be implemented in AIOS truck factory.

In the truck segment of Anadolu Isuzu 3 new models of NPR; NPR 8, NPR 10 and NPR 3D were launched.

New bus model Visigo and renewed Novo model midibus were launched.

Passing to upper segment in truck class by launching new model TORA with the capacity of 15.7 tons.



Turquoise bus production has started.

Bus export to European Union began. ISO 9000:2000 quality certificate was acquired.

2000. Turquoise bus was unloaded from the production line. N-Series truck and light duty trucks were renewed. D-Max pick-up was renewed. Royal bus took the name of Roybus with its turbo engine.

Euro 4 engine started to be used on Turquoise model which was exported to EU member countries. Front and rear appearance designs were renewed. The launching of first 9 meter bus model Citimark was made. Exterior and interior designs of D-Max 4x4 and 4x2 were renewed. 100.000th Isuzu vehicles were unloaded from the production line.

The 25th anniversary of Isuzu brand in Turkey was celebrated. Novo, Novo Lux and Novo Ultra were launched. N-Series vehicles were introduced. Anadolu Isuzu has gained the right to be the R&D Center.

9.5 meter long new public transportation vehicle Citibus was launched.

The first domestic D-Max model pick-up was manufactured. 12 meter long new public transportation vehicle Citiport was launched.





# Synergic partnership of three global groups

Anadolu Isuzu, founded by the partnership of Anadolu Group and long established Japanese firm of automotive sector Isuzu Motors Ltd. and Japanese Itochu active in international trade, catches the quality in production and competitive advantage with this partnership structure.



**A**nadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş., is a public corporation in the partnership of three groups active on a global scale. . . Turkey centered, active in many sectors both in domestic and global scales, Anadolu Group owns 53.57% of the company, while 16.99% belongs to Isuzu, owning world's leading diesel motor producer title, global automotive industry's leading and Japan's longest established automotive group. 12.75 percent of the firm belongs to Itochu, another Japanese group investing in metal, machine, energy, chemicals and other sectors. Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.'s ratio of publicly traded shares is 16.32%.

In partnership of globally powerful three groups, Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. is a firm active in automotive sector, focusing on commercial vehicle production. Its core business is made up of production and sales of commercial vehicles such as truck, light trucks, midibus, and pick-ups.

## FOUNDATION LAID 30 YEARS AGO

Anadolu Isuzu's experience and accumulation is founded on Çelik Montaj which started production of light trucks and motorcycles in 1965. The company, continuing to produce Skoda pick-ups until 1986, signing a license agreement with Isuzu in 1983 started production of Isuzu vehicles in its Factory in Kartal, İstanbul in July 1984. Moving to its new factory in Çayırova, Kocaeli on July 2, 1999; Anadolu Isuzu is continuing production in its factory since August 1999.



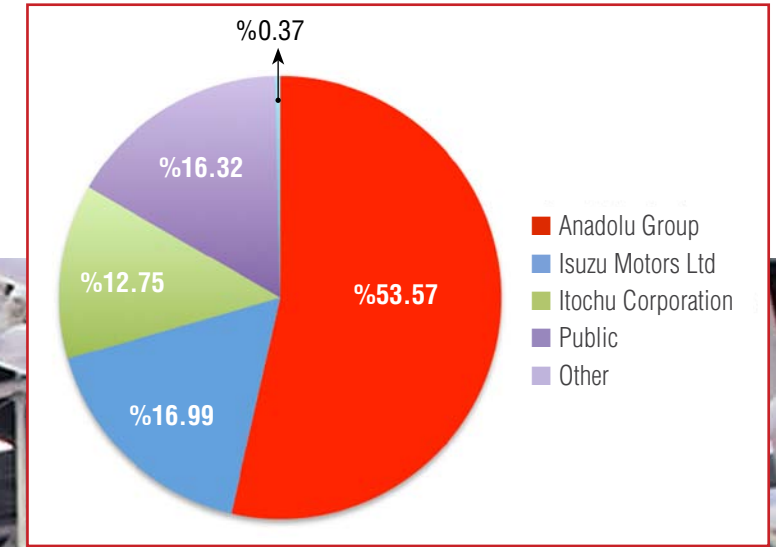


**19,000 UNITS PRODUCTION CAPACITY**

The Çayirova manufacturing facility of Anadolu Isuzu is established on a 300,000 square meters of land and it has 97,000 square meters of indoor space.

Along with the current manufacturing facilities and machinery park, its total annual production capacity is about 19,000 units. As of December 31, 2015, number of employees in Anadolu Isuzu reaches 944 persons, both of blue and white collars.

16.32% of its shares publicly traded, Anadolu Isuzu is carrying out its activities in the production facilities in Çayirova, Kocaeli.





# The star tying Anatolia to the World, and World to Anatolia

Active in 19 countries with 85 companies and 61 production facilities, foundations of Anadolu Group were laid in 1950 with the vision of 'becoming the star tying Anatolia to the World and World to Anatolia'. With correct strategies vision has become real today.



**T**he foundations Anadolu Group, one of Turkey's long established groups, were laid in 1950 by Anadolu Group's Honorary Presidents Kamil Yazıcı and İzzet Özilhan. Anadolu is a global group, 6 of whose companies are traded on Borsa İstanbul, and which carries its existence into the future with its vision of being 'The star that links Anatolia to the World, and the World to Anatolia' continues its activities in 19 countries from the Atlantic to the Pacific -including Turkey- with more than 80 companies, 61 production facilities, and close to 50.000 employees.

## PARTNERSHIP WITH GLOBAL BRANDS

Anadolu Group, moving towards its mission of becoming a multinational, entrepreneur group on the road to always offer the better to the people of Anatolia continues to add value to every region it's active in through cooperation with multinational companies and partnerships with world's leading brands. Among Anadolu Group's international business partners are world's foremost names in their fields. Anadolu Group, who concentrates in activities in the fields of beverages, automotive, retail and finance with its respected brands in the global scale, is expanding its fields of work with its investments in energy, agriculture, real estate, health and informatics sectors.

## WIDE ACTIVITY PROFILE FROM BEVERAGE TO FINANCE

Anadolu Group, producing and marketing brands that are in every field of daily life in every moment serves through:

- In beverage sector; with Anadolu Efes (Anadolu Efese and Coca-Cola İçecek)
- In retail sector; with Migros and Anadolu Restoran İşletmeleri,
- In automotive sector; with Anadolu Isuzu, Çelik Motor and Anadolu Motor,
- In stationary sector; with Adel Kalemcilik,
- In agriculture sector; with Anadolu Etap,
- In finance sector; with ABank, AYatırım and ALease,
- In Informatics; with Anadolu Bilişim Hizmetleri;
- In energy sector; with Anadolu Kafkasya Enerji Yatırımları, Aslancık Elektrik Üretim and AES Elektrik Enerjisi Toptan Satış,
- In real estate sector; with AEH Gayrimenkul,
- In other fields of activities; with Ana Gıda, Artı Varlık Yönetimi and AEH Sigorta Acenteliği.

## SOCIAL RESPONSIBILITY PROJECTS

Anadolu Group continues to create added value for Turkey and the World. It sustains its social responsibility work with sensitivity to contribute to the society in the fields of education, health and sports through Anadolu Foundation, Anadolu Health Center and Anadolu Efes Sports Club.

## PRINCIPLES COME BEFORE EVERYTHING

Anadolu Group works towards the target of transferring its respectability to the future generations by offering the best services and products to all of mankind, rather than only the countries where it operates. In this road, the fundamental values adopted as principles by the Group's smallest unit to its largest organization are:

- Trust
- Transparency
- Loyalty
- Sensitivity towards the community and the environment
- Being human-oriented
- Giving priority to information



## COOPERATION WITH WORLD'S BIGGEST BRANDS

- SABMiller
- The Coca-Cola Company
- McDonald's
- Faber-Castell
- Isuzu
- Kia
- Lombardini
- Honda
- Cutrale
- Commercial Bank of Qatar





# ISUZU MOTORS LIMITED

## Global actor exporting to 130 countries

In the 100th year of its founding, Isuzu Motors Limited is one of world's leading commercial vehicle and engine producers. Company's core philosophy is to offer its clients high-quality products and services and to develop new technologies to contribute to the needs of the sector.



Isuzu Motors' foundations were laid in Japan in 1916... This date was four years after the end of Meiji Dynasty, who started the modernizing process of this Far East country and prepared the infrastructure for industrialization... The period Isuzu Motors came into action was a process of fast industrial development. At this period automotive sector was the lever of development. Isuzu gained an important place in Japan's development history and still has an irreplaceable position in Japanese automotive industry and Japanese economy.



### ONE OF LONG ESTABLISHED FIRMS

Isuzu Motors has the longest past among Japanese vehicle producers. Taking its name from the Isuzu River near Japan's oldest temple Ise Shrine of Mie; a firm which has focused on 'creating without compromise' principle to create today's famous Isuzu brand, contributing the global automotive sector.

### CREATING WITHOUT COMPROMISE

Isuzu Motors Limited is among world's leading commercial vehicle and diesel engine producers... Company's core philosophy is to offer its clients high-quality products and services and to develop new technologies to contribute to the needs of the sector. Thanks to its growth strategy taking shape on RD and inventiveness, pioneer of innovation Isuzu produced Japan's first diesel engine in 1936. Isuzu Motors Limited is primarily focusing on diesel engines for more than 70 years. Firm has become the pioneer of many technological innovations in the field of diesel engines in its history.



Having a rightfully earned fame in the area of diesel engines, Isuzu produced millions of diesel engines after Japan's first air-cooled auto diesel engine in 1936. Isuzu is among the World's biggest diesel engine producer together with three European producers.



### PIONEERS IN ENVIRONMENT FRIENDLY DIESEL ENGINE SEGMENT

Having a rightfully earned fame in the area of diesel engines, Isuzu produced millions of diesel engines after Japan's first air-cooled auto diesel engine in 1936. Having a diesel engine production capacity of more than a million units per year, Isuzu today is among the World's biggest diesel engine producers along with three European producers. Firm has a wide range of products from 1000 cc power unit to 24-liter heavy duty machines' engines. Today, it's the pioneer of environment-friendly diesel technology research. Isuzu products are sold in more than 130 countries worldwide. Isuzu Motors Ltd is the market leader in at least one product category in 23 countries it's active in. This position carries Isuzu to the top rows in the global automotive sector.





# Actor of global development with 150 years experience

Founded in 1858 in Japan, Itochu today is a global group investing in many sectors in 65 countries. Itochu is supporting global development by providing financial support to mega projects in developing countries.



**O**wning 12.75% of the shares of Anadolu Isuzu, Itochu Corporation is a Japanese group investing in metals, machinery, energy, chemicals and many more sectors. Group has two branches in our country, one in Ankara since 1963, other in Istanbul. Founded in 1858 in Japan, Itochu today offers services to firms as solution partners, and many sectors in 65 countries with its 150 years experience.

**CREATES RESOURCES FOR GIANT PROJECTS**  
Itochu is the solution partner to giant projects in global scale... Itochu has its signature in our country's mega projects of Haliç Bridge, Fatih Sultan Mehmet Bridge and Bursa Thermal Power Plant. It still continues its activities in our country in power plants, textiles, chemistry, food, machinery manufacturing and automotive sectors. As a group specialized in creating financial resources, it especially offers important support to the advancement of developing countries.



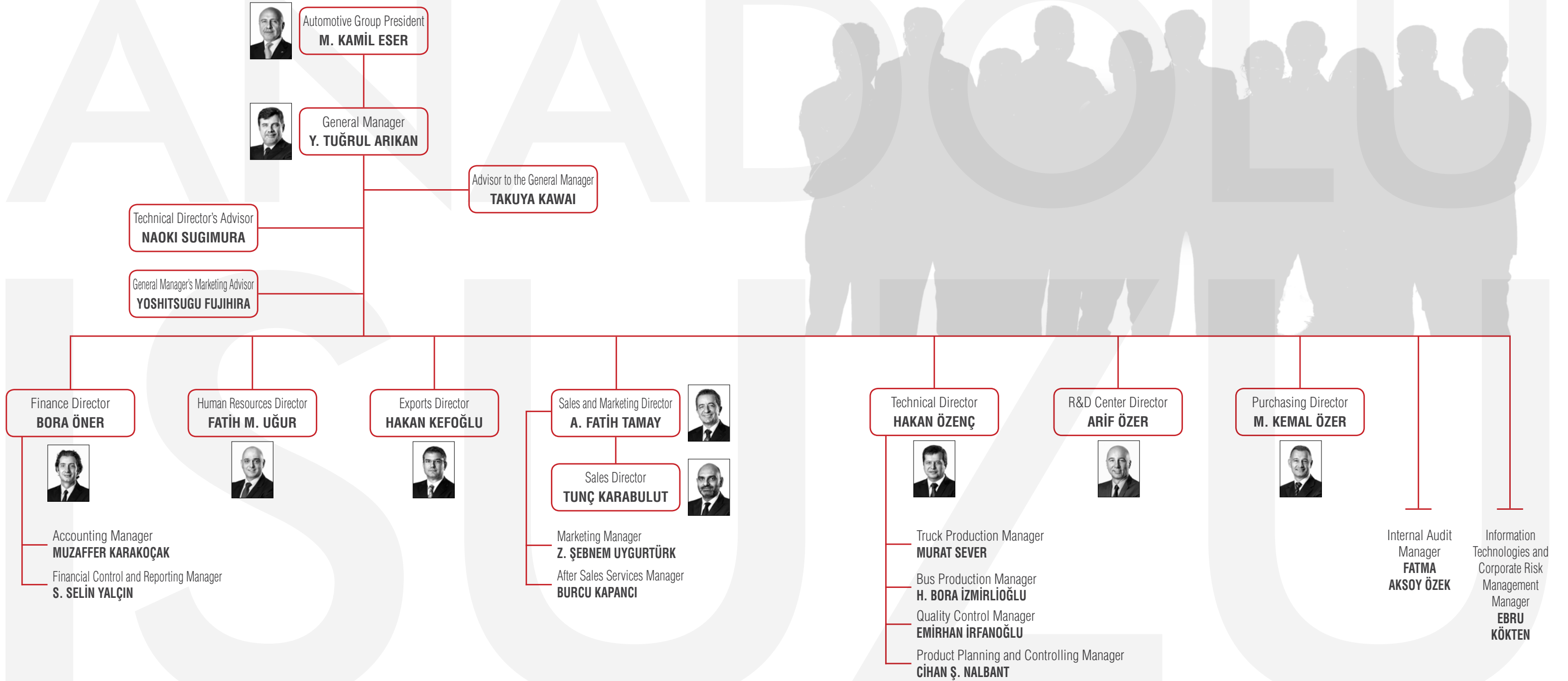
Itochu has its signature on the mega projects in our country such as Haliç Bridge, Fatih Sultan Mehmet Bridge and Bursa Thermal Power Plant. It's still active in power plants, textiles, chemicals, food, machinery manufacturing sectors in our country.



**WIDE SECTORAL PROFILE**  
Itochu invests in four corners of the World in metal, machinery manufacturing, energy, aerospace, chemistry, mining, forestry, food-agriculture and many more sectors. Group's 27 firms and connected partnerships are active. Itochu also signs into major social responsibility projects alongside important infrastructure projects in developing countries.











**Chairman of the Board**  
**Mehmet Kamil ESER**

Born in Elazığ in 1956, M. Kamil Eser studied at Kadıköy Maarif College, and graduated from the Industrial Engineering Department of METU in 1979. He started his working career as an industrial engineer at Bozüyük Facility of Demir Döküm Corporation. He served as the chief manager in Water-Heater Factory between September 1980 and June 1981, and as the chief supplier at Burtrak Tractor Industry Corporation between December 1982 and August 1983. He started working on 7th November 1983 at Anadolu Otomotiv San. ve Tic. A.Ş. as material supply director. He was

appointed as production control manager on 3rd July, 1984, and as production planning and control manager on 1st January, 1986. After serving for the department of sales and service of American Isuzu Motors Inc. for a year since 9th June, 1995, he was appointed as the associate director of sales management. On 1st January, 1998, he was appointed as the general manager of Anadolu Isuzu Otomotiv San. Tic. A.Ş. Serving as the director of Automotive Group since 1st July, 2006, M. Kamil Eser speaks English, and also he is married and father of two children.



**Deputy Chairman of the Board**  
**İbrahim YAZICI**

Born in 1949, İbrahim Yazıcı is graduated from Bursa Economic and Commercial Sciences Academy in 1975. He completed his post graduate study on business management in University of Atlanta in USA between 1976 and 1979. İbrahim Yazıcı assumed active functions in Anadolu Group companies since 1982, and

currently serves as Anadolu Endüstri Holding (AEH) Deputy Chairman of the Board, İbrahim Yazıcı also works as Vice Chairman and Member in the Boards of Directors of the other companies of Anadolu Group. He is married and has two children.



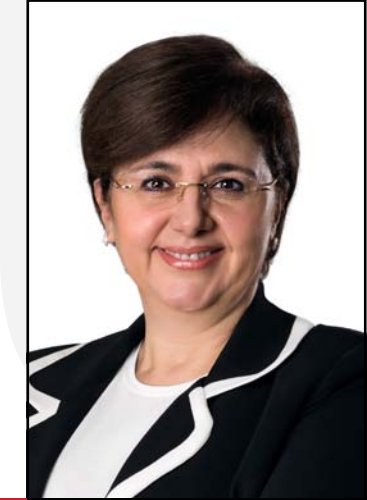
**Member of the Board**  
**Tuncay ÖZILHAN**

Born in Kayseri on 1947, Mr. Özilhan studied in Saint-Joseph high school then graduated from the Faculty of Economics of İstanbul University. He has received his MBA degree from Long Island University in the United States. He has undertaken responsibilities such as General Director of Erciyas Brewery, Coordinator of the Beer Group and General Coordinator of the Anadolu Group. Mr. Özilhan was appointed as the CEO of the Anadolu Group in 1984 and he is Chairman of the Anadolu Group since May 2007. He has also been serving as Chairman of Anadolu Foundation as well as various Group companies. Mr. Özilhan served as TÜSİAD's (Turkish Industrialists' and Businessmen's Association) Chairman from 2001 to 2003 and he is currently Vice Chairman of its High Advisory Council. His other responsibilities include; Deputy Chairman and Chairman of the Turkish – Russian Business Council at the Foreign Economic Relations Board (DEİK), B-20 Turkey Executive Council Membership, Honorary Consul for the Republic of Estonia and President of the Anadolu Efes Sports Club.



**Member of the Board**  
**Süleyman Vehbi YAZICI**

Born in 1947 in İstanbul-Sarıyer, Süleyman Vehbi Yazıcı finished high school in Beyoğlu Tarhan Koleji after which he graduated from Economics in 1972. Having gained on-the-job experience in various family-owned Group companies while he was a student, Mr. Yazıcı served as General Manager of Çelik Motor A.Ş. from 1975 to 1977. Mr. Vehbi Yazıcı has also been an active member and held managerial positions in NGOs such as Anadolu Eğitim ve Sosyal Yardım Vakfı (Anadolu Education and Social Assistance Foundation), Türk Kalp Vakfı (Turkish Heart Foundation), Göz Nurunu Koruma Vakfı (Eyesight Protection Foundation), Kenan Evren Eğitim Kültür Vakfı (Kenan Evren Education Culture Foundation), and Bodrum Sağlık Vakfı (Bodrum Health Foundation). He has been serving as member of the Board of Directors in various companies of Anadolu Group since 1975. He is married; he has a daughter and a son.



**Member of the Board**  
**Nilgün YAZICI**

Nilgün Yazıcı was born in İstanbul in 1961. She graduated from Kadıköy Girl's College in 1978. She studied Business Management in Oglethorpe University and MBA (International Management) education in Preston University between 1978 and 1981. She has been serving as board member in Anadolu Endüstri Holding companies since 1995. She has a daughter and a son.





**Member of the Board**  
**Tülay AKSOY**

Born in 1951, Tülay Aksoy graduated from Erenköy Girls' High School in 1968. She is a member of the board of Özilhan Endüstri Yatırım A.Ş. since 1995 and also has her duties in Anadolu Industry Holding, Çelik Motor, Adel Kalemcilik and Anadolu Motor and Anadolu Sağlık Vakfı of as member of the board. Tülay Aksoy is the Vice President for Oden Turizm A.Ş. and member of associations of Protection of Natural Live and Animals, Modern Life, Families of Police Martyrs, Protection of the Disabled, Protection and Education of Homeless Children and Starky Hearing Foundation.



**Member of the Board**  
**Hülya ELMALIOĞLU**

Born in 1962, Hülya Elmalıoğlu graduated from Private Kadıköy Girls' College. She attended language courses in the USA between 1979-1980. Elmalıoğlu serves as a member of the Board of Directors for Anadolu Endüstri Holding and Anadolu Group companies.



**Member of the Board**  
**Salih Metin ECEVİT**

Born in 1946, Mr. Metin Ecevit graduated from Faculty of Political Sciences in 1976. He also achieved a master's degree from Syracuse University in Economics. Between 1967-1980, he worked as a Tax Inspector and Deputy General Manager of General Directorate of Revenues in Finance Ministry. Mr. Ecevit joined to Anadolu Group in 1980 and worked at various levels, serving as General Manager in Automotive companies of the Group, Board Member, and Chairman of the Board of Directors. He retired in 2006, while he was serving as the Automotive Group President. He also served as the Board Member and Chairman in the 'Association of Imported Car Distributors in Turkey' between 1992-2004. Currently he is memberships in Board of Directors of various Anadolu Group companies and also Board Chairman for Yazıcılar Holding A.Ş.



**Member of the Board**  
**Takuya KAWAI**

Takuya Kawai was born in 1973 in Osaka, Japan. After graduating from Economics Department of Tokyo Keio University, he worked as a sales representative of Itochu Corporation Middle East Automotive Department between 2004-2005, as Vice President of the Vehicles Middle East Co. Bahrain and Vehicles Middle East FZCO Dubai between 2005-2009. He later worked as a business officer at Construction Machinery Division of Itochu Corporation Tokyo Isuzu in 2009-2010, as the corporate employee at Isuzu Motors Sales Ltd. in 2010-2014, and as the officer of marketing Turkish commercial vehicles at Itochu Corporation until September 2014. Serving as Advisor to the CEO at Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. since October 2014, Takuya Kawai is married and has two children.



**Member of the Board**  
**Ryutaro MASHIKO**

Ryutaro Mashiko graduated from the Law Department of the University of Niigata in 1983. Ryutaro Mashiko's career began in 1983 at Itochu Corporation in Tokyo. After serving in Mechanical Department at the Itochu Corporation Thailand in 1994, he was assigned as the Vice President of Itochu Vietnam office in 2007. Ryutaro Mashiko served as manager of planning and project department in Headquarters of Itochu after 2011, he succeeded many infrastructure projects. Ryutaro Mashiko has been serving as the General Manager of Itochu Corporation Turkey since April 1.



**Member of the Board**  
**Yasuyuki NIJIMA**

Yasuyuki Nijima was born in city of Saitama. Graduated from the Department of Economics at Tokyo Keio University, he started his working career at Isuzu Motors Limited in 1983. After serving as domestic sales manager, group leader in the department of truck body business development, vice manager of corporate planning department of American Isuzu Motors, senior executive in the department of domestic business development, general manager of Isuzu Network Co. Ltd. in the department of domestic business development, general manager of international sales department in Isuzu Motors Ltd. respectively, Yasuyuki Nijima continues his career as the director of international sales in Isuzu Motors Ltd.





**Member of the Board**  
**Atsushi ASAMI**

Atsushi Asami was born in 1963 in Tokyo, Japan. He began his career in 1990 at Isuzu Motors Limited after graduating from the Law Department at Tokyo Waseda University. Serving as manager of the Leases Department, Group Leader of the Domestic Business Planning Department, Senior Manager of Domestic Business Development Department, the Domestic Business Development Group Leader, Senior Manager of Industrial Motors Sales Group Japan and Sales Promotion Group Leader, Atsushi Asami has been working as the General Manager of International Sales Department No. 4 at Isuzu Motors Limited since April 2014.



**Independent Member of the Board**  
**Ahmet Cemal DÖRDÜNCÜ**

Born in 1953 in Istanbul. After graduating from the Business Administration Department at Çukurova University, Ahmet C. Dördüncü pursued graduate studies in Mannheim and Hannover Universities. His career began at the German Claas OHG company, continuing at Mercedes-Benz Inc. Turkey between 1984-1987. He joined the Sabancı Group in 1987 and has held various positions at Kordsa Inc. until 1998. He worked at Group Company DUSA as General Manager / President of South America region and later the North America region. After serving as the Strategic Planning and Business Development Group President at Sabancı Holding in 2004, he took on the role of Chairman of the Executive Board at Sabancı Holding between 2005 and 2010. Acting as Chief Executive Officer at Akkök Holding since January 2013, Ahmet C. Dördüncü became the Chairman of the Board at SAF GYO, and Gizem Frit; he also serves as on various executive boards of Akkök Holding and Akkök Group companies. Dördüncü is the member of the executive board at Coca-Cola İçecek A.Ş., Anadolu Efes Biracılık and Malt Sanayi A.Ş., as well as the International Paper Co.



**Independent Member of the Board**  
**Kamil Ömer BOZER**

Born in 1958 in İstanbul Ömer Bozer, after graduating from METU Business Administration Department has received his master's degree from Georgia State University. He started his career in 1983 as a management trainee at Koç Group, he served as Deputy Chief Executive in Maret and Düzey Pazarlama respectively. He served as the General Manager of Migros in 2002. Bozer has been the Head of Food, Retail and Tourism Group at the Koç Group in 2005-2006, Food and Retail Group President between 2006-2008, and again the President of Food, Retail and Tourism Group between 2008-2011. Kamil Ömer Bozer has been a Member of the Executive Board at Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. since 14 May 2012.



**General Manager**  
**Tuğrul ARIKAN**

Born in 1963 in Germany, Tuğrul Arıkan graduated from Business Administration Department at Bogazici University following his graduation from Sankt Georg Austrian High School. Starting his business career in 1986 at Pfizer İlaç, and after assuming the duties of General Manager at ÇBS Printaş and Vice General Manager at Türk Ytong, Tuğrul Arıkan started working at Olmuksa A.Ş. a joint venture of Sabancı Holding and International Paper. In 2002, he assumed the duties as Financing Director and subsequently held the position of General Manager at Olmuksa A.Ş. in 2007. Since 18 March 2013, he assumed duties as General Manager at Anadolu Isuzu. He is a member of KALDER (EFQUA European Foundation for Quality Management) FEFCO (The European Federation of Corrugated Board) OMUD (Corrugated Cardboard Industrial Association), TURMEPA Deniz Temiz Derneği (Turkish Marine Environment Protection Association), Özel Sektör Gönüllüleri Derneği (Private Sector Volunteers Association of Turkey), İş Dünyası ve Sürdürülebilir Kalkınma Derneği (Business Council for Sustainable Development).



**Sales and Marketing Director**  
**A. Fatih TAMAY**

He was born in 1957 in Istanbul. He graduated from Haydarpaşa High School in 1974 and from the School of Aeronautical Engineering at Department of Machinery Engineering at Istanbul Technical University in 1980. Starting his career at Anadolu Otomotiv Sanayi ve Ticaret A.Ş. in 1980 as Purchasing Engineer, he suspended his contract in 1982 due to his military service until he resumed the same position in 1983. He was respectively assigned as Purchasing Chief in 1985, Production Planning and Stock Control Manager in 1996, Purchasing Manager in 1997, and Sales and After-Sales Services Manager in 2001. He is serving as Sales and Marketing Director since 2006. Ahmet Fatih Tamay is married and has one child.



**Chief Financial Officer**  
**Bora ÖNER**

Bora Öner was born in 1973 in Istanbul. He graduated in 1992 from Saint-Joseph High School and from Department of Economics in English at Istanbul University in 1997. After completing the Executive MBA master's program at Koç University in 2006, he completed General Management Program in 2007 at Bled School of Management Slovenia. Between 1998 and 2014, he held the positions of Financial Affairs Assistant Specialist, Financial Control Specialist, Financial Controller, Financial Control Manager and Financial Affairs Vice-Coordinator, respectively at Anadolu Endüstri Holding. Since 2014, he holds the position of Financial Affairs Director at Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.





**Technical Director**  
**Hakan ÖZENÇ**

Hakan Özenç was born in 1968 in Gölcük. He graduated from Ankara Atatürk Anadolu High School in 1986 and from Department of Machinery Engineering at METU in 1990. He completed the Executive Development Program at Marmara University in 1999 and Business Masters program in 2006 at Sabancı University. Hakan Özenç held the positions of Quality Control Engineer, Quality Control Chief, Material Supply Chief, Bus Production Chief, Production Manager, Engineering Manager, and R&D Manager between 2009-2013 at Anadolu Isuzu. Since 2014, Hakan Özenç assumed the duties of Technical Director responsible for Production, Quality Control, Production Planning and Stock Control Departments.



**Sales Director**  
**Tunç KARABULUT**

He was born in 1970 in Istanbul. He graduated from La Verne University Business Administration Department in Athens, in 1995. In 2004, he completed his master's degree on Management at Sabancı University. Karabulut held the positions of Marketing Specialist, Marketing Supervisor, Export Manager, Sales Manager at Anadolu Isuzu between 1997-2015. Since May 2015, Tunç Karabulut assumed duties as Sales Director.



**RD Director**  
**Arif ÖZER**

He was born in Frankfurt in 1971. He graduated from Izmit Technical High School in 1989 and Department of Mechanical Engineering in 1993 at Yıldız University. In 1996, he completed his master's degree in the field of Advanced Manufacturing Techniques at Salford University. Arif Özer held the positions of Material Supply Engineer, Quality Control Chief, Quality Control Manager, Material Supply Manager, After-Sales Services Manager, and R&D Manager at Anadolu Isuzu between 1996 and 2015. Since May 2015, he serves as R&D Director.



**Purchasing Director**  
**M. Kemal ÖZER**

Born in 1966 in Ankara he graduated from the Industrial Engineering Department at Yıldız Technical University in 1987. Kemal Özer held the positions of Production Planning Engineer, Production Planning Chief, Production Planning and Stock Control Manager, Material Supply Manager, Purchasing Manager at Anadolu Isuzu respectively between 1990 and 2015. Since May 2015, Özer has assumed duties as Purchasing Director.



**Human Resources Director**  
**Fatih Mehmet UĞUR**

Born in 1966 in Istanbul, he graduated from Fenerbahçe High School in 1983 and from the Industrial Engineering Department at Yıldız Technical University in 1989. Fatih Mehmet Uğur functioned as Production Planning and Control Engineer, Stock Control Engineer, Stock Control Chief, Truck Manufacturing Chief, Material Supply Chief, Service Chief at Anadolu Isuzu respectively between 1989 and 2012. Assuming the duty of Human Resources Manager between 2012 and 2015, since May 2015 he functions as Human Resources Director at Anadolu Isuzu.



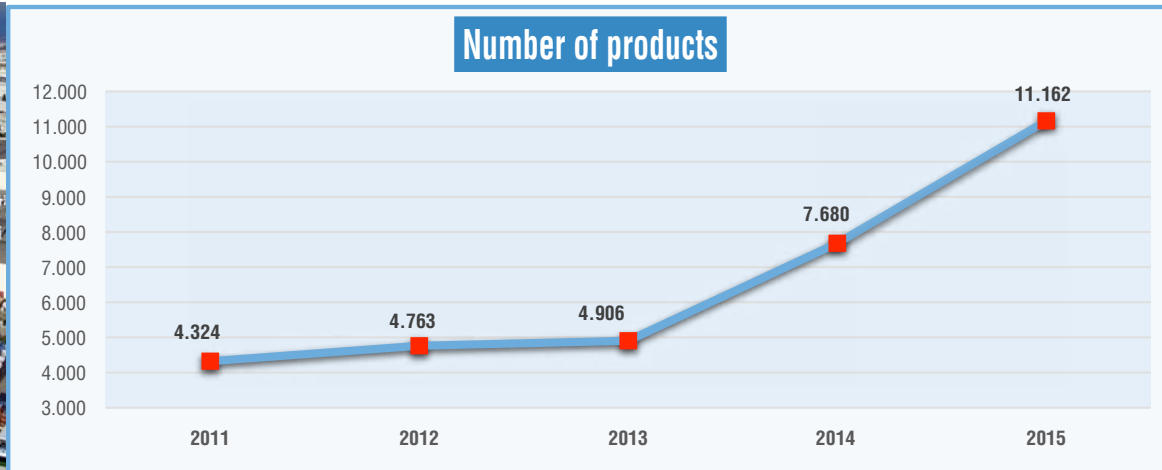
**Export Director**  
**Hakan KEFOĞLU**

Born in 1979 in Istanbul, he graduated from Istanbul German High School in 1998 and from the Business Administration Department at Koç University in 2003. Before joining Anadolu Isuzu, Hakan Kefoğlu held the position of Advisor at IBS between 2001 and 2004. He functioned as Foreign Trade Specialist and Foreign Trade Chief at Mey İçki from 2005 to 2009. Between 2009 and 2010 he assumed the duties of Export and National Chain Stores Manager at Doluca Şarapçılık. Functioning as Export Development Manager and Export Manager respectively between 2010 and 2015 at Anadolu Group, Kefoğlu assumed the duty of Export Director at Anadolu Isuzu in May 2015.



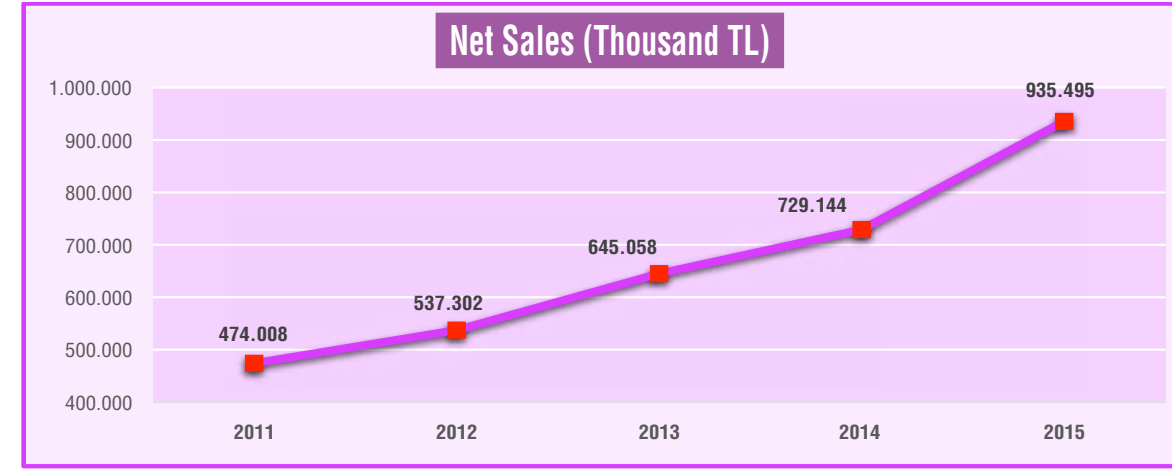
### Growing Production and Sales Numbers

In the period from 2011 to the end of 2015, especially after 2013, production numbers increased exponentially.

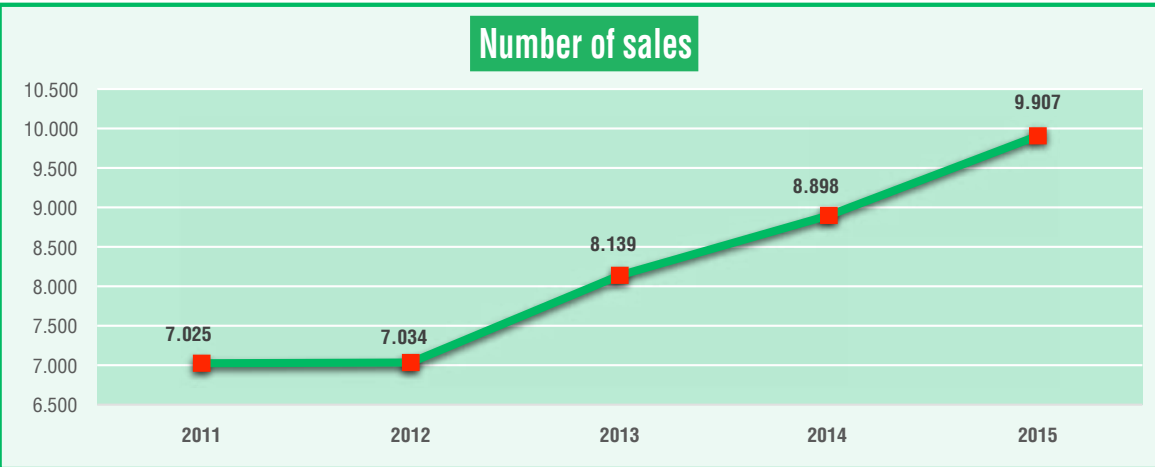


### Sustainable profitability and net sales showing rise every year

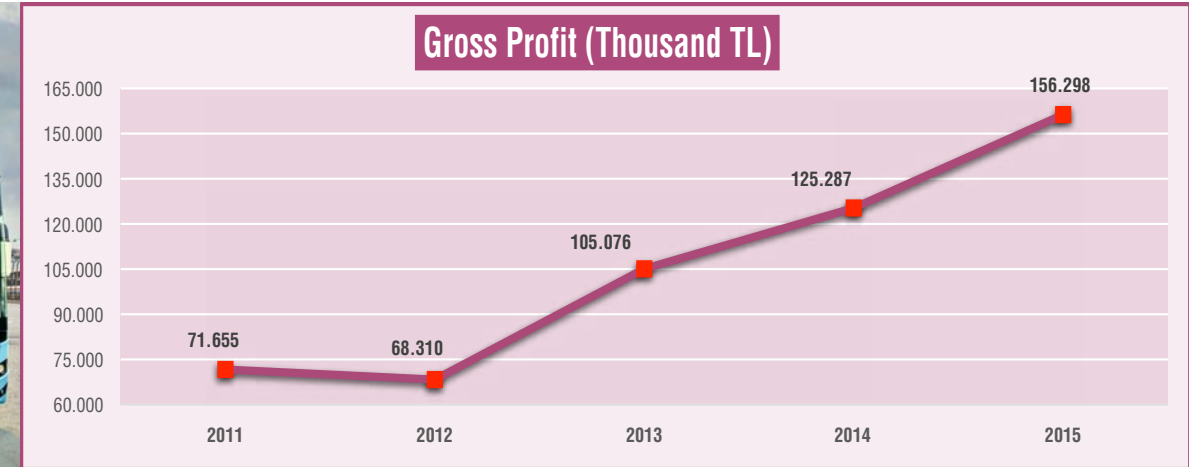
The raise Anadolu Isuzu has shown in number of sales was reflected in sales revenue. By the end of 2015, net sales arrived to 1 billion TL.



### Number of sales



### Gross Profit (Thousand TL)



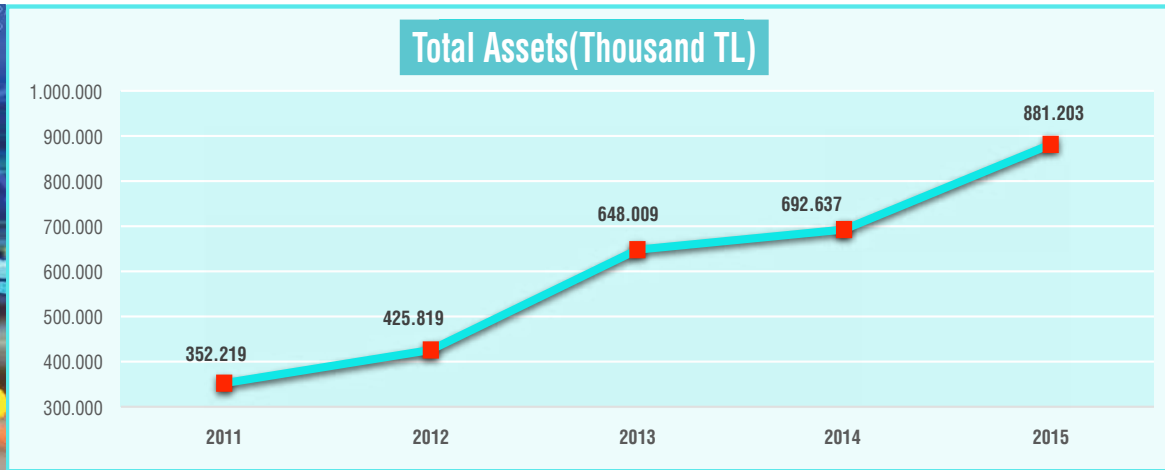
In 2011 total commercial vehicle sales were 7,025, raised to 9,907 by the end of 2015.

In last three years, rise in the level of gross profit was above the ratio of the rise in net sales.



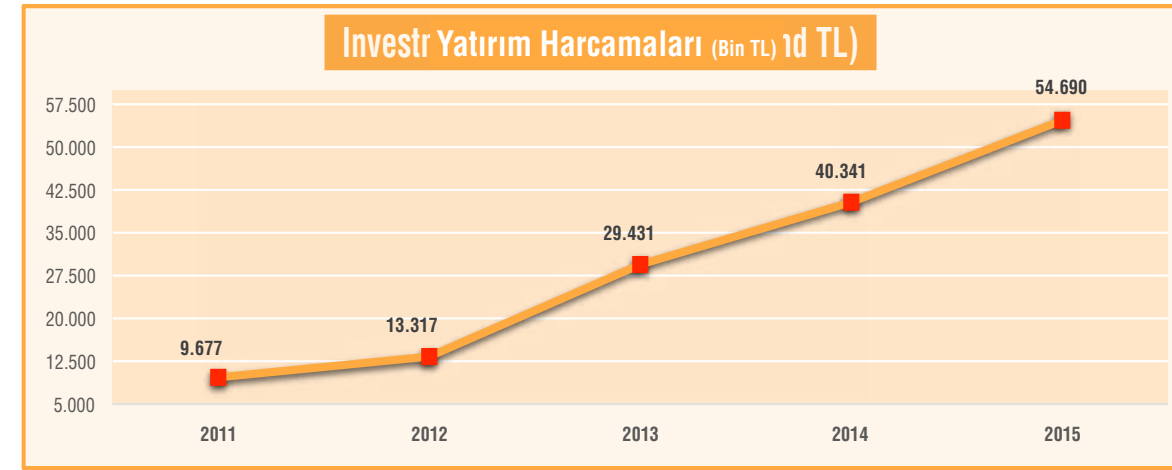
### Growing total assets and stronger equity capital

Value of total assets growing in a stable manner reached 881,203,471 TL in 2015.



### Investment expenditures are fivefold

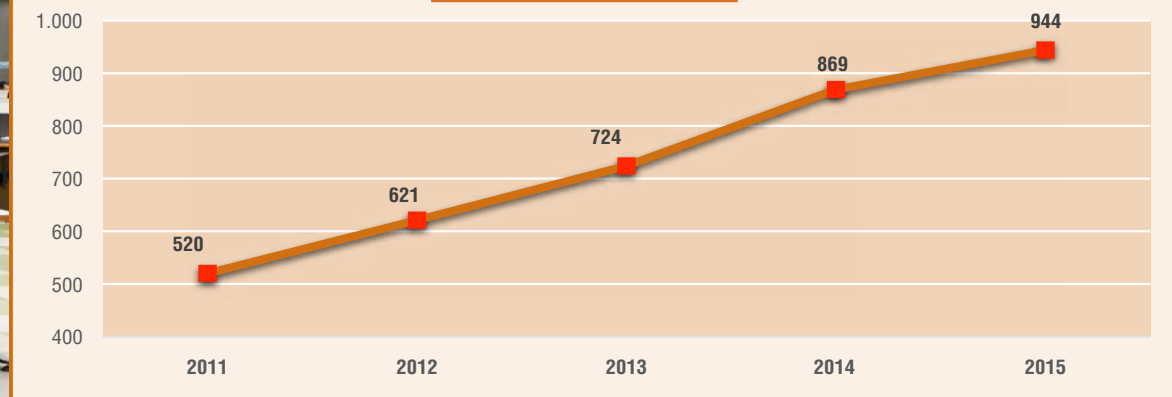
Continuing investments since 2011, Anadolu Isuzu is following a strategy that rises the competition advantage in new investments. Feedback of the investments is clearly seen as in all other indicators.



### Equity Capital (Thousand TL)



### Nu Çalışan Sayısı





# Foreign policy and structural reforms will be the decisive elements

The strength of Turkish economy lies in the general balance sheet and bank balance sheet. On the other hand it is evident that there is structural deterioration in inflation and growth. This shows that the need for structural reformation is inevitable.



**W**e left behind a year that has been difficult in every sense. The elections, uncertainties in global financial markets, terrorist attacks, regional conflicts, the crisis with Russia, despite all these difficulties 2015 has been a year where Turkey has managed to achieve growth of around 3 percent. 2016 is expected to pass more easily than 2015.

**EXPECTING 3.4 GROWTH**  
According to IMF forecasts, the global economy is expected to accelerate in 2016, in contrast to 2015. While IMF expects 3.4 percent growth in 2016, Turkey can catch a similar rate of growth as well. The components of the 3 percent growth forecasted for 2016 are expected to be a share of consumption, high public spending, increase in net exports and some increase in investment.

## MONETARY POLICY IS OF HIGHEST PRIORITY

In recent years inflation could not go below 8 percent. A similar situation is expected to be valid for 2016. 2016 will be an extremely important year in terms of monetary policy... Central Bank's strategy to simplify monetary policy will be closely followed in the period where Fed is raising interest. We can foresee that in 2016, the Central Bank will continue its tight monetary policy, and may even have to make it a little more tighter.

## POSITIVE EXPECTATIONS FOR CURRENT ACCOUNTS

The current account balance in the payments balance will follow a positive trend this year. Due to growth remaining under the falling commodity prices and the potential, the current account balance is likely to decline further this year.

## SECTORAL NEGATIVE DISSIDENCE

Foreign political developments can cause some problems in the 2016 economy. Overall it is difficult to predict how much the economy will be affected, but especially the political crisis with Russia seriously affects two important sectors for Turkey, tourism and agriculture&food. Countries of the Middle East, among our major export markets, may be forced to reduce their imports due to both low crude oil prices and the political crisis in the Middle East. All these negative factors may cause a decline in overall exports.

## OPPORTUNITIES

- Cyprus and the EU accession process
- Improvement in the current account deficit
- Structural reforms
- Low oil prices
- Fed's postponement interest rate hikes
- The ECB's monetary expansion/easing
- The peace process and Iran



With growth remaining moderate in Europe, growing geopolitical risks and low oil prices Turkey's exports will fall. Diminishing political uncertainty will support growth in consumer channel. Growth is expected to be the same as the general expectations of 3.5 percent to 3 percent-band in the global economy.

## POTENTIAL PROBLEMS

- Fed's interest rate increases
- War on terrorism
- The Syrian civil war, difficulties with Russia
- Slowdown in the Chinese economy
- A possible crisis in the global banking system
- Inflation





# High performance certified by awards

Awards are not a goal for Anadolu Isuzu but a result... Successful results achieved in various areas by a company on a national and an international scale, are part of its corporate identity... Anadolu Isuzu, with a past full of awards, is walking towards the future. Each award is a motivation for new achievements...

**ÖDÜLE DOYDUK!**

Anadolu Isuzu 2015 yılında kurumsallık, rekabet, çevreye ve insana saygı anlayışı ile birbirinden değerli 6 ödülün sahibi oldu. Bu gurur bizim, bu gurur hepimizin...

- WebAwards 2015 Fark Yaratıcı Web Sitesi Ödülü
- European Coach Week Awards Avrupa'nın En Konforlu ve Ergonomik Otobüsü Ödülü
- Altın Örümcek 2015 Otomotiv - 3.'lük Ödülü
- Transanatolia Off-Road Yarış Genel Klasman 3. 'lük Ödülü
- Transanatolia Off-Road Yarış Dizele Araçlar - 1. 'lik Ödülü
- Sarıbentten Bitişin Çevre Ödülleri, Otomotiv Sektörü Çevre Ödülü

**ISUZU**

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**ISUZU CITIPORT**  
**Avrupa'nın En Konforlu ve Ergonomik Otobüsü**

Busworld Körfeç, 2015 otobüs fuar organizasyonu kapsamında Bej'iki'da düzenlenen ECW (European Coach Week) yarışmasına katılan Isuzu Citiport, büyük jüri tarafından Avrupa'nın en Konforlu ve Ergonomik otobüsü seçildi.

**Research Körfeç Range 2015** 1017 panelin bu yarışmada elde ettiği en yüksek puanla Avrupa'nın en büyük otobüs üreticisi Isuzu, 2015 yılında düzenlenen bir otobüs yarışmasında da gösterdiği üstün başarıyla, 15 ödülün sahibisi oldu.

**European Coach Week (ECW) Research Fuar** kapsamında düzenlenen Avrupa'nın en büyük otobüs üreticisi Isuzu, 2015 yılında düzenlenen bir otobüs yarışmasında da gösterdiği üstün başarıyla, 15 ödülün sahibisi oldu.

Isuzu Citiport, bu başarıyla uluslararası otobüs pazarında Türkiye'deki otobüs pazarına liderlik etmektedir.



**ISUZU CITIPORT, AWARDED AS 'THE MOST COMFORTABLE AND ERGONOMIC BUS OF EUROPE' AT BUSWORLD 2015 FAİR**

**Anadolu Isuzu'ya IMM (Isuzu Üretim ve Kalite Yönetimi) Sertifikası ve Bronz Madalya**

**ISUZU**

**IMM (ISUZU PRODUCTION AND QUALITY MANAGEMENT) CERTIFICATE AND BRONZE MEDAL**

**Brand Finance Turkey 100 2015**

**Anadolu Isuzu İlk Kez En Değerli 100 Marka Arasında...**

Anadolu Isuzu uluslararası marka değerlendirme kuruluşu Brand Finance'in araştırmasına göre, Türkiye'nin en değerli 100 markası araştırmasında 73. sırada yer aldı.

**ANADOLU ISUZU**

**'100 MOST VALUABLE BRANDS IN TURKEY' ACCORDING TO BRAND FINANCE RESEARCH**

**Anadolu Isuzu'ya Çevre Ödülü**

**ISUZU**

**KOCAELİ CHAMBER OF INDUSTRY' ENVIRONMENTAL AWARD IN AUTOMOTIVE SECTOR'**

**Yeni Isuzu.com.tr'ye Amerika'dan Ödül!**

**ISUZU**

**ISUZU.COM.TR PRESENTED WITH 'OUTSTANDING WEBSITE' AWARD AT WEBWARDS 2015**

**Isuzu.com.tr'ye Bir Ödül de Altın Örümcek'ten**

**ISUZU**

**ISUZU.COM.TR RECEIVED THIRD PLACE AT GOLDEN SPIDER AWARDS**

**ÖSGD**  
 Gönüllüden Ödüller 2014 sahiplerini buldu

2014'ÜN EN BAŞARILI GÖNÜLLÜLERİ  
**ANADOLU ISUZU**

**ISUZU**

**AWARD FROM THE PRIVATE SECTOR VOLUNTEERS ASSOCIATION 'ANOTHER WORLD IN ONE STEP' THE MOST SUCCESSFUL VOLUNTEER PROJECT**

**ISUZU D-MAX**  
 Transanatolia'da Kupaya Doymadık!

**ISUZU**

**'ISUZU TEAM TURKEY' RECEIVED TWO CUPS AT 'TRANSANATOLIA RALLY-RAID'**



# R&D CENTER AS A PART OF GLOBAL COMPETITION STRATEGY

The R&D Center in operation since 2009, with the commissioning of new detached building this year, will increase its added value for Anadolu Isuzu.

In the fiercely competitive environment of the global economy, particularly for companies active in technology-oriented manufacturing sectors, research and development activities are crucial in providing a competitive advantage... Innovative companies are growing rapidly in the sector and increasing their market share. The application of technology in the automotive industry is developing at

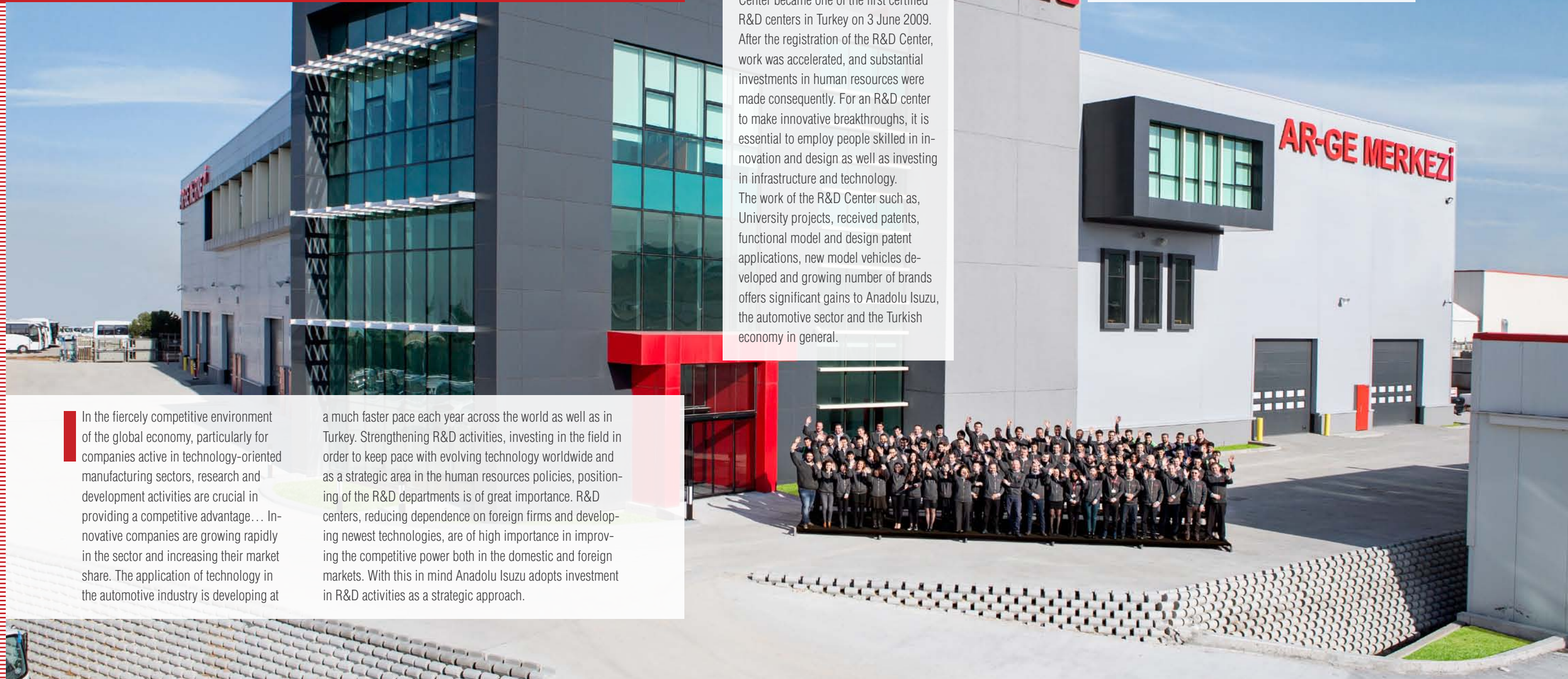
a much faster pace each year across the world as well as in Turkey. Strengthening R&D activities, investing in the field in order to keep pace with evolving technology worldwide and as a strategic area in the human resources policies, positioning of the R&D departments is of great importance. R&D centers, reducing dependence on foreign firms and developing newest technologies, are of high importance in improving the competitive power both in the domestic and foreign markets. With this in mind Anadolu Isuzu adopts investment in R&D activities as a strategic approach.

## STRATEGIC INVESTMENT, STRATEGIC GOAL

Anadolu Isuzu is the first Japanese joint venture automotive company established in Turkey and has the only Japanese partnered R&D Center. With many years of development work behind the R&D Center became one of the first certified R&D centers in Turkey on 3 June 2009. After the registration of the R&D Center, work was accelerated, and substantial investments in human resources were made consequently. For an R&D center to make innovative breakthroughs, it is essential to employ people skilled in innovation and design as well as investing in infrastructure and technology. The work of the R&D Center such as, University projects, received patents, functional model and design patent applications, new model vehicles developed and growing number of brands offers significant gains to Anadolu Isuzu, the automotive sector and the Turkish economy in general.

## ONE OF THE LARGEST IN TURKEY

With R&D center investment, Anadolu Isuzu will become a company that carries out joint projects with its Japanese partner Isuzu Motors Limited, which is able to support its partner in terms of design and engineering. R&D projects to increase new product development and expand product portfolio continue at full speed.





**INTERNATIONAL PROJECT APPLICATIONS**

2015 has been a year Anadolu Isuzu focused on the R&D Center. The same year the construction of a separate R&D Center was completed as well. The testing center, one of the largest in Turkey, commenced operations on the campus. New incentive mechanisms were put in motion for national and international government supported projects. Among many national project propositions, international project applications like 'H2020' were realized as well. Besides University collaborations, scientific publications and articles grew in number as well. Continuing from previous years and in fact becoming a tradition work with long term interns and consequently gained speed as well.



2015 has been a year Anadolu Isuzu focused on the R&D Center. The same year the construction of a separate R&D Center was completed as well.



**OVER 100 CONCEPT DESIGNS**

Engineers and designers that are experts in their fields work on over 100 conceptual designs, electrical and electronic tools, body and trim, move components, power organs, testing and homologation at the R&D Center. The Design Office

carrying out stylistic design activities for the developed vehicles also operates inside R&D Center. The R&D Center operations continue with staff that is able to construct and test a vehicle from A to Z. About 50 patent applications and over 90 design registrations have been made since 2015. The number of applications has doubled in the last two years.



The Minister of Science, Industry and Technology Fikri Işık visited the R&D Center in its new building.

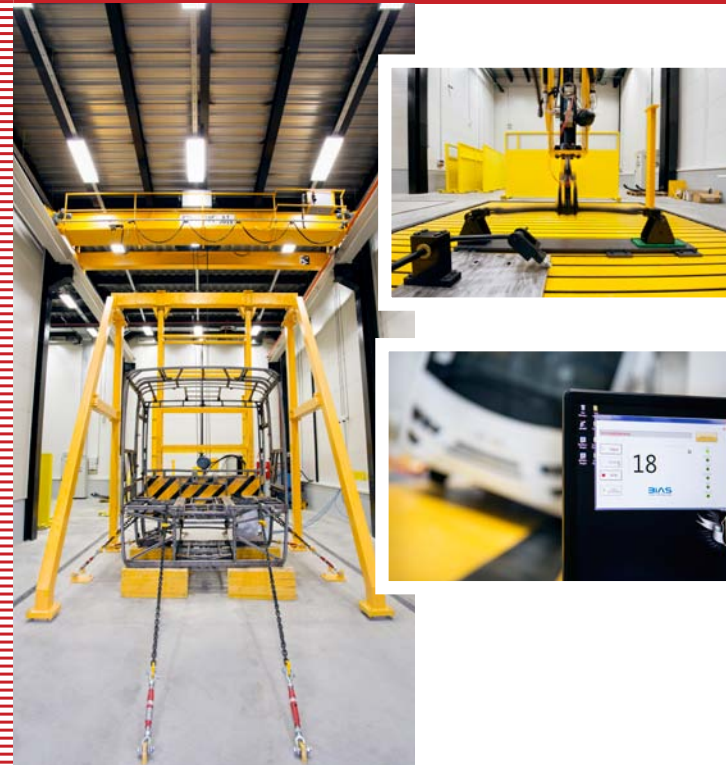




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## TEST VERIFICATIONS ARE CONDUCTED FOR DEVELOPED PRODUCTS AND VEHICLES



Virtual validations and test verifications are conducted for the vehicles designed in the R&D Center in the product development process. The Testing Center has the ability to perform various tests and researches in this scope.

- Virtual prototyping and benchmarking
- Vehicle durability studies
- Collection and processing of route data
- Customer route profiling and correlation
- Durability analysis
- NVH (noise, vibration, harshness) studies
- TASE (thermal and aerodynamic) studies
- Crash and rollover safety studies
- Vehicle dynamics studies
- Component analysis

Along with these studies simulation capabilities inside the R&D Center are employed for accreditation by technical services in the scope of type approval in the homologation work for

- Rollover analysis
- FUP (front protector) analysis
- RUP (rear protector) analysis

Software that is effectively used by the automotive sector across the world is employed for design, virtual validation analysis, simulations and the results are verified by physical testing. Testing capabilities are developed further with the new R&D Center building and testing laboratories (stability test chambers, front shock / pendulum / component test chamber, climatic chamber).

## THE SUCCESS OF OUR R&D IS CROWNED BY GLOBAL AWARDS

Taking a significant leap in innovation the R&D Center provides Anadolu Isuzu with considerable value. Realizing 76 percent of small buss export in Turkey in 2014, Anadolu Isuzu has remained the small bus export leader in Turkey for 11 years (2004-2014). Citiport developed at the Anadolu Isuzu R&D Center was rewarded as the 'Most Comfortable and Ergonomic Bus in Europe' by the international grand jury at the European Coach Week competition held in the scope of Busworld Kortrijk 2015 Bus Fair held in Belgium in October. With this award Citiport designed by Anadolu Isuzu, has proven its quality and position on the market leaving its competitors behind.



## ISUZU CITIPOINT Avrupa'nın En Konforlu ve Ergonomik Otobüsü



Busworld Kortrijk 2015 otobüs fuar organizasyonu kapsamında Belçika'da düzenlenen ECW (European Coach Week) yarışmasına katılan Isuzu Citiport, Büyük Jüri tarafından Avrupa'nın en Konforlu ve Ergonomik otobüsü seçildi.



**Busworld Kortrijk Europe 2015:** 1971 yılından bu yana devam eden ve 2 yılda bir düzenlenen Busworld Kortrijk otobüs fuarı Avrupa'nın en büyük otobüs ihtisas fuaridir. 2013 yılında düzenlenen bir önceki organizasyona 34 ülkeden 390 firma, 116 ülkeden yaklaşık 32.000 ziyaretçi katılmıştır.

**European Coach Week (ECW):** Busworld fuarı kapsamında düzenleniyor. Fuara katılan otobüs üreticilerinin katıldığı bir yarışma etkinliği.

Isuzu Citiport, bu sene Busworld organizasyonundan ödül kazanan tek Türk otobüsü olarak çok büyük bir başarıya imza atmış oldu.





# Effective and proactive solutions in customer relations

CRM Project is being implemented to create a more dynamic ecosystem for Anadolu Isuzu that can turn each contact with the customer into an opportunity and is 'the fastest in winning customers' and 'hardly loses any customers'.



**U**nder the tough competitive conditions of today, one of the most fundamental issues for a company to focus on is customer satisfaction. Production of excellent products, excellent after-sales service and increasing brand awareness is not enough to ensure

customer satisfaction. The fundamental way to ensure customer satisfaction lies in detailed customer segmentation and in determining the profile of individual customers. To ensure that customer relationship management needs to be innovated to suit the conditions of the day.

## ROAD MAP

- Data Standardization **BY TRANSFORMING DATA INTO INFORMATION**
- Customer Segmentation Infrastructure **BY GETTING TO KNOW YOUR CUSTOMERS BETTER**
- Customer Touch Point Data Collection **BY MAKING THE RIGHT DECISIONS**
- Distributor Personnel Database **BY PROVIDING OFFERS THAT ARE RIGHT AND ON TIME**



The goal of the CRM Project is sales, detailed analysis of service and customer service processes, integrated and efficient operation of the entire system. And in this context, the restructuring of the marketing strategy.

### INTEGRATED PREPARATION

Integrated solutions require integrated preparation. With this in mind a strong and multifaceted CRM team has been built by bringing different departments together. A roadmap has been set by doing preparatory work. Deficiencies and demands of the field were determined by visiting distributors. Establishment of the team and preparatory work completed the process. Data model studies, segmentation and CRM scenarios were prepared. Then the stage of system software and testing was initiated. When this project comes to life; effective and proactive solutions in customer relationship management will be produced.



## BY LISTENING AND OBSERVING THE FIELD MORE



- Through digital media channels
- With after service satisfaction calls (NPS)
- With the correct timing
- With the correct questions
- With constructive actions based on the right answer
- By evaluating complaints and suggestions



# TORA

## Competitive, well-equipped, trustworthy business partner

Now there is a fellow traveller that will help logistics and distribution companies, and the transport sector turn each kilometer into profit. Now it is time to shift up gears in competition advantage and profit with TORA...



**W**ith two different versions, TORA has the gross vehicle weight of 15,370 kg and 10,930 kg net carrying capacity. Able to carry 15 Europalets, TORA has upper level safety features. Besides key security systems such as ABS (antilock braking system), ASR (traction control) and EBL (electronic brake force distribution system), TORA is equipped with (LDWS), lane departure warning system, that makes its active security unmatched.

### LONGEST LASTING DIESEL ENGINE

TORA truck has the world's most widely produced, the longest lasting diesel engine. It is also quipped with turbo and intercooler to improve engine performance and torque.

TORA is also equipped with a 6-speed gearbox and easy to shift. TORA trucks have no need for additives except fuel to make the particles accumulated inside Diesel Particle Filter environmentally friendly. With the self-cleaning filter, it is enough to fill the tank with diesel fuel...

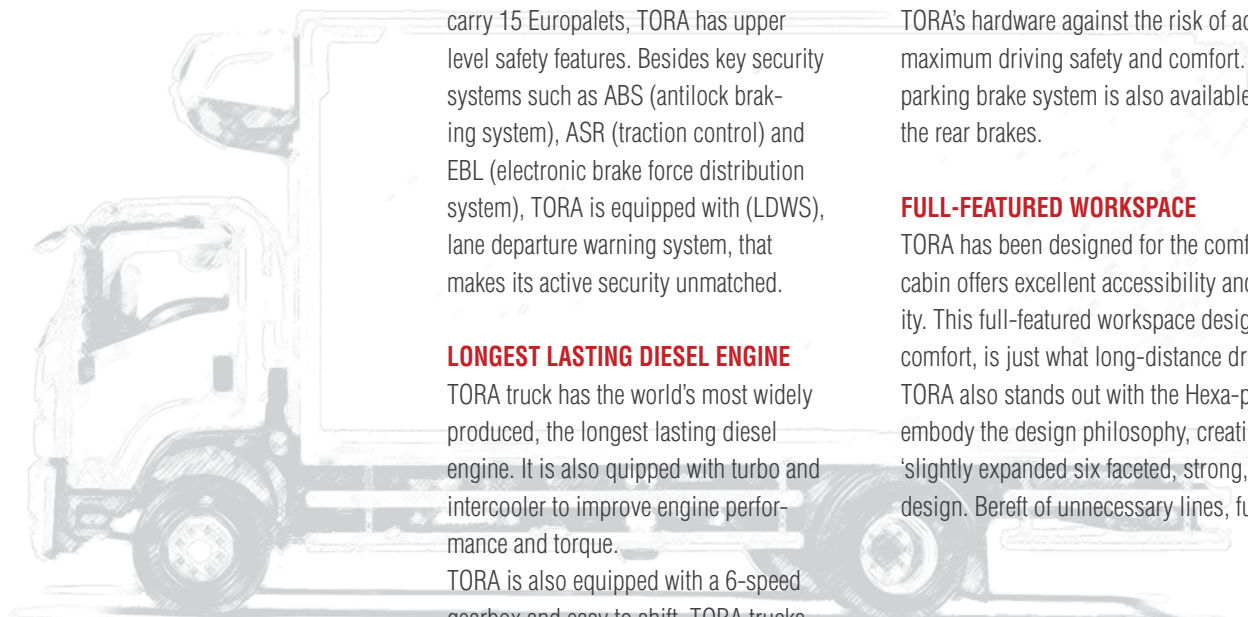
### EVERYTHING FOR SAFE DRIVING

Equipped with fully air brake and automatic brake adjuster, ABS, ASR, EBL and LDWS (lane departure warning system), TORA's hardware against the risk of accidents provides maximum driving safety and comfort. In addition, pneumatic parking brake system is also available which is effective in the rear brakes.

### FULL-FEATURED WORKSPACE

TORA has been designed for the comfort of the driver. The cabin offers excellent accessibility and maximum functionality. This full-featured workspace designed for safety and comfort, is just what long-distance drivers need.

TORA also stands out with the Hexa-pod design. Isuzu trucks embody the design philosophy, creating a difference with the 'slightly expanded six faceted, strong, clean, and emotional' design. Bereft of unnecessary lines, functional, and aesthetic.





# TRUCK GROUP

With different models and versions, Anadolu Isuzu with large loading capacity to long-distance driver comfort, produces vehicles considering maximum efficiency and safety in transport. Anadolu Isuzu trucks provide great added value with optimum transport costs to the companies.



## NPR 8

NPR 8, with 4.2 m usable frore length, a new generation high performance and low fuel consuming Isuzu engine meets the needs of its consumers in the best way. Refurbished bright and spacious cabin providing ergonomics and driving comfort, maintains its authenticity with modern and simple exterior design.

## NPR 8 LONG

NPR 8 LONG has been the star of the roads for years without compromising quality, durability, performance and longevity. 155 hp, 419 Nm Commonrail Turbo Diesel Intercooler engine bringing roads and ramps to their knees, is quite stingy when it comes to fuel consumption.



## NPR 10

NPR 10 specifically designed for those who want to move bigger loads on in-city transportation is the 'big shot' of the city with the air brake system and 9,800 kg gross vehicle weight. Full air front and rear disc brakes, high carrying capacity, and outstanding maneuverability essential for the narrow streets, is the favorite of the city, and the driver due to the low the operating expenses.

## NPR 10 LONG

NPR 10 LONG, Isuzu's great service to those who do local and semi long distance transportation, with its broad area of utilization, dynamism and flexibility continues to gain appreciation from drivers and customers alike. With the advantage of the full air brake system and low operating costs, NPR 10 LONG is most preferred vehicle of the public and private sectors. Low maintenance need and even lower fuel consumption contrasted with higher carrying capacity and more cargo space bring only gain to its customer.



## NPR 10 XLONG

NPR 10 XLONG will be your favorite with Isuzu quality and reliability, advantage of utilization versatility including food transportation, construction, and profile transportation, transport of poultry, cargo and municipal services. Ergonomic cabin, strong frame chassis that can carry hauls of up to 6.3 meters, standard offer full air disc brake system and superior maneuverability, saves time while increasing your profits.

## NPR 3D

NPR 3D provides unmatched flexibility with the third axle, 190 hp and 513 Nm torque, 12,500 kg gross vehicle weight, vehicle size allowing easy passage in tight spaces. Dual circuit full air brake system, automatic load sensing valve (LSV), automatic brake pad adjustment, and ABS-ASR systems safety is the number one priority. Meanwhile fuel economy due to low tare weight and high carrying capacity, provide you with extra profit. NPR 3D sets the new limit on load capacity, economy and profit in its class.





# LIGHT TRUCK RANGE

With four models in the light truck segment, Anadolu Isuzu offers maximum transport efficiency and comfortable use to its customers, especially to small and medium size businesses. Isuzu vehicles are among the most preferred...



## N-WIDE

Isuzu N-WIDE creates a difference in its class with functional 3.5-meter usable frame length, new generation 150-hp and 375 Nm torque Isuzu engine. Providing a more comfortable driving experience with wider and deeper cabin, N-WIDE makes driver comfort a priority with advanced suspension system.



## N-WIDE LONG

Isuzu N-WIDE LONG providing a solution for those who need more volume with the functional 4.3-meter usable frame length, safeguards your profit with low maintenance need. With the proven performance and long lasting Isuzu Commonrail engine technology, fuel consumption is now at a much lower level. N-WIDE LONG continues to profit owners with low maintenance needs, affordable spare parts service and fuel economy.

## NLR

With the functional chassis height of 3 meters, specially designed cabin for comfortable parking on narrow streets, Isuzu NLR provides loading and unloading convenience and unique maneuverability. Proven performance, durable chassis structure, agility in the narrow streets makes NLR stand out in its class. NLR's superior climbing ability of up to 80 percent, 150 hp and 375 Nm engine torque minimizes ramp difficulties.



## NLR LONG

Isuzu NLR LONG easily meets the volume needs of both individual and fleet users, both with its agility and the 4.2-meter usable frame length. With the state of the art technology Commonrail Turbo Diesel Intercooler engine, NLR LONG provides the desired traction and protects the environment as well.





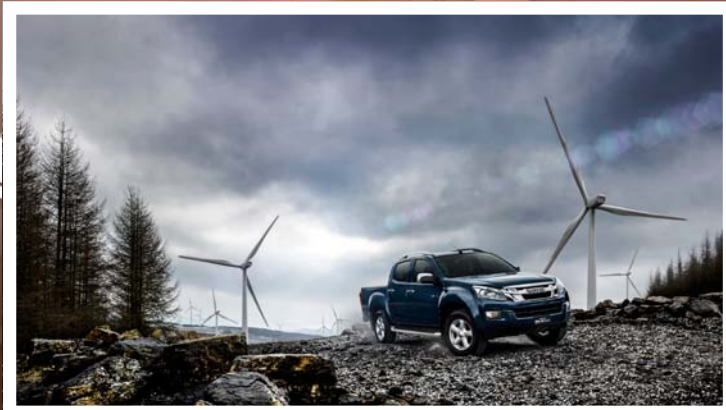
# THE PICK-UP OF TURKEY

D-MAX is a multi-functional commercial vehicle with both high acceleration capability and 3.5 tonnes of capacity. Specifically designed to meet these needs, D-MAX is your biggest supporter on difficult roads and tough natural terrains... A solution partner for SMEs and traders, D-MAX becomes an outdoor and pleasure trip vehicle on weekends...

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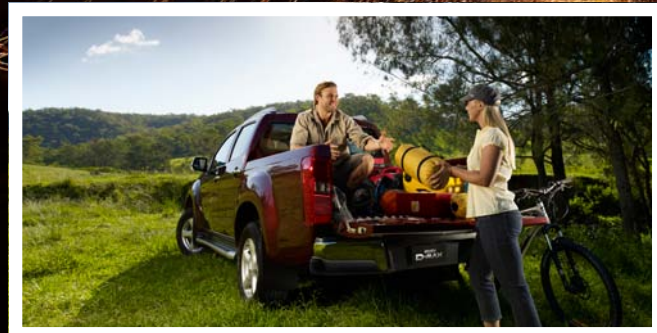
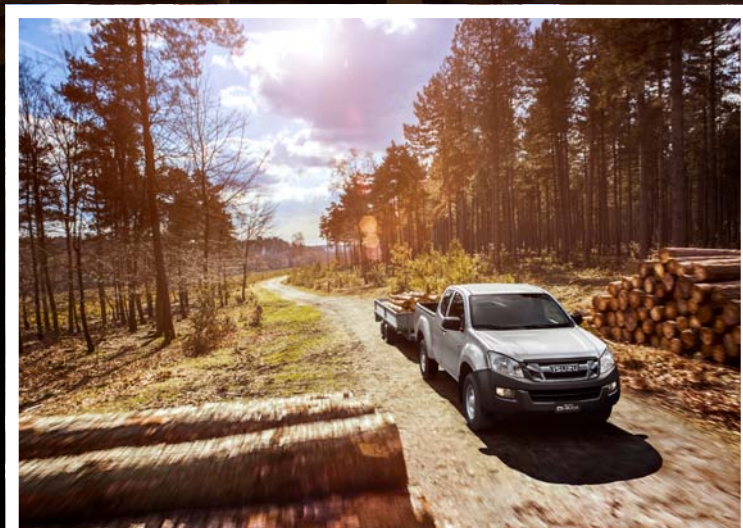


**MAXIMUM SAFETY**

D-MAX was designed to provide maximum protection from any possible damage to the users. Impact absorbing front bumper, impact-absorbing bars that reduce the impact from the sides, new reinforced cabin frames and active seat belts as well as superior security systems such as EBD, ABS, BAS, ESC, TCS, are all available on D-MAX.

**LEADER OF ITS CLASS**

Introducing the pick-up segment of the world with the 'Shift on the Fly' system allowing 4x4 transition with a button instead of the off-road gear, D-MAX was also the first pick-up to offer an automatic transmission option. D-MAX continuously improves its engineering excellence. Modernized 4x4 transition system, 6-speed (manual), 5-speed (automatic) transmission options and the 2.5-liter Twin Turbo engine, ensure it remains the leader in its class.





# CITIPOINT - The most comfortable and ergonomic bus of Europe!

Thanks to its Kneeling feature, the vehicle kneels to the side for easy hop on-off of the disabled passengers. Limiting the tilt on the floor of the vehicle to 4.5 degrees the interior design enables passengers with low mobility to have accessibility an easier access to the bus.





### MAXIMUM COMFORT AND SAFETY IN PUBLIC TRANSPORT

Passengers' most needed air conditioning in public transport is perfect with 39 kW superior air conditioner and evenly distributed heating system.

CITIPOINT'S safety is also top grade.

Thanks to electronically controlled valves, fast reacting fully air powered EBS brake system, emergency brakes, both by feet and hand commanded three phase interarder integrated to the transmission and hillholder system preventing sliding down the slopes guarantees the safety of both the passengers and the driver.

### ERGONOMIC WORK AREA FOR DRIVERS

In public transport vehicles, a subject as important as the comfort and safety of the passengers is the driver's having an ergonomic work environment. CITIPOINT meets the driver's comfort in the highest level. Separated special driver's cabin, thanks to gauge panel which doesn't distort the view angle and integrated to the adjustable driving wheel according to seat position, ensures driver's attention is on the road. With airy, adjustable driver's seat and standart electric window now the travels with CITIPOINT is also very comfortable for the drivers. Drivers control every corner of the vehicle with the internal and external camera screens integrated in the front panel.

### MODULAR DESIGN ACCORDING TO CLIENT'S NEEDS

Multiplex system involving the newest technology used in CITIPOINT offers elastic design and production probabilities according to client's needs. CITIPOINT offered to the market with standard 6 forward fully automatic speeds and 6 cylinder diesel common rail turbo engine opens a new era in public transport.



Thanks to its Kneeling feature, the vehicle kneels to the side for easy hop on-off of the disabled passengers. Limiting the tilt inside the vehicle to 4,5 degrees enables passengers with low motility to have a comfortable travel.

**THE MOST COMFORTABLE AND ERGONOMIC BUS OF EUROPE**



Isuzu Citiport was one of the six nominees for the 'Grand Bus Award 2015', a title which is granted by the European Coach Week (ECW) organization as a part of Busworld Kortrijk 2015 Expo.

The nominees were subject to several technical interviews and road tests. Following a two-day long evaluation, Citiport is deemed worthy of the 'Comfort and Ergonomics Label' by the Grand Jury of ECW. The comfort and the ergonomics of the bus have been tested and proven once more by one of the most specialized and competent juries in the world.

As the only Turkish vehicle to be awarded by the Busworld organization in 2015, Isuzu Citiport put its signature on a very big success.



# AUTOBUS GROUP

From public transport to tourism sector, from shuttles to commercial fleets, vehicles in Anadolu Isuzu's bus and coach range offer drivers an ergonomic work area in the drivers cabin while providing the passengers maximum comfort and safety.



## VISIGO

Tourism sector's new comfort icon VISIGO, redefines the standards in its segment. Offering a spacious internal space with higher and wider measurements in comparison to its competitors, VISIGO's 9.5-meter length unites the elasticity and economy of the small buses with the comfort of big buses.



## NOVO

Leading model of 27-seat class. It brings a different dimension to passenger transportation with its 29-seat option. Anadolu Isuzu, always bringing the firsts in the little bus segment with its innovative vision, completely redesigned the 7-meter segment, where it kept the market leadership for long years.



## NOVO ULTRA

Isuzu NOVO ULTRA brings comfort and trust to passenger transportation with its 190HP engine, back air suspension system and front/back brake disks. Anadolu Isuzu engineers considering new needs borne in the sector came together for a new model from the infrastructure to its design and created Isuzu NOVO family.

## NOVO LUX

Vehicles in new NOVO family are now more powerful. With many improvements for safety, NOVO LUX model of NOVO family offers ABS and ASR brake systems as standard, as well as an indispensable feature of today's luxury automobiles Immobilizer is standard in all NOVO series small buses.



## CITIBUS

The widest autobus with highest passenger capacity of its class. Moreover, third door is standard. With ABS and ASR brake systems, auxiliary exhaust brake, front and back disk brakes CITIBUS provides security to its driver and passengers.

## NOVOCITI

Having low fuel and maintenance cost, NOVOCITI provides superior maneuverability at intracity transport with its 7.5-meter length. The first vehicle with a disabled ramp of its class NOVOCITI reduces your operating costs with its powerful Isuzu engine, making you more profits.







### TURKUAZ

Turkuaz provides high-level comfort both to its user and passengers. It targets to offer more comfort to its passengers with its renewed external look and internal design. Turkuaz provides its operators a sustainable income chance.

### TURKUAZ VIP

TURKUAZ models' highest comfort configuration. TURKUAZ VIP offers more comfortable and safer travel with optional features like seat placement, WC, 27 liter refrigerator, ski cabinet, back vision camera, electric store curtains, footrest unit and heating air conditioner



### TURKUAZ LIFT

This is the TURKUAZ vehicle with lift for disabled persons. TURKUAZ LIFT if opted for, can provide space for upto five wheelchairs. TURKUAZ LIFT, has a capacity for 29 passengers, lift for disabled, and one disabled place; for more safety front and back signal lights automatically flash when the bus' doors are opened.

### APRON VEHICLE

CITIBUS vehicle's re-arranged version for use of CIP and VIPs at the airports.





# Optimum customer satisfaction in different sectors, different segments

We asked the satisfaction of Anadolu Isuzu customers, active in different sectors. They concentrated on functionality, income, and competitive advantage in the sectors they serve and all declared that they all ensured optimum benefit in these three fields.



## “In every weather and road condition D-MAX”

**D**-MAX fleet located in Boğaziçi Elektrik Dağıtım A.Ş.'s Taksim center is the greatest supporter of breakdown, maintenance and repair team... Murat Kaplan, in charge of the fleet says, “D-MAX is the most appropriate vehicle for emergency interventions in every land and weather condition... It's our biggest helper with its comfortable cabin and wide body”. It never gave any hardships. BEDAŞ continues its way with D-MAX.

## “Right choice for construction sector: NPR8”

**H**asan Sarı, partner of Sarılar Construction, is among the choosers of Isuzu trucks... Pointing out that he's using Anadolu Isuzu's vehicles in the activities of his construction firm for long years, Hasan Sarı explains the reason of his choice thus: “Construction is a sector which needs intense transportation and we're racing against time. Isuzu trucks both with their capacity and ease of usage saves us time and cost. The quality of after sale service is one of our other reasons... Also its widespread service network...”



## “We never had a problem even one day”

**T**rucks making up the transportation fleet of one of the leading brands of milk and dairy products Eker Süt are Anadolu Isuzu's vehicles. As an administrator of a sector making daily deliveries to a very wide customer network, Eker Süt Ürünleri Gıda San. A.Ş.'s General Manager Hamit Can points out how right a choice were the N-Wide light trucks. Hamit Can says, “N-Wide light trucks are just the vehicles that meet our sector's needs. We never had a problem in our daily deliveries. We are satisfied with fuel consumption and savings from time too”. After sale service network is another reason for Eker Süt Ürünleri Gıda San. A.Ş.'s choice of Anadolu Isuzu.



## “Maximum benefit with Turkuaz”

**M**ehmet Öksüz, owner of Minitur, a company offering intracity shuttle and VIP public transport services indicates that Turkuaz from Anadolu Isuzu's midibus portfolio is the most productive vehicle for his firm. There are also Turkuaz VIP vehicles in Minitur's fleet, together with Turkuaz. Öksüz says that both with stylish interior design and passenger capacity they receive maximum benefit and highest passenger satisfaction from Turkuaz and according to him Turkuaz is the best choice for the tourism sector.



# To big targets, together with suppliers

Providers' share is important in the success by the vehicles designed by Anadolu Isuzu in last five years

Anadolu Isuzu as a producing firm, moves with the awareness that its development is closely tied to relations with its suppliers. Synergic solution partnerships with the suppliers is the guarantee of reaching the targets in line with the 'win-win' principle.



**W**hen determining its targets, Anadolu Isuzu always takes the support of its solution partners, suppliers into consideration. Targeting to take place among Turkey's 100 biggest firms, Anadolu Isuzu knows that it can reach its target by rising its activity in exports.

#### STRATEGIC TREND: LOCALIZATION

Suppliers' support is important in the success by the vehicles designed by Anadolu Isuzu in last five years. Targeting higher, the company will be in much more close cooperation and synergic work with its suppliers to increase the volume of its exports and brand awareness. In this framework, Anadolu Isuzu as one of Turkey's leading vehicle producers, is planning to weigh more on the localization activities. By localizing its vehicles it not only targets to gain cost advantage but also aims to contribute to diminish Turkey's current account deficit.

#### 'WIN-WIN PERSPECTIVE'

Anadolu Isuzu's support from its suppliers for the localization of truck, light truck and bus segments is the guarantee for the advances in future.

#### GROWING TOGETHER

In coming years supplier development study will be focused on. Anadolu Isuzu will share every potential of its new R&D Center with the suppliers and increase innovative support. Anadolu Isuzu will reach its growth targets with the support of its suppliers.



# A human focused, learning organization

Anadolu Isuzu is managed with an innovative, dynamic, investing in development and innovation, respectful for social values and beliefs, a sustainable human resources policy.



**A**ge of information caused a big transformation in all sectors. Now every firm is from bottom to top, top to bottom is an interactive, learning and transforming organism. The value of a company is not determined by only the products it produces, assets, financial data. In some situations, accumulation of knowledge and human resources can be more determining in the value of firm. Especially if you have a R&D focused innovative growth target to create a competitive

edge, human resources become much more important for sustainable growth. Anadolu Isuzu is managed with human resources policy which is innovative, dynamic, investing in development and innovation, respectful for social values and beliefs.

### EVERY EMPLOYEE IS A STRATEGIC PARTNER

In Anadolu Isuzu every employee is positioned as strategic business partners. Increasing the motivation of the employees and developing their skills, thus adding value to the organization is one of the fundamental aims of the human resources.



### RIGHT PERSON, CONTINUOUS DEVELOPMENT

Human resources policies of Anadolu Isuzu are based on four fundamental concepts: Bringing the right person to the firm, investing in continuous learning and development, supporting organizational growth and strengthening loyalty culture.

### TRUST, TRANSPARENCY, LOYALTY...

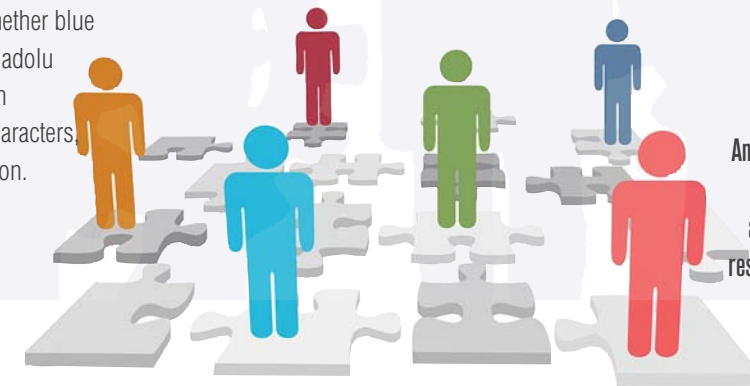
Anadolu Isuzu works for the target of offering all peoples the best service and products and carrying its respectability to the future generations. Advancing in this road, fundamental values the firm accepts as principles are trust, transparency, loyalty and sensibility to the society and the environment. In the framework of these principles, same working style is valid in every level in Anadolu Isuzu. Whether blue or white collared, every Anadolu Isuzu employee has human focused, result oriented characters, giving priority to information.

### PROTECTING HUMANITY'S ACCUMULATION

In light of its values and corporate culture, Anadolu Isuzu aims to 'serve human first' with no regard to language, religion, race or sex. As a firm standing for equal opportunity in business, it takes creating diversity seriously and plans to increase working women. In last five years raise in women employees realised as 208%, and women administrators rose as 300%.

### SOCIAL ADDED VALUE

In line with a sustainable approach to social responsibility activities, 'Social Awareness Project' taking place in the scope of 'Young Isuzu Development Process' was realized by the efforts of 150 volunteer employees. Realizing volunteer activities in environment, education and disabled life together with non-governmental organizations, important results were accumulated that will create value for the society. This approach has created awareness on the notion of volunteerism in Anadolu Isuzu and supported employees achieving positive gains from each other and from the process.



## PRINCIPLE FOCUSED CAREER PROCESS

Values shaping the vision and mission, also guide candidates' recruitment processes. All candidates' having Anadolu Group's competence and values is prioritized. Anadolu Isuzu, gives importance to employee candidates ability to think global, being open to teamwork and communications, giving importance to development, being able to analyze, and taking initiative and making a decision. Moves with business and client focused working principle. For the candidates for administrative positions, leadership, strategic thinking and administrative activity qualities are seen as priorities. In the situations seen as needed in every position, interviews based on competence, general ability test, professional personality inventory, English test and assessment center applications are used to value the candidates and recruitment process begins.

Anadolu Isuzu's fundamental values taken as principles; trust, transparency, loyalty, sensitivity for the society and environment. Every employee has human focused, result oriented characters, giving priority to information.



# Safe and secure production Safe and secure employee

Anadolu Isuzu, alongside carrying out the responsibilities of Workplace Health and Safety Legislation, also shows the maximum effort to create safe working environment, to develop the employees' health and safety awareness, and to make improvements to prevent occupational diseases.



**E**very firm is a learning, developing, transforming, namely an organism full of life. This situation, from the stand point of firms active in manufacturing sector, necessitates every element of the organism forming a safe and healthy whole in harmony. Health and safety, in business processes is one of the most important elements both for the firm's operations and the quality of the product. Firm has a safe and healthy structure if every unit is safe and healthy. This echoes in the firm's products and services.

## SAFE WORK ENVIRONMENT

Anadolu Isuzu built its workplace health and safety policy on this assignation. Starting from the reality of workplace health and safety is an interactive process, Anadolu Isuzu made sure every employee's joint participation and support to these processes.

Anadolu Isuzu, alongside carrying out the responsibilities of Workplace Health and Safety Legislation, also shows the maximum effort to create safe working environment, to develop the employees' health and safety awareness, and to make improvements to prevent occupational diseases.

## SAFETY FOR ALL

Acts with the awareness of protecting the health and safety of the subcontractors working in the production facilities, suppliers, interns and even visiting guests is inside of the firm's responsibilities. Anadolu Isuzu stipulates to follow the sustainability and continuous development of the healthy and safe working environment.

## HARMONY TO GLOBAL STANDARDS

To comply with the related national and international work health and safety legislation, laws and administrative regulations, cooperating with the organizations pursuing this objective are among the top subjects Anadolu Isuzu cares about. To supply a safe and healthy working environment, Anadolu Isuzu targets the use of technologies that meets both the ergonomics and the safety requirements, and developing the infrastructure in the same manner to ensure productivity growth.

With the 'Near miss' system, employees determine and declare the risk areas. Every year in risk analysis are conducted 12 times in all areas.

## PARTICIPATING APPROACH

To ensure the employees joining all the work safety and health studies with their suggestions and in this framework, cooperating and being in constant communications with all partners, from guests visiting the facility, to subcontractors and contractor's employees is an echo of Anadolu Isuzu's participatory policy.



## MAIN TARGETS

- Taking continues and efficient precautions to prevent workplace accidents and occupational diseases
- Giving top level workplace health and safety educations
- Developing consciousness and awareness about workplace health and safety
- Establishing a safe and healthy working environment with the participation of all employees



# Adding value to social life

Anadolu Isuzu, touching social life in daily life's every field with the vehicles it produces, sees social responsibility projects as an irreplaceable feature of its corporate identity.



**A**utomotive sector is one of the locomotive sectors of the global economy and Turkish economy... All the firms active in this sector touches all parts of the society. Especially for the firms in the commercial vehicle production segment this means 100% of the society. Every

day in transport, deliveries and other fields, Anadolu Isuzu's vehicles are on roads, at stations, in front of the places of business. Naturally, establishing a socially added value to this physical contact is a main task of the firm. As a firm so much in the social life, touching to every part of society every day with its vehicles, Anadolu Isuzu sees social responsibility actions as a part of its corporate identity and activity fields.



## RESPONSIBILITY FROM THE HEART

In the framework of this perspective, Anadolu Isuzu, as a member of Private Sector Volunteers Association, which works in the subjects of spreading corporate volunteerism concept in private sector employees and handling volunteerism in companies in a sustainable and systematic framework, gives importance to social responsibility and volunteer work and touches every part of the society.

## SOCIAL ADDED VALUE

In line with a sustainable approach to social responsibility activities, 'Social Awareness Project' taking place in the scope of 'Young Isuzu Development Process' was realized by the efforts of

150 volunteer employees. Realizing volunteer activities in environment, education and disabled life together with non-governmental organizations, important results were accumulated that will create value for the society. This approach has created awareness on the notion of volunteerism in Anadolu Isuzu and supported employees achieving positive gains from each other and from the process.

## FOCUS: EDUCATION, ENVIRONMENT AND DISABLED LIFE

In line with a sustainable approach to social responsibility activities, 'Social Awareness Project' taking place in the scope of 'Young Isuzu Development Process' was realized by the efforts of 150 volunteer employees. Realizing volunteer activities in environment, education and disabled life together with non-governmental organizations, important results were accumulated that will create value for the society. Anadolu Isuzu was awarded with '2015 Most Successful Volunteering Project Award' by Private Sector Volunteers Association with one of these projects, 'A different world in one step'.



Anadolu Isuzu gives great importance to professional education. Therefore it arranges for technical educations to eliminate the sector's lack of intermediary staff. Organized in Küçükyalı Professional and Technic Anadolu High School, which trains intermediary staff for industry, 20 students who will be educated in Anadolu Isuzu Paint Technologies Workshop for two years, will close an important gap in the automotive sector. Anadolu Isuzu's aim is to help training qualified painting professionals who follows and wants to apply the breakthroughs in the constantly developing automotive sector, knows both the theoretical and practical applications.

## FROM SOCIAL AWARENESS PROJECTS



■ October 29 Republic Day celebration was held with 100 students In cooperation with Tüvana Reading Eager Children Education Foundation and Anıtkabir was visited.

■ Company employees were informed and awareness created about correct approach to disability in cooperation with Alternative Life Association. In line with this, life quality of disabled employees in the company was raised and being more active in social and business environments was supported.

■ Chosen with Tarla başı Social Center's cooperation 10 children in 10-12 age group were aimed to know the city they lived in by entering inside the culture and arts, developing their view of life and supporting their creativity. In line with this, those children were shown the creation factor through education work and their expressing themselves through a free application area was provided.



# No carbon foot print!

Aiming to minimize environmentally negative impact in all its production processes and in its vehicles, Anadolu Isuzu gives great importance to consciousness activities to develop environment-friendly approaches to its employees in sustainability field.

**T**he Earth confronts more serious environmental problems every passing day due to dense population and intense agricultural and industrial production it brings. To rebuild a sustainable production and a sustainable live is a task for all of us.

## PROTECTING THE ENVIRONMENT IS A MAIN RESPONSIBILITY

Anadolu Isuzu as a firm making industrial production in automotive sector sees to diminish environmentally negative impact as a responsibility of the field it's active in. With the awareness of its responsibility to the environment, Anadolu Isuzu prepares programs to protect the environment, activities, products and services from the possible impacts. It targets by determining aims and targets, founding environment management, developing its environment performance constantly, conforming to related legislation and if possible to care above these criteria and using the resources without changing the natural balances and without contaminating them.



## HOLISTIC PRECAUTIONS

In line with this important progress was made in appropriately collecting the waste and diminishing the waste. Special care is shown in appropriate collection of dangerous waste and its disposal or recycling. Work continues to provide energy productivity and taking precautions to save energy. Same savings and productivity efforts are also used for fast diminishing water resources. One of the most important problems for the solution of environmental problems is education. Anadolu Isuzu prepares programs to develop environmental awareness in its employees.





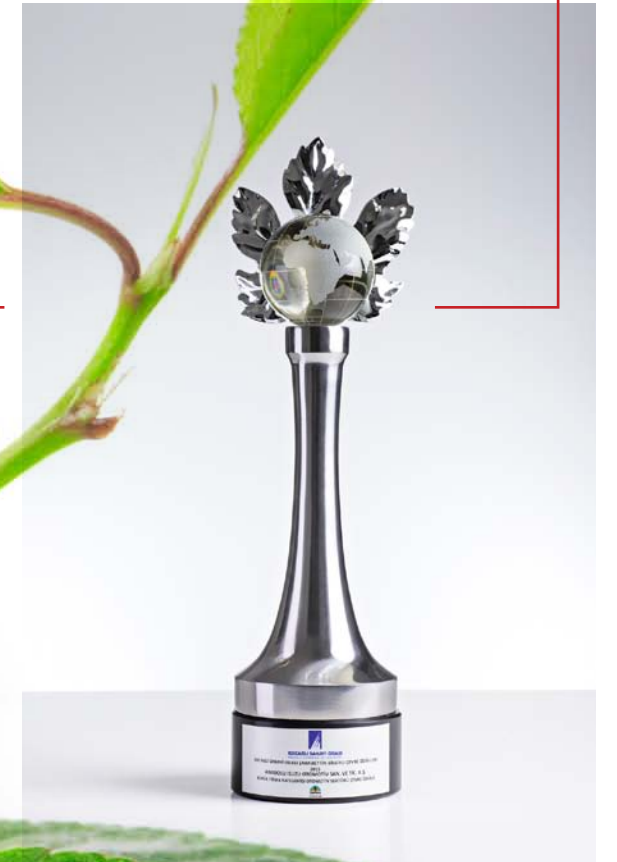
Aiming to minimize the carbon footprint for a sustainable world, developing vehicles with lower carbon emission in the R&D Center is among the targets of Anadolu Isuzu.

#### ENVIRONMENT FRIENDLY CRITERIA

- By conforming to environmental legislation, legal and administrative regulations determined by the related public institutions, cooperating with establishments active in environmental protection. To go above these criteria in the production process is one of the aims.
- In the direction of preventing pollution and protecting natural resources, using the least harmful technologies in line with economic and commercial possibilities is another aim... Environment friendly applications in design and production processes everyday become more prevalent in every stage of the production process.
- All employees active participation to continually develop environmental success is one of the most important issues. To raise consciousness through education and active information flow, to provide participation in environment activities in entirety with subcontractors and providers is targeted.
- Another aim is to minimize the pollution and negative impact of the waste that mixes in the air, water and earth; controlling the impacts during process, purification, disposal and storage, to direct from the waste to recycling by following the developing technologies.

#### AWARD FROM KOCAELI CHAMBER OF INDUSTRY

Anadolu Isuzu was deemed worthy of an environment award in Turkey's industrial production center Kocaeli, where it operates. 21st Şahabettin Bilgisu Environment Awards organized by Kocaeli Chamber of Industry found its owners. Anadolu Isuzu was given the Environment Award in automotive sector.







**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ON THE BOARD OF DIRECTORS' ANNUAL REPORT  
ORIGINALLY ISSUED IN TURKISH**

To the Board of Directors of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.

**Auditor's Report on the Board of Directors' Annual Report**

1. We have audited the annual report of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. and its Subsidiary (collectively referred to as the "Group") for the year ended 31 December 2015.

*Board of Directors' responsibility for the Annual Report*

2. The Group's management is responsible for the fair preparation of the annual report and its consistency with the consolidated financial statements in accordance with Article 514 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No: 14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") and for such internal control as management determines is necessary to enable the preparation of the annual report.

*Independent Auditor's Responsibility*

3. Our responsibility is to express an opinion on the Group's annual report based on the independent audit conducted pursuant to Article 397 of TCC and the Communiqué, whether or not the financial information included in this annual report is consistent with the Group's consolidated financial statements that are subject to independent auditor's report dated 26 February 2016 and presented fairly.

Our independent audit was conducted in accordance with Independent Auditing Standards that are part of the Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the independent audit is planned and performed to obtain reasonable assurance whether the financial information in the annual report is fairly presented and consistent with the consolidated financial statements.

An independent audit requires applying audit procedures to obtain audit evidence on the historical financial information. The procedures selected depend on the professional judgement of the independent auditor.

We believe that the independent audit evidences we have obtained during our independent audit, are sufficient and appropriate to provide a basis for our opinion.



*Opinion*

4. Based on our opinion, the financial information in the annual report of Board of Directors of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. is consistent with the audited consolidated financial statements and presented fairly, in all material respects.

**Other Responsibilities Arising From Regulatory Requirements**

5. Pursuant to subparagraph 3 of Article 402 of the TCC No. 6102, within the context of ISA 570 "Going Concern", we have not encountered any significant issue which we are required to be reported with regard to the inability of the Group to continue its operations for the foreseeable future.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

  
Adnan Akar, SMMM  
Sorumlu Denetçi

Istanbul, 10 March 2016



## OTHER INFORMATIONS ABOUT ACTIVITIES

## 1) GENERAL INFORMATION

<u>Annual Report</u>	: 01.01.2015-31.12.2015
<u>Corporate Name</u>	: Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.
<u>Trade Registration No</u>	: 173921
<u>Mersis No</u>	: 0068006909500014
<u>Head Office</u>	: Fatih Sultan Mehmet Mahallesi Balkan Caddesi No:58 Buyaka E Blok Tepeüstü 34771 Ümraniye / İSTANBUL
<u>Factory Contact</u>	: Şekerpinar Mah. Otomotiv Caddesi No:2 41435 Çayırova / KOCAELİ
<u>Phone</u>	: 0 850 200 19 00
<u>Fax</u>	: 0 262 658 85 56
<u>Web site</u>	: www.anadoluisuzu.com.tr

As of December 31, 2015 the Company's capital is 25,419,707TL. There has been no change in the capital in the interim. As of December 31, 2014 and December 31, 2015 partner's shares and capital ratios are as follows.

Shareholder	31.12.2014		31.12.2015	
	Share Amount	Share Ratio	Share Amount	Share Ratio
Yazıcılar Holding A.Ş.	9.077.665	35,71%	9.077.665	35,71%
Özilhan Sınai Yatırım A.Ş.	4.271.842	16,81%	4.271.842	16,81%
Anadolu Endüstri Holding A.Ş.	266.640	1,05%	266.640	1,05%
Isuzu Motors Ltd.	4.319.991	16,99%	4.319.991	16,99%
Itochu Corporation	2.405.286	9,46%	2.405.286	9,46%
Itochu Corporation – Istanbul	834.678	3,28%	834.678	3,28%
PUBLIC	3.811.860	15,00%	3.811.860	15,00%
OTHER	431.745	1,70%	431.745	1,70%
<b>TOTAL</b>	<b>25.419.707</b>	<b>100,00%</b>	<b>25.419.707</b>	<b>100,00%</b>

**Company's Direct and Indirect Participations and Shares**

The subsidiaries and percentage of shares are as follows.

Affiliates	31.12.2014 Share Rate %	31.12.2015 Share Rate%
Ant Sınai ve Tic. Ürünleri Paz. A.Ş.	100%	100%

**2) MANAGEMENT AND ORGANIZATION****Board of Directors:**

The Board of Directors consists of fourteen people; one Chairman, a Deputy Chairman and twelve members. All Board members who are elected in Ordinary General Meeting on April 15, 2015 will be on duty until new Board of Directors are elected in the next Ordinary General Meeting.



As of 31 December 2015 the Board of Directors and job description is as follows:

Name and Surname	Title
Mehmet Kamil ESER	Chairman
İbrahim YAZICI	Deputy Chairman
Tuncay ÖZİLHAN	Member
Süleyman Vehbi YAZICI	Member
Nilgün YAZICI	Member
Tülay AKSOY	Member
Hülya ELMALIOĞLU	Member
Salih Metin ECEVİT	Member
Takuya KAWAI	Member
Ryutaro MASHIKO	Member
Yasuyuki NIIJIMA	Member
Atsushi ASAMI	Member
Ahmet Cemal DÖRDÜNCÜ	Indepent Member
Kamil Ömer BOZER	Indepent Member

#### Information about Board Members and Outside Company Activities of Managers

There are no rules created by the company that Board members should undertake other activities outside the Company but the regulations set in the Corporate Governance Principles are complied.

The Board of Directors has gathered 6 times in the interim.

#### **Committees formed by the Board Structure**

In accordance with the provisions in the declaration about the Determination and Implementation of Turkish Commercial Law and Capital Markets Board's, Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee have been established in order to fulfill duties and responsibilities smoothly. Regulations on working principles have been published on our corporate website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

After election of new Board members on April 15, 2015 in Ordinary General Meeting, according to Corporate Governance Principles published by the Capital Markets Board with the Board of Directors' decision dated April 28, 2015, committee members are listed as follows.

#### **Corporate Governance Committee:**

Kamil Ömer BOZER	Chairman
Salih Metin ECEVİT	Member
Ali Osman MAĞAL	Member

Nomination Committee and Compensation Committee's duties are performed by the Corporate Governance Committee .

Corporate Governance Committee has gathered 4 times during the year.

#### **Audit Committee:**

Ahmet Cemal DÖRDÜNCÜ	Chairman
Kamil Ömer BOZER	Member

Audit Committee has gathered 4 times during the year.

#### **Early Detection of Risk Committee**

Ahmet Cemal DÖRDÜNCÜ	Chairman
Salih Metin ECEVİT	Member

Early Detection of Risk Committee has been gathered 6 times during the year.

#### **Company Management:**

As a result of changes made in the organizational structure of our company, managerial departments structured as directorate, in this regard present R&D Manager Arif Ozer since May 1, 2015, became R&D Director, Sales Manager Mr. Tunç Karabulut became Sales Director, Purchase Manager Mr. Mustafa Kemal Özer became Purchase Director, Human Resources Manager Mr. Fatih Mehmet Ugur became Human Resources Director. Mr. Hakan Kefoglu is appointed as Export Manager as of June 1, 2015.

Employees in top management and thier titles as of December 31, 2015 are as follows :

Name and Surname	Title
Kamil ESER	Automotive Group Manager – Board Chairman
Yusuf Tuğrul ARIKAN	General Manager
Ahmet Fatih TAMAY	Sales and Marketing Director
Bora ÖNER	Financial Affairs Director
Hakan ÖZENÇ	Technical Director
Arif ÖZER	R&D Director
Tunç KARABULUT	Sales Director
Mustafa Kemal ÖZER	Purchase Director
Fatih Mehmet UĞUR	Human Resources Director
Hakan KEFOĞLU	Export Director



**Financial Benefits Provided to Top Management:**

Benefits provided to our senior executives in 2015 ( salaries, bonus, social benefits, premium, severance and notice pay) is 5.818.790 TL.

**Human Resource and Employment**

Total employment in 2015 was 944 people, 290 white-collar workers and 654 blue-collar workers with an increase by 9 % compared to the previous year. (31 December 2014: 254 white-collar workers and 615 blue-collar workers, a total of 869).

**Internal Audit Activities**

Internal Audit Manager are operatively connected to the General Manager, is also in direct contact with the Audit Committee.

The effectiveness of the company's internal control system is also monitored by internal audits. The findings and identified risks obtained by the internal audit activity in 2015 are forwarded to the company's top management and related departments with suggestions for improvement.

**Risk Management and Internal Audit System**

Risk Management and Internal Control System in Anadolu Isuzu is the responsibility of Company Management and under their control. Corporate Risk Management, established to reassure and consult to the management, reports directly to the Early Detection of Risk Committee.

Anadolu Isuzu's top management identifies significant opportunities and threats that may arise in the framework of Corporate Risk Management and manages them according to the risk appetite of the company. Corporate Risk Management is a systematic and disciplined process established to determine the business strategies of Anadolu Isuzu which is affected by all company employees and covers company's all implementations.

The risks of the company are submitted for management's consideration with the coordination of Corporate Risk Management and prior risks are identified. Prior risks and action plans to mitigate these risks are shared with Early Detection of Risk Committee to be presented to Board of Directors. The management and continuity of this process, integrated with strategic business plans, is supported by a technological infrastructure in use.

A number of methods are used to manage our risks are as follows:

Performance and risk indicators are used as early warning system to monitor the risks and to take measures on time. SAP system that integrates to all processes within the company is an effective technological decision support system used for this purpose.

With this usage, activity results are followed instantaneously, therefore the human error was eliminated and early detection of risks and the effectiveness of internal control systems have increased. At the same time , internal communication system with advanced technology enables to intervene and create solutions for the problems.

Business continuity and crisis management activities are carried out with a support of an efficient insurance management in order to prevent and reduce losses caused by natural risks, supply chain problems. In any exceptional circumstances in order to avoid the data loss, investments are made for data backup system. At the same time , environmental factors and exceptional circumstances are being investigated and instant measures are taken to minimize the risk permanently.

Internal Audit Department, within the framework of the audit plan based on risk, reviewing the company's risk management and internal control system regularly in order to achieve the following and reports to the Audit Committee and Company Management:

- The accuracy and reliability of financial and operational informations
- Effectiveness and efficiency of operations
- Protection of company assets
- Ensurance of compliance with regulations and contracts

**Election of Independent Auditing Firm**

Board of Directors has chosen Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müsavirlik Anonim Şirketi (A member of PricewaterhouseCoopers) as the independent auditor covering the fiscal year of 2015, as a result of the evaluation, also with the opinion of the Audit Committee, in accordance with the Turkish Commercial Code and Capital Market regulations. Board's decision was approved by the Ordinary General Meeting held on 15 April, 2015.

**Reviews for the Future**

Fed's interest rate hike caused upside pressure on exchange rates was the main agenda of markets in 2015. It occurred in the last quarter of the year and reduced the uncertainty on the currency markets. On the other hand Chinese economy continued contraction, the recession in the Japanese economy concern the global markets. While low oil prices are effecting the exporter countries negatively, it has a positive effect on current account deficit of energy importer countries like Turkey.

Geopolitical tensions particularly in Syria and in other Middle Eastern countries in 2015 have slowed down world economic recovery process, made it difficult to restoring confidence in the markets .

In addition to the first domestic pick-up D-Max - started to be produced in 2014- and our 12-meter public transport vehicle Citiport, we started to produce F-Series trucks. The increase in our production is 45% compared to the previous year.

In 2015, related to both, growth in the domestic automotive market as well as the expansion of the segment with Anadolu Isuzu products, total sales have reached was more than last year. Low oil prices caused economical contraction in some major energy export markets, which in return limited export increase in our total sales volume.

Also in 2016, Turkey's geopolitical risks will be closely monitored. The security policies adopted in some cities and towns in the southeast with the sanctions that arise as a result of strained relations with Russia can have negative effects on the economy. On the other hand EU relations, lifting of embargo on Iran and Turkey-Israel



relations, which have developed in recent years, are also welcomed in terms of the market. As of 2016, it has been obligatory to produce commercial vehicles with Euro 6 motor in automotive industry. This situation is expected to increase production costs and selling prices significantly. As a result of the shift of the 2016 demand to the previous might result in a contraction in the commercial vehicle market in 2016.

Anadolu Isuzu will continue to work in order to strengthen the current position in the domestic and international market in 2016 and to open up new markets. Anadolu Isuzu will aim to expand its product portfolio and increase the profitability levels with effective R&D projects.

### Investments in 2015

#### Investments for Tangible Fixed Assets

Description (TRY)	2015
Underground and overland plants	515.782
Buildings	987.139
Plant, Machinery and Equipment	11.071.014
Vehicles	2.704.293
Fixtures	351.765
Other property, plant and equipment	8.385
Continuing investments	22.273.995
<b>Total property, plant and equipment investments</b>	<b>37.912.373</b>

#### Intangible Fixed Assets

Description (TRY)	2015
R&D projects	11.481.622
Other intangible fixed assets	1.992.147
Continuing investments	3.304.184
<b>Total intangible fixed asset investments</b>	<b>16.777.953</b>

### Financial Results

Showing the operating results in 2015 and financial statements by dependent audit company and explanatory notes are presented for your attention in the related parts of Annual Report.

Anadolu Isuzu's total assets reached 881 million TL by growing 27%, while net turnover has reached 935 million TL by growing 28 %.

Comparing to 2014, gross profit realized as 156 million TL by 25 % increase, while operating profit was 27 million TL and the operating profit margin was 2.9%. Company's pre-tax profit was 18.0 million TL and net profit was 17.7 million TL in this period.

Our company's cash level decreased by 29% with the effect of the profit share paid in the gross amount of 28,056,351 TL on May 29-June 2, 2015. Financial debt level increased by approximately 168 million TL in parallel with the increase in inventory and fixed assets. Company increased the stock level by 51 % considering the new products and the expected demand on current products.

Our company closely monitors financial risks and pays attention to keep these risks within the limits set by the Board and the Audit Committee. The basic policies implemented on the various risks, the nature and the level of the risks are disclosed in the footnotes of the financial reports.

Financial Data (TRY)	2015	2014
Sales income	935.494.541	729.143.932
Gross profit	156.298.251	125.287.267
Real operating profit	26.890.223	34.818.016
EBITDA	47.705.891	50.454.327
Profit before tax	18.005.467	38.689.759
Net profit (parent company shares)	17.743.897	34.342.260
Owners' equity (belonging to parent company)	323.361.734	333.902.403



Profitability rates	2015	2014
Gross profit margin	16,7%	17,2%
Real operating profit margin (%)	2,9%	4,8%
Net profit margin	1,9%	4,7%
Equity profitability rate	5,5%	10,3%
Operating expenses/net sales	13,8%	12,4%
Net financial expense / net sales	-1,0%	0,5%
EBITDA rate	5,1%	6,9%

Financial rates	2015	2014
Current rate	1,80	1,84
Cash ratio	0,19	0,35
Liquidity rate	1,02	1,13

Indebtness rates	2015	2014
Total trade payables/equity	75,7%	64,7%
Tot. fin. payable/equity	84,3%	31,2%
Tot. trade payab.+tot.fin.payable/Eq.	160,0%	95,9%
Total payable/total assets	63,3%	51,8%
Owners' equity/total assets	36,7%	48,2%

Market value (TRY)	2015	2014
ASUZU	451.708.193	593.550.158

### Changes in the Articles of Association in 2015

In 2015, there wasn't any change in the Articles of Association.

### Production

Our company continued production in pick-up, truck, light truck, midibus and bus segments in 2015. The total production has increased significantly with an the increase in sales and new truck and bus models produced. In 2015, Anadolu Isuzu increased its production by 45 % and produced 11,162 vehicles in total. Production capacity went up from 13 155 units to 19,000. The Company's 2015 capacity utilization rate has been realized by 59 % over the previous year. ( 2014 capacity utilization rate : 58%)

Production	2015	2014
Truck	4.663	3.073
Light Truck	2.400	1.185
Pick-Up	1.612	1.507
Midibus and bus	2.487	1.915
<b>Total production</b>	<b>11.162</b>	<b>7.680</b>

### Domestic Sales - Export

Anadolu Isuzu operates sales activities with 26 dealers country wide. In 2015, 9,907 vehicles, 9.654 to domestic market, 253 to foreign markets, were sold. The company's sales volume increased by 11% in comparison with the previous year.

Domestic sales	2015	2014
Truck	3.897	3.011
Light Truck	1.937	1.127
Pick-up	2.060	2.847
Midibus	1.592	1.142
Bus	168	23
<b>Toplam</b>	<b>9.654</b>	<b>8.150</b>



During this period, the development and diversification of the region continued, while the opportunities that may arise due to the conjuncture, were evaluated.

Export	2015	2014
Midibus	111	626
Bus	142	122
<b>Total Export</b>	<b>253</b>	<b>748</b>

### **After Sales Services**

In 2015, after-sales services improvement continued to increase the customer satisfaction. Our emerging domestic and international implementations are as follows:

#### **A - Domestic;**

- 2 years unlimited km guarantee for truck, van and bus group and 3 years or 100,000 km guarantee for D-Max vehicles
- 78 authorized services have TS 12047 Certificate and structure and service conforming to TSE standards.
- 120 authorized services give control and care service with electronic - computer -software diagnostic and re-programming devices.
- D-MAX established separate maintenance areas in 120 authorized services to increase customer satisfaction with 23 authorized services within the scope of "Five Star Service" project.

#### **B - Abroad;**

- 2 years or 100,000 km guarantee for buses and midi-buses
- Spare parts and assistance service with 19 distributor servis centers in 26 countries and 120 authorized services.
- 20 service centers which provide electronics and computer software based diagnostic service.

### **Other Informations**

There are no administrative and judicial sanctions neither on the company nor the governing body unless there is something against legislative provisions.

Our company's Ordinary General Meeting was held on April 15, 2015. The decisions taken in the General Meeting and meeting records are published on our web site and the Public Disclosure Platform. Our Ordinary General Meeting on April 27 , 2015 has been registered by Istanbul Trade Registry Office.

All decisions taken in the Ordinary General Meeting on April 15, 2014 were applied. During the year Extraordinary General Meeting wasn't held.

There wasn't any recorded lawsuit against the company that may affect the financial condition and operations of the company. The provisions for lawsuits brought against our company as of 31 December 2015 and not finalised as of balance sheet date are disclosed in the footnotes in our financial statements.

There are no special inspections carried out during the accounting period. There is no accrued transaction following the public scrutiny.

There is no legal action taken for the benefit of our main partners and their affiliates, with the guidance of our partners. There is no taken or avoided measure for the benefit of our main partners or their affiliate companies. (TCC Regulations Art. 11th).

The Company hasn't acquired its own shares during the period.

### **3) ACTIVITIES AFTER BALANCE SHEET DATE**

No record

### **4) DIVIDEND POLICY**

Our company pays dividends regarding the Turkish Commercial Law provisions, Capital Market Regulations, Tax Regulations, other relevant regulations and the article about dividen in Articles of Association.

Our company, at least 50% of its distributable profit distributes as cash and/or bonus shares every year. To maintain this distribution policy is among the main objectives of our company except special cases like investments and funds required for long-term growth of the company.

Individual decision taken by the Board of Directors on dividends for each fiscal year and presented to the General Meeting for approval. Commencement of dividend distribution, at latest until the end of the year the General Meeting held, is determined by the General Meeting. Company can consider the payment of dividends in advance or distribute dividends in equal or different installments in accordance with legislation provisions. This policy was decided to be treated as a written policy since 2005 within the framework of harmonization process in Corporate Governance Principles. It was approved by Board of Directors' decision dated March 21, 2014 according to the Capital Markets' II- 19.1 no. dividend notification and the revised dividend policy which was published on Public Disclosure Platform, was approved by the General Meeting, dated April 17, 2014.



The Board of Directors proposal presented at the meeting on 27 February 2015 that a cash dividend of 28,056,351.02 TRY, which remains after the deduction of legal reserves which must be allocated, as per the provisions of the Turkish Commercial Code, from the net period profit of 34,342,260.00TRY for 2014 in consolidated financial statements which were prepared in line with financial reporting standards accepted by Capital Markets Board and independently audited, should be allocated as of 29 May 2015 in such a way that each share with 1TRY nominal value corresponds to a gross dividend of 1.1037TRY (net 0.9382TRY) as 1st and 2nd dividends in order to ensure that the gross dividend of 110,37% based on issued capital is distributed, was approved at the Ordinary General Assembly Meeting of Shareholders in 2014 and the dividend distributed between 29 May 2015 – 2 June 2015.

The Board of Directors proposal that a cash dividend of 12,709,853.27TRY, which is the sum of 12,099,553.05TRY and the reserve of contingencies 610,300.22TRY which remains after the deduction of legal reserves which must be allocated, as per the provisions of the Turkish Commercial Code, from the net period profit of 17,743,897.00 TRY for 2015 in consolidated financial statements which were prepared in line with financial reporting standards accepted by Capital Markets Board in accordance with the 'Distribution of Dividend in 2015' decision by the Board of Directors, dated 04 March 2016 and independently audited, should be allocated as of 31 May 2016 in such a way that each share with 1TRY nominal value corresponds to a gross dividend of 0.5000TRY (net 0.4250TRY) in order to ensure that the gross dividend of 50% based on issued capital is distributed, was decided to submit to the approval of the dividends at the Ordinary General Assembly Meeting of Shareholders in 2015.

## **BOARD OF DIRECTORS OF ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.**

### **2015 AFFILIATE REPORT PREPARED DUE TO 199. ARTICLE OF TURKISH TRADE LAW**

Board of Directors of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. is obliged to provide a report about its relationship with the controlling shareholder and its affiliated companies during the past year of operation, in the first three months of operations in accordance with the 199. article of Turkish Commercial Law no. 6102 which is effectuated on July 1, 2012.

Required disclosures about the transactions of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. with related parties are in the footnotes of the financial reports no. 27.

The report dated 29 February 2016 prepared by the board of directors of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. states the following: "Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. has not performed any transactions with its controlling shareholders and subsidiaries of these controlling shareholders with the guidance of the controlling company or with the intention to obtain results in its own favour or that of any of its subsidiary companies; no measures were taken or avoided in favour of the controlling company or any of its subsidiary companies; in 2015, in accordance with the circumstances known to us, proper counter acts were gained at arm's length in every transaction the company made with its controlling shareholder and subsidiaries of the controlling shareholder in order to sustain the competitiveness of the operation in the current market at the time of the transaction; no measures were taken or avoided in favour of the controlling shareholder of our company and the subsidiary companies of the controlling shareholder, which might result in a loss for the company, and; there are no transactions or measures which may require offsetting within this framework."



## Corporate Governance Principles Compliance Report

### SECTION I - CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

#### 1. Corporate Governance Principles Compliance Statement

All activities of our company are carried out in line with all legal regulations and “Corporate Governance Principles” which are regulated by the CMB (Capital Markets Board). In our Corporate Governance Principles Compliance Report we include reasoned descriptions regarding incidents in which principles were not applied, if any, along with information regarding Company practices for each subject addressed in the Corporate Governance Principles, conflicts of interest which occurred due to not complying completely with such principles, if any, and explanations regarding whether our Company has a plan to make changes in line with management practices principles in the future. The 2015 Corporate Governance Principles Compliance Report was prepared in line with the format which the Capital Markets Board (CMB) declared in its Decision No. 2/35 in bulletin No. 2014/2 dated 27 January 2014.

Our company adopted it a strategic necessity to take all the required precautions to be in compliance with the requirements of the “Corporate Governance Principles” announced by the Capital Markets Board to the public. Our company complied with the “Corporate Governance Principles” issued by the CMB, excluding some principles apart from the principles which are stated below and with which we must comply during the financial period between 01 January 2014 and 31 December 2014. There is no conflict of interest resulting from unimplemented items listed below.

- According to the Article no. 4.6.5 of the Corporate Governance Principles, wages and all other benefits granted to top managers with administrative responsibility as well as members of the Board of Directors are disclosed to the public through the annual activity report. However, as in the previous years, the statement won't be on personal basis, but it will be made in a way to provide differentiation for Board of directors and managers with administrative responsibility.
- Due to the fact that there is no available written indemnity policy which must be created for personnel as per Article No 3.1.2 of our company's “Corporate Governance Principles”, we pay the utmost attention to protect our employees' indemnity rights, not only within the scope of principles in the Anadolu Group Working Principles but also the Labour Law which we are obliged to comply.
- 21% of the company's board of directors is composed of women. The board of directors was advised by the corporate governance committee to increase the number of women in its body, and our work on this issue continues.

**Kamil Ömer BOZER**

**Corporate Governance Committee Chairman**

**Salih Metin ECEVİT**

**Corporate Governance Committee Member**

**Ali Osman MAĞAL**

**Corporate Governance Committee Member**

- Apart from special situations and notes, financial statement declarations which must be disclosed to the public according to the capital markets legislation are not currently explained in English in addition to Turkish in KAP (Public Discourse Platform). The declarations are planned to be presented in KAP in English in the next period.

### SECTION II - SHAREHOLDERS

#### 2.1. Investor Relations Department

The personnel whose names, contact details, and licence information are presented below work in our Company's investor relations department coordinated by Financial Affairs Director Bora ÖNER.

Ali Osman MAĞAL – Investor Relations Department Manager / Chief of Finance Phone: 0 850 200 15 85

E-mail: aliosman.magal@isuzu.com.tr

Licence: CMB Advanced Level Licence

CMB Corporate Governance Rating Expertise Licence

Veysel KIRICI – Investor Relations Department Member / Chief of Financial Control and Reporting

Phone: 0 850 200 15 93

E-mail: veysel.kirici@isuzu.com.tr

Licence: CMB Advanced Level Licence

CMB Corporate Governance Rating Expertise Licence

Our investor relations department performs activities to guarantee the use of rights of shareholding and, in particular, to facilitate communication between the board of directors and shareholders. In this context it is the role of the investor relations department to make material event statements in the matters stipulated by capital market regulations, to prepare periodic information notes regarding activities to inform the investors, to prepare the content of the company's website, to prepare the annual report, and to meet the written/verbal information requests of shareholders. The investor relations department responded to investors' questions and made the necessary explanations within this period. The department received 27 applications within the period. The number of questions asked was very high during the periods when the annual financial statements and the ordinary general assembly meeting date were announced.



The corporate governance committee was assigned to supervise the work of the investor relations department at our company. In this context, the committee determines standards related to all communications and the basic principles of investor relations, reviews these standards and principles as well as compliance with them, and makes necessary recommendations to the board of directors. The report issued by the investor relations department about the activities carried out and presented to the corporate governance committee at each meeting is communicated by the committee to the board of directors. 4 committee meetings were held in 2015.

## 2.2. Use of Shareholders' Rights to Obtain Information

### Shareholders' Information Requests from the Company

In line with our company's information policy, particular importance is attached to communicating all necessary information to the shareholders in a complete and accurate way in order to ensure that all shareholders can use their shareholding rights. Information requests from shareholders are evaluated within this context and information sharing is done within the scope of the content previously disclosed to the public.

Contacts were made to ensure that local and foreign corporate and individual investors and shareholders and analysts obtain information about our company's activity results, performance, other developments which occurred within the period, and all matters identified as per the capital market regulations were disclosed to the public with material event and press statements. Questions answered within the scope of the information requests coming from direct shareholders or intermediary companies were about the company's financial statements, the market structure, changes in the market, development of the company's market share and new projects for the future, and relevant investments during the period when financial statements were disclosed to the public.

### Evaluating the information requests of shareholders and updating the investors

Information requests of shareholders are immediately answered. In addition, there is detailed information on the company's website regarding the company's capital structure, trade registry information, articles of association, organizational structure, activities and financial statements for the period, and material event statements made within the period. We also answer each of the questions of local individual investors, in particular those who reach us through the contact form on our company's website, as soon as possible.

### Special auditor assignment

Our company's articles of association do not include any provision which would impede performance of a special audit, and company management avoids carrying out any transaction which would impede a special audit. Our company acts in compliance with the relevant provisions of the TCC regarding the use of the right to request a special audit. In 2015 shareholders did not make any special auditor assignment request.

## 2.3. General Assembly Information

Our company holds general assembly meetings according to all the principles stated under "General Assembly" in the Corporate Governance Principles. Within the period, our company held its ordinary general assembly meeting for 2014 on 15 April 2015 at 14:00 at "Esenkent Mahallesi Deniz Feneri Sokak No:4 Ümraniye 34776 İstanbul" with 87,57% participation by the shareholders.

Shareholders were invited to the general assembly meeting three weeks prior to the meeting through national and local newspaper announcements. Also, the registered share owners were notified via a written invitation.

Information regarding the company's activity results is made ready for examination by shareholders at headquarters and the factory three weeks before the general assembly date. Also, after financial statements have been disclosed to the public, information regarding the financial statements are announced on the company's website. The meeting chair paid attention due to communicate the items on the agenda in an unbiased and detailed manner using a clear and understandable method throughout the ordinary general assembly meeting. The meeting chair ensured that all the shareholders' questions which did not fall into the scope of commercial secrets were answered directly at the general assembly meeting. There were no questions not related to the agenda or which were so complex they could not be answered directly at the ordinary general assembly meeting.

Pursuant to Article 1.3.7. of the Corporate Governance Principles, there were no transactions performed within the scope of the company's field of operation by persons with privileged access to company information on their own behalf and which must be communicated to the general assembly.

When preparing the general assembly agenda, due care was paid to present each offer under a separate title and agenda titles were presented clearly in a way which would not lead to disparate interpretations. Due care was paid to not include expressions such as "other" and "various" in the agenda. The information given before the general assembly meeting was provided by referencing the relevant agenda items. While setting the meeting agenda, there was no subject that shareholders conveyed in writing to the investor relations department of the company and requested be included in the agenda. Likewise, shareholders, the CMB, and/or other public bodies and institutions related to the company did not request including a new item on the agenda. The total number of shares and voting rights which represent the company's shareholding structure were published in our company's website as of the general assembly meeting announcement date. Invitation to the general assembly is made in a national newspaper, a local newspaper and a trade registry gazette three weeks beforehand. Also, the decision of the board of directors to invite the general assembly to the meeting and the meeting agenda are published on the website of the company: the Electronic General Assembly System and Public Disclosure Platform. Our aim is to hold the general assembly meetings in a manner that does not involve inequality among the shareholders and allows shareholders to participate with the minimum cost in order to increase the participation rate of the shareholders. Accordingly, the 2014 ordinary general assembly meeting on 15 April 2015 was held in line with the company's articles of association, in Istanbul, where the company's headquarters is located, at "Esenkent Mahallesi Deniz Feneri Sokak No:4 Ümraniye 34776 İstanbul". Also, information regarding the decisions made in the general assembly is published on the Public Disclosure Platform and the company's website after the meeting. Members of the board of directors, other relevant people, officers, and auditors responsible for preparation of financial statements were present at the general assembly meeting in order to disclose necessary information and answer questions related to matters of importance on the agenda. The articles of association do not include a provision regarding this matter, however, the general assembly meetings are open to the public, including the beneficiaries and media, without granting the right to speak. Beneficiaries and media did not participate in the ordinary general assembly meeting on 15 April 2015, but the company authorities stated in the previous paragraph attended.

Our company does not have a separate policy entitled aids and donations, however, this issue was covered in detail in the articles of association. A separate item was added to the general assembly agenda regarding the



aid and donations made within the period. During the meeting the shareholders were informed about this matter. Within the period there were no transactions where the yes votes of the majority of the independent board of directors' members were sought in order to enable a decision by the board of directors and where the decision making was transferred to the general assembly due to an insufficient number of yes votes. The shareholders were informed that there weren't any significant transactions performed within the year in line with the provision in compulsory Corporate Governance. Principle No. 1.3.6 of the CMB's Communiqué No. II-17.1 which states, "in the event that shareholders who have control over the management, board of directors members, managers with administrative responsibility, their spouses, blood relatives up to second degree, and relatives by marriage carry out a significant transaction which may lead to conflict of interest with the partnership or its subsidiaries and/or perform a transaction with the nature of commercial business in the business field of the partnership or its subsidiaries on their own or others' behalf, or enter into a partnership with the capacity of unlimited liability partner, the said transactions shall be included in the general assembly's agenda as a separate item which will be detailed further at the general assembly and recorded in the general assembly meeting minutes."

The meeting minutes and the list of attendants were disclosed to the public on the same day as the meeting through the Public Disclosure Platform. The general assembly meeting minutes and list of attendants are available on our website and open to access by the shareholders.

#### **2.4. Voting Rights and Minority Rights**

##### Privilege in voting rights

There is no practice which makes it more difficult for shareholders to use their rights to vote and mechanisms required to ensure that each shareholder uses their right to vote in the easiest and most suitable way, including cross border regions within the framework of the provisions of Turkish Commercial Law related to electronic general assembly, are established. According to the company's articles of association, there is one right to vote for each share in the general assembly and there is no privilege in the right to vote. There is a regulation regarding the election of board of directors' members in the current articles of association of the company as follows: the company is managed by a board of directors consisting of 14 members, to be elected by the general assembly according to the provisions of Turkish commercial law and capital market regulations.

Four members of the board of directors are elected by the general assembly from among the candidates nominated by B group shareholders to represent themselves, eight members from among the candidates nominated by A group shareholders to represent themselves, and other members from among the candidates nominated by any shareholder. 6 Anadolu Group signed a joint venture contract between their foreign partners Isuzu Motors Limited and Itochu Corporation in 1985 and Isuzu Motors Limited became a licensor partner. This cooperation which included technology transfer occurred with the participation of foreign partners in management in a partnership structure which does not have a majority.

##### Cross Shareholding

The company does not have a cross shareholding relation with any organization.

##### Representing the minority shares in management

Our company shows maximum care of the use of minority rights.

Independent members in the company's board of directors, in accordance with corporate governance principles, can perform their duty without being influenced in any way, and they therefore ensure that minority rights are protected by contributing to the objective management of the company. According to the corporate governance principles, minority rights can be granted to shareholders with a share ratio lower than one twentieth of the capital with the articles of association. However, our company's articles of association do not include a provision which expands the scope of minority rights defined by the law.

#### **2.5. Dividend Right**

##### Privileges regarding participation in company profit

There is no privilege granted to shareholders regarding participation in company profit. The company's dividend distribution policy Our Company distributes profits pursuant to the provisions of the Turkish Commercial Code, capital markets board regulations, tax regulations, other relevant regulations, as well as the article related to profit distribution in our articles of association. Our company has adopted a policy of distributing at least 50% of its distributable profit every year, in cash and/or as bonus shares. It is among the basic purposes of our company to sustain this dividend distribution policy except in special situations such as extraordinary developments in economic conditions or when investments and other funding needs are required for the company's long-term growth. The board of directors makes a decision every accounting period regarding dividends, and submits the decision to the general assembly for approval. Dividend distribution starts at a date set by the general assembly, which cannot be later than the end of the year when the general assembly is held. The company may opt to distribute dividend advances or pay dividends in instalments in equal or different portions in line with the provisions of the effective legislation. It was resolved to put this policy in writing as of 2005 within the framework of our corporate management principles compliance work. Pursuant to Communiqué on Dividend No. II-19.1 of the Capital Markets Board, a revised dividend distribution policy approved by a board of directors' decision dated 21 March 2014 and published on the Public Disclosure Platform on the same date was approved at the 17 April 2014 general assembly.

The dividend distribution policy is included in the annual report. The dividend distribution policy is also published on the company's corporate website.

##### Dividend distribution in 2015

The board of directors proposal that a cash dividend of 28,056,351.02 TRY, which remains after the deduction of legal reserves which must be allocated, as per the provisions of the Turkish Commercial Code, from the net period profit of 34,342,260.00TRY for 2014 in consolidated financial statements which were prepared in line with financial reporting standards accepted by Capital Markets Board and independently audited, should be allocated as of 29 May 2015 in such a way that each share with 1TRY nominal value corresponds to a gross dividend of 1.1037TRY (net 0.9382TRY) as 1st and 2nd dividends in order to ensure that the gross dividend of 110,37% based on issued capital is distributed, was approved at the Ordinary General Assembly Meeting of Shareholders in 2014 and the dividend distribution has been performed as of 29 May 2015.



**2.6. Transfer of shares**

The Company's articles of association do not include provisions which restrict transfer of shares neither do they include a practice which impedes transfer of shares freely.

**SECTION III – PUBLIC DISCLOSURE AND TRANSPARENCY****3.1. Company Website and Content**

The company's corporate website is [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr). The website is presented both in English and Turkish.

In 2015 the Company's corporate web site ( [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr) ) has been redesigned and visual content and broadcasting have been improved in a way that it appeals to investors and other interested parties.

Information about privileged shares is not stated separately because it is included in the articles of association. Other matters stated in the corporate governance principles are available on the website in a comprehensive way. Information on our company's website is the same as and correlates with the statements which were made with regard to the provisions of the relevant legislation and do not contain any contradictory or incorrect knowledge. Financial statement declarations other than the material events and notes, which must be disclosed to the public as per capital markets legislation, are not simultaneously disclosed in English in addition to Turkish in the Public Discourse Platform at present. It is planned that the said declarations will also be in English in the Public Discourse Platform in the future period.

**3.2. Annual Report**

Annual reports of our company are prepared in a detailed manner which enables the public to access complete and accurate information about the Company's operations and to include the information stated in Article 2.2.2. in Section 2 of the Corporate Governance Principles in addition to matters covered in legislation and other sections of the Corporate Governance Principles.

**SECTION IV - BENEFICIARIES****4.1. Informing the Beneficiaries**Informing the Beneficiaries

Beneficiaries are persons, corporations, or stakeholders, such as employees, creditors, customers, suppliers, unions, and various non-governmental organisations involved in the company's operations or achievement of the company's goals. Our company preserves beneficiaries' rights which are regulated by legislation and mutual agreements during its transactions and operations. In cases when such rights cannot be preserved through legislation and mutual agreements, the company pays due care to protect beneficiaries' interests within

the framework of goodwill and to the extent of the company's capability. Our company acts in line with the Corporate Governance Principles in relationships with beneficiaries and has established all mechanisms required to ensure this. In the event that conflicts of interest occur among beneficiaries or a beneficiary is included in more than one stakeholder group, a balanced policy is pursued as much as possible in terms of preservation of the rights, with the aim of protecting each and every right independently from one another. Our company implements relevant legislation provisions when using a mechanism such as indemnity provided to beneficiaries. Even though there is no available written policy regarding employee indemnities which must be issued as per Article 3.1.2 of our company's "Corporate Governance Principles", we pay due care to preserve personnel indemnity rights not only within the scope of Anadolu Group Working Principles but also labour laws that we are obliged to implement. It is one of the most important policies of the company to keep beneficiaries satisfied by producing applicable and timely solutions for issues related to employees and other beneficiaries. Our employees, suppliers, customers, and consumers are informed about matters that are relevant to them through various channels.

Communication of beneficiaries with Corporate Management Committee and Auditing Committee

Beneficiaries inform the corporate management committee or audit committee through the Internal Auditing Directorate and Financial Affairs Directorate about operations of the company which are contrary to legislation and ethically inappropriate when it is necessary.

**4.2. Participation of Beneficiaries in Management**Efforts made to ensure that beneficiaries participate in management

Models which encourage beneficiaries, particularly the company's employees, to participate in the company's management are developed in a manner which does not cause any delay in the company's operations. An open platform is provided to the shareholders to convey their positive or negative opinions regarding the company in the general assembly meetings which are open for participation by shareholders. Also, the contact form on the company website is an efficient communication mechanism for shareholders.

Our employees can share their ideas which will add value to our corporation with management through our idea system, the Anadolu Group Innovation Portal. Our employees efficiently use the Human Resources Request and Improvement Line to send requests and improvement requests for services offered to our employees by the human resources department. In addition, the annual Employee Satisfaction and Loyalty Survey, developed to support our employees' participation in management, is a channel through which employees are able to express their requests and improvement demands regarding the organization.

The company carries out work which aims to improve the activities that employees may participate in within the scope of Kaizen improvement work and quality circles. Dealers' opinions are requested at annual meetings and such opinions are assessed in strategic plan work.

Our company takes all types of measures in order to achieve customer satisfaction in marketing and sales of goods and services. Requests related to the goods and services purchased by customers are swiftly evaluated and our customers are informed about any delay, before the deadline. Quality standards are met in all goods and services, and due care is paid to maintain a certain standard. Certain warranties related to quality are pro-



vided with this aim. Within the scope of commercial secrets, confidentiality of information related to customers and suppliers is dealt with using due care. Beneficiaries are consulted regarding significant decisions which would yield consequences related to them.

### 4.3. Human Resources Policy

#### Human Resources Policy

Our company's human resources policies were created in line with Anadolu Group Human Resources Quality Policies and announced to all employees. Our company's human resources policy and our practices in this field are in line with all principles listed under Article 3.3. of Section Three of the Corporate Governance Principles.

Our mission of human resources is to increase our employees' motivation and commitment in accordance with our company's vision, mission and strategies in order to increase the profitability of our company and to provide added value to the entire organization.

Our vision of human resources are created in accordance with our company's vision and mission to support our strategic business plans. Basic policies are listed as below:

- To have the global perspective and the ability to provide the right human resources to the company
- In a business environment based on open communication and trust; a team and working with information, constantly looking for a better work culture and create HR systems.
- To contribute to organizational efficiency and organizational development.
- To strengthen the employee commitment.
- To establish a people-oriented employer brand

From labour force planning to placement, performance management, training and development management, talent and career management, compensation and benefits management, appreciation and reward, like all human resources systems to provide continuous improvement and development is implemented in encouraging superior performance and reward principle. In this respect, our values shape our vision and mission, shows us the way to our candidates in the recruitment process.

We care about that our employees thinking globally, being open for team work and communication, cares about development, analysis capable, care to be able to use initiative, working on business and client basis. The candidates in managerial positions, we see leadership, strategic thinking and managerial effectiveness as a priority.

We don't only support the career development of our employees but also their skills.

We are organizing corporate development activities within the Academy Isuzu to train new leaders and to support young talents with our 'human-oriented' approach We also give the chance to all our employees to participate distance education with e-learning platform AGAKADEMI. Personal targets of our employees are consist of business and development targets and their performance are evaluated in this way.

As Anadolu Isuzu in the light of our values and corporate culture; without discriminating different language, religion , race, gender, we focus on "human based" service.

We make no compromise on "Equal opportunity principle " which is one of our company's working principles in order to create diversity. We provide equal opportunity to our employees by all human resources practices such as recruitment, training, wage and career development.

In this regard, all human resources policies and procedures are published on an open portal to our employee and we attach great importance to internal communication activities.

We implement employee satisfaction and engagement surveys regularly, provide an e-platform for our employees to share their innovative ideas and we support an open communication between staff and management team.

In this sense, our employees are given the opportunity to be represented by being a member of the following committees:

Occupational Health and Safety Committee: The goal of this committee is to assess risks in the workplace related to the occupational health and safety, to follow up the implementation of policies and procedures, to provide guidance to our employees and to perform other work envisaged in this regard.

Employees are represented by Human Resources Director, Occupational Health and Safety Professionals, Occupational Physician, the Chief Administrative Officer and Trade Union Representative.

Employee representatives are participating in the health and safety check in the workplace, demanding precautions and making advises and representing employees in similar issues including especially the health and safety.

This Committee evaluates 'the near-miss notifications'" addressed by our employees and is responsible of follow-up and implementation of such notifications. Employees' participation to the studies related to the Occupational Health and Safety is encouraged in order to create a 'Safety Culture' and to maintain it.

Disciplinary Board: There is already a formed Disciplinary Board. This board is composed of 2 Employer and 2 Union including one president and they gather make assessments regarding the illegal practices set out by the Collective Bargaining Agreement and take a decision.

Managers make assessments with Disciplinary Board's employer representatives about all employees outside the scope of Collective Bargaining Agreement.

Disciplinary Board gathers to evaluate and take a decision regarding all kind of violation related to company's policies and procedures, especially related to the rules of the workplace

Food and Cafeteria Service Quality Improvement Committee: This committee is created to improve the quality of the food and to get the views of employees on the monthly menu selection according to the workplace doctor's nutritional advice. Employees are represented by Human Resources officer, the Union representative and volunteers.

#### Industrial Relations

Blue Collar employees are protected by the Collective Bargaining Agreement and United Metal Workers' Union is the official labour union. In our company there is 1 assigned Chief Representative and 3 Union representatives.

These representatives are entitled to follow up the demands, complaints, problems of the Blue collar employees in the scope of the Collective Bargaining Agreement signed between the Metal Workers' Union and MESS, as well as to represent and supervise the employees who are part of the Disciplinary Board and the Occupational Health and Safety Committee.

With regard to the implementation of the agreement, before sharing the requests and complaints of the employees, union representatives negotiate with employers or representatives of employers.



Union Representatives have the legal rights to ensure the harmony, collaboration and the continuation of the peace between the workers and employers.

#### Human Resources Activities

As Anadolu Isuzu team we see the human resources as the most precious treasure and a very important factor that provides us the advantage of a competitive environment. Creating a work environment where our employees use their potential in the best way to participate the company's future vision / strategy and supportive way to provide value to designing innovative HR practices we aim to be a preferred employer in every aspect.

Decisions taken by the Board of Directors are included in the annual performance are of our employees according to the Critical Performance Criteria. We apply the Performance Management System, increasing the performance of teams and individuals, helping to sign the company's successful results to improve their competence. The performance management system focuses on the business results as well as the development of our employees.

We gave a total of 24.211 hours of training to our employees in 2015. Total training hours carried out increased by 38% compared to the previous year. The average training hours per person was 24.9 hours. Besides the professional and competency-based training we gave the same opportunity to our 50 employees with leadership and management based trainings.

At the end of 2015, our employment rate increased by 8%, we had a total of 944 employees which consists 654 blue collars and 290 white collars. In line with our commitment to research and development, our total number of employees in R&D center was 102. The courses to provide occupation launched in 2014 in cooperation with the Turkish employment agency (İŞKUR), continued in 2015. We gave the chance to 97 people to participate this courses and hired 34 people to work in the fields of mounting, paint and bodywork.

We employ university students as interns in various departments for long-term projects within the scope of projects realized in University-Industry Cooperation. In this regard, 13 students were employed as part-time in 2015. During the summer term, we offered short-term internship opportunities to 45 students.

We provided internship opportunity to 40 senior students Industrial Vocational High School in Vocational High School and Industrial cooperation.

In Küçükyalı Anadolu Technical Anatolian High School, creating Anadolu Isuzu Paint Technology Workshop we have provided a significant boost to vocational training.

For the purpose of creating a "Human-oriented" brand; we have participated in the leading universities career days, we also provide sponsorship to the case analysis.

We have participated in 2015 to ITU career summit, ITU Symposium on Industrial Engineers, METU and Bogazici University career days.

We have sponsored İTÜ Uçarı Case Analysis Competition. We hosted Ozyegin University and Yıldız Technical University students in our company in the scope of factory tour.

In addition, our R&D center office, we have gave a chance to METU Industrial Product Design senior students to realise their projects on our products and we sponsored the project.

Among the Anadolu Group employees we are the third team as Anadolu Isuzu for the project 'I have an idea' for offering creative and innovative ideas, improving skills individually or as a team work. We have earned the title as a company that can come up with many ideas and who can perform them in a faster way.

We try to support and encourage creative-innovative ideas which started Kalite Çember and Kaizen studies of Anadolu Isuzu and became a company culture in time.

Painting contest with children worked in the Occupational Health and Safety Week, intercompany Dragon Boat Festival, International Women's Day Activities, BBQ Party, New Year's Organization are among those activities.

#### **4. 4 Ethical Rules and Social Responsibility**

##### Ethical rules

Anadolu Group has a corporate culture which it has pursued with awareness, managed diligently, and preserved with due care since its foundation. The corporate culture shared by all managers and employees includes knowledge and experience as well as prospective 11 expectations and strategies which meet the requirements of the current era. Provision of the best service and best products to not only the people located in the regions within their operation zone but also all people, and transfer of dignity to future generations, are basic values that affect how Anadolu Group does business.

Anadolu Isuzu has adopted a commitment to legal rules and ethics in business and social circles; working based on trust; producing high quality, accurate and reliable results; acting in compliance with rules and opinions; and being respectful of nature and the environment as indispensable elements of its corporate culture. Our company's operations are carried out within the scope of Anadolu Group's working principles which are available on our corporate website. Our company has an ethics board presided by the general manager and periodic assessment meetings are held. On the other hand, reminders are issued regarding the liabilities of company employees arising from regulations about insider trading within the Anadolu Group Working Principles prepared for the Group companies to reinforce compliance with corporate governance practices and with capital market regulations in Anadolu Group, which is highly recognizable and seen as reliable in local and foreign capital markets. Because we are a publicly traded company, the practice known as "forbidden period", which forbids those who can access relevant insider information from the sale and purchase of such stocks, is also in place.

##### Social responsibility activities

Anadolu Isuzu fulfills all legal responsibilities in this context.

Anadolu Isuzu ; dissemination of corporate volunteering concept of private sector employees and to have a sustainable volunteerism in the company and employee Private Sector Volunteers issues to be carried out on a systematic basis as a member of the Private Sector Volunteers Association attaches great importance to social responsibility and volunteer work and society are woven into every part .

Young Isuzu Development Process under the Social Awareness Projects were implemented with the support of 150 volunteers. Staff volunteer activities, which include working in collaboration with relevant non-governmental organizations in three fields, environment, education, and disability, were carried out, and important results that will add value and contribute to the public good were achieved. The approach that enables the creation of awareness on the concept of volunteerism across Anadolu Isuzu , employees have supported them to achieve positive outcomes from the process and each other. He said one of the project " Bir Adımda Bambaşka bir Dünya" we got the "Best Volunteer Project Award" from Private Sector Volunteers Association in 2015.



Projects covered by Social Awareness;

- In cooperation with Alternative Life Association, the company employees were informed about the proper approach to disability awareness. In parallel, quality of life of disable people in the company are supported that they are more active in both social and business environment.
  - By the age group of 10-12 co-determines by Tarlabası Community Center, it is aimed that 10 children are expected to know the city through art and culture, development their perspectives on life and creativity. In this context; the question of creativity in educational work with children was introduced, increased their awareness through cultural events and provided with a free field where they can express themselves.
- Other activities carried out under Social Responsibility are presented below:

- Tree planting festival on June 5 World Environment Day,
- Red Crescent blood donation day 2 times a year
- Book collection campaign to collect books for the libraries of schools in disadvantaged areas 3 times a year,
- Coaching activities with the participation of our volunteers employees are performed with 11. class students of Hatice Bayraktar Vocational High School located in the same region with our company .

The company also carries out social responsibilities through Anadolu Health and Social Welfare Foundation (Anadolu Foundation) due to its contract. In addition, we provide support to 2 projects winners in Social Entrepreneur Competition of Anatolia Association.

## SECTION V - BOARD OF DIRECTORS

### 5.1. Structure and Formation of the Board of Directors

There was no change in the structure of the board of directors within the period. The members of the board of directors selected at the ordinary general assembly on 15 April 2015 and their roles are as below.

All members of the board of directors were selected to function until a new board of directors is formed in the next general assembly meeting on 15 April 2015. The board of directors elects a chairman and a vice chairman as per the articles of association every year. Management and representation affairs may be shared among the members of the board of directors. Chairman and members of the committees to be established are determined. The board of directors is authorised to make the necessary decisions in this regard. The chairman of the board of directors functions as the executive member of the board of directors. Resumes of the members of our board of directors are presented below.

Name and Surname	Role	The roles currently assumed outside the companyr
Mehmet Kamil ESER	Chairman of Board of Directors	President of Automotive Group at Anadolu Endüstri Holding A.Ş. - Chairman of the Board of Directors at Anadolu Group Companies
İbrahim YAZICI	Vice Chairman of the Board of Directors	Vice Chairman and Member of the Board of Directors at Anadolu Group Companies
Tuncay ÖZILHAN	Member of the Board of Directors	Chairman of the Board of Directors at Anadolu Endüstri Holding A.Ş. - Chairman, Vice Chairman and Member of the Board of Directors at Anadolu Group Companies
Süleyman Vehbi YAZICI	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Tülay AKSOY	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Hülya ELMALIOĞLU	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Nilgün YAZICI	Member of the Board of Directors	Member of the Board of Directors at Anadolu Group Companies
Salih Metin ECEVİT	Member of the Board of Directors	Chairman and Member of the Board of Directors at Anadolu Group Companies
Takuya KAWAI	Member of the Board of Directors	Itochu Corporation - Manager
Ryutaro MASHIKO	Member of the Board of Directors	General Manager of Itochu Corporation Istanbul
Yasuyuki NIJIMA	Member of the Board of Directors	Isuzu Motors Limited -Manager
Atsushi ASAMI	Member of the Board of Directors	Isuzu Motors Limited -Manager
Ahmet Cemal DÖRDÜNCÜ	Independent Member of the Board of Directors	President of the Energy Group of Turkish Industrialists' and Businessmen's Association - Member of Endeavour Turkey and Founding - Member of National Innovation Initiative - CEO of Akkök Group - Independent Member of the Board of Directors at Anadolu Group companies
Kamil Ömer BOZER	Independent Member of the Board of Directors	Independent Member of the Board of Directors at Anadolu Group Companies

#### Independent members and criteria of independence

The "independent board of directors' membership" of Ahmet Cemal DORDUNCU and Kamil Omer BOZER, suggested by a decision of the corporate governance committee on 11 March 2015 and a decision of the board of directors was approved in the general assembly meeting on 15 April 2015. Neither Ahmet Cemal DORDUNCU nor Kamil Omer BOZER has served as members of the board of directors at Anadolu Isuzu Otomotiv San. Ve Tic. A.Ş. for more than six years in total in the last decade. Also, they have not served as members of the ex-



ecutive board of Anadolu Isuzu Otomotiv San. ve Tic. A.Ş. and Anadolu Group companies within the last five years. No case has occurred where independence of independent members has been violated. Those selected as independent board members have not been registered and announced as part of any legal entity.

#### Assignment of members of the board of directors outside the company

There are no rules established by the company regarding board of directors' members taking on duties outside the company. However, arrangements defined in corporate governance principles are adhered to.

#### Ratio of Women Members on the Board of Directors

21% of the board of directors comprises women members. The corporate governance committee recommended the board of directors increase the number of women members on the board in upcoming years. We have initiated ongoing studies in this respect.

### **5.2. Activity Principles of Board of Directors**

Our company's board of directors conducts its activities in line with all matters identified by corporate governance principles in a transparent, accountable, fair, and responsible way. The company's board of directors convened six times during the relevant period. Four of the meetings were held with the participation of ten members, and two were held with the participation of nine members. The board of directors assumes a leading role in the active communication between the company and the shareholders, resolution of possible conflicts and finding solutions for them, and works in close cooperation with the corporate governance committee and the department of investor relations in this respect. As per the company's articles of association, the board of directors selects a chairman and a vice chairman every year. The chairman of the board of directors is responsible for managing board of directors meetings, regular negotiations, and having the meetings recorded. While authorities of chairman/members of the board of directors and company managers are defined within the company's articles of association, no one in the company has the sole authority to make unlimited decisions.

#### Identification of Board of Directors Agenda and the Call

In accordance with Article 4.4.1. Corporate Governance Principles, the board of directors holds meetings at a frequency which enables them to perform their duties effectively. Dates of board of directors' ordinary meetings are identified on the basis of an annual calendar and announced to the members. In accordance with our company's articles of association, in board of directors meetings, the majority of the total number of members participates in the meetings, and decisions are made by taking the verdict of the majority after opinions of members are received.

#### Informing members of Board of Directors

Members of the board of directors are informed by the general manager about company activities.

#### Putting the reasons for counter votes on a memorandum of decision

All of the discussions in the meetings held by the board of directors are passed on to a memorandum of decision as per corporate governance principles. In board of directors meetings, not only our company's performance for the prior period but also its developments for the current period, its growth plans for the future, strategies developed against competitors, and matters regarding human resources and organizational structure are discussed. While not every matter is resolved, the memorandum is not disclosed to the public because disclosure of resolved matters may cause various speculations. On the other hand, all important matters resolved by board of directors are disclosed to the public through material disclosures. The method and frequency of board

of directors meetings, meeting and decision quorums, methods for objecting to board decisions, and matters regarding the validity of board decisions, are clearly identified in the articles of association. The agenda of board of directors meetings consist of the matters that were agreed in the previous meeting would be discussed in the next board meeting and matters identified by top management of the company. Matters that should be discussed by the board are conveyed to the financial affairs director and collected to create the agenda of the next meeting. Ordinary board of directors meeting dates are identified at the beginning of the year and all members are informed about such meetings. Also, before every meeting date, members of the board of directors are informed once more about the issues on the meeting agenda through formal information letters and reports. The board of directors can convene more than once in a month if necessary. The chairman, vice chairman, and every board member have the right to add matters they want to be addressed to the relevant meeting agenda and/or to convoke the board on condition that all board members are notified about it a minimum of fifteen (15) days beforehand. Board meetings may be held in company headquarters or another place inside or outside Turkey that the board decides on in an ordinary meeting in which a decision quorum is provided. Members are informed about the opinions of members who do not attend the meeting and send their opinions in writing instead. The board of directors may take a decision without holding a meeting as per Turkish commercial law. Meeting and decision quorums stated in the company's articles of association shall apply to such decisions as well. The company's financial affairs director performs responsibilities of secretary for the board of directors. In the event that there are grounds for reasonable and detailed counter votes with regard to the issues for which different opinions are stated and questions are asked by the board of directors in the meetings, these shall all be recorded in the decision minutes. As per corporate governance principles, it must be ensured that members actually attend board of directors meetings. Board members do not have voting and/or veto authority in cases of ties. Each member of the board of directors, including the chairman, has one vote, and none of the members has the authority to break a tie. The company's board of directors assesses its own performance periodically. Self-assessment of the board of directors is conducted once a year in a way which reflects the individual performances of members of the board of directors. Self-assessment is also used to identify the competencies that the board of directors requires in the context of developing and changing global business conditions and the necessary actions are taken in line with these findings.

#### Related Party Transactions

Decisions the board of directors makes regarding significant related party operations are conducted with the approval of the majority of independent members in line with corporate governance principles.

#### Manager Liability

Insurance Losses incurred by the company due to errors by the members of the board of directors during their assignments have been insured with an insurance policy with 20,000,000USD in coverage.

### **5.3. Number, Structure, and Independence of Committees Established in the Board of Directors**

#### Corporate Governance Committee

The corporate governance committee, which was formed as per Communiqué, consists of three members. Independent Board Member Ömer BOZER was selected to be committee chairman, and Ali Osman MAĞAL, who works as investor relations manager at our company, was selected to be a member of the corporate governance committee as per Article 4.5.3 of Communiqué on Corporate Governance of Capital Market Board No. II-17.1



dated 03, January 2014, which states, “employees who are not members of the board of directors and who are specialists in their field can be assigned as members to committees, except for the audit committee”, along with the other member Salih Metin ECEVİT.

The duties of Nomination Committee and Wage Committee are fulfilled by the Corporate Governance Committee.

The corporate governance committee convened four times during the year.

Corporate Governance Committee regulations approved by the decision of Board of Directors, in accordance with the Corporate Governance Communiqué are published on our company website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

#### Audit Committee:

The audit committee, which was formed as per a communiqué, consists of two members. Ahmet Cemal DORDUNCU, independent member of the board of directors, was elected to be the chairman and Kamil Omer BOZER, independent member of the board of directors, was elected to be a member.

The audit committee is responsible for taking all the necessary measures to perform any internal and independent audit in a sufficient and transparent way.

The audit committee gathered 4 times during the year.

Audit Committee regulations approved by the decision of Board of Directors, in accordance with the Corporate Governance Communiqué are published on our company website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

#### Early Risk Detection Committee:

The early risk detection committee, which was created as per a communiqué, consists of two members, and independent board member Kamil Omer Bozer was elected as the chairman and Salih Metin Ecevit as a member.

The duty of the committee is early detection of risks that may endanger the presence, development, and continuation of the company, application of necessary measures regarding the detected risks, and work to manage the risk.

The early risk detection committee gathered twice during the year.

The regulation regarding the working principles of the early risk detection committee was identified with the decision of board members dated July 23, 2013 and numbered 2013/28. It was published on our company website [www.anadoluisuzu.com.tr](http://www.anadoluisuzu.com.tr).

#### Inclusion of Committee Members In More Than One Committee

All of the audit committee members, the chairman of the early risk detection committee and the corporate governance committee were selected from among independent board members in line with Communiqué on Identification and Application of Corporate Governance Principles Serial:IV No:56 by the Capital Markets Board.

There are two independent members on our company's board of directors, both of whom function in all three committees. Salih Metin ECEVİT functions as a member on both the corporate governance committee and the early risk detection committee since he will contribute to both committees with his knowledge and experience.

#### **5.4. Risk Management and Internal Control Mechanism**

Company's financing resources and risk management policies

Anadolu Isuzu, in order to finance its investments besides the cash and capital, uses long-term foreign currency loans (USD and EUR) from foreign or Turkish Banks. The principles of risk management policies of Anadolu Isuzu is stated in Corporate Governance Principles Compliance Report.

#### Descriptions of main elements of group's internal audit and risk management system regarding the process of preparation consolidated financial statements

The Internal Audit Department of Anadolu Isuzu audits all consolidated companies and units periodically each year.

The business plan of the department is approved annually by the Audit Committee and revised during the year, depending on developments.

Internal audit in all our consolidated companies is performed according to the subject of standards published by the International Institute of Internal Audit.

#### Risk Management and Internal Control Mechanism

Risk Management and Internal Control System are under the control and the responsibility of Company Management in Anadolu Isuzu.

Corporate Risk Management function, which is operating to reassure the management regarding these issues and consult, report directly to the Early Detection of Risk Committee.

Anadolu Isuzu's top management identifies significant opportunities and threats that may arise in the framework of Corporate Risk Management and manages them according to the risk appetite of the company. Corporate Risk Management is a systematic and disciplined process established to determine the business strategies of Anadolu Isuzu which is affected by all company employees and covers company's all implementations.

The risks of the company are submitted for management's consideration with the coordination of Corporate Risk Management and prior risks are identified. Prior risks and action plans to mitigate these risks are shared with Early Detection of Risk Committee to be presented to Board of Directors. The management and continuity of this process, integrated with strategic business plans, is supported by a technological infrastructure in use.

A number of methods are used to manage our risks are as follows;

- The performance and risk indicators for monitoring and timely receipt of necessary measures of risk are used as an early warning system. SAP system that integrates all processes within the company is an effective technological decision support system used for this purpose.

Following the results instantaneously as activities with this use, eliminating human error and removed early detection of risks and the effectiveness of internal control systems has increased. At the same time, senior technology internal communication system used to intervene in the problems in a short time and provides opportunity for solutions.



- Natural risks, supported by an efficient insurance management to prevent and reduce losses resulting from supply-chain problems that can lead to job and production cuts
- Investments for the backup system to not be affected by any disaster and loss of system data are performed.
- At the same time, environmental factors and exceptional circumstances are being investigated following causes instant measures are taken to minimize the risk permanently.

Internal Audit Department, within the framework of the audit plan is made based on risk, reviews the company's risk management and internal control system, in order to achieve the following objectives in reviewing regularly, and reports to Audit Committee and Company management:

- Financial and operational information accuracy and reliability
- effectiveness and efficiency of operations
- Protection of company assets
- Act to ensure compliance with regulations and contracts

### 5.5. Company's Strategic Objectives

The board of directors is responsible for administration and representation of the company by keeping the risk, growth and yield balance of the company at the most suitable level, looking out first for the long term benefits of the company using smart and prudent risk management, while also ensuring that the company reaches the operational and financial performance objectives disclosed to the public. In this respect, relevant directorates create annual budgets and business plans every year and submit them to the board of directors through the Financial Affairs Directorate. Results which occurred after having performed activities in line with such plans during the year are continuously compared with the budget as accepted by the board of directors, and reasons for deviations are sought. The company's board of directors approves the strategic objectives created as a result of work and basic assumptions during the process of creating annual strategic objectives. The board of directors follows the strategic objectives of company activities and comparative results in the light of the annual reports and direct information from board of directors meetings.

### 5.6. Financial Rights

Criteria used to identify the rights granted to Board Members Dividend

Payments to board members are not possible as per the articles of association.

As stated in the articles of association, wage amounts that will be provided to board members are identified by the general assembly. Board members are authorized to elect top managers, who will serve for company

management, and to identify their authority, wages, and other rights, and make or break agreements with them. On the other hand, it was decided as per the resolution taken in the ordinary general assembly meeting held on April 15, 2015 to pay 4,667TRY monthly to each member assigned to the independent board of directors to preserve their independence during their term of duty. There is no other wage or benefit granted to the board of directors.

Benefits and wages granted to senior employees of the company

As per Corporate Governance Principles Article No. 4.6.5, wages and all the other benefits granted to top managers as well as board members are disclosed to the public through the annual report. However, this statement includes a distinction between the board of directors and managers with administrative responsibilities, and does not refer to individuals. The board of directors performs the work considered necessary in order for top managers to receive reasonable wages according to market conditions. You can find the wage policy prepared in this respect in Attachment:

2. Debts given to Board members and managers by the company The company has not granted any loan to members of the board of directors or to managers who have assumed administrative responsibilities, given them credit, extended the payment periods of loans and credits granted to them, improved their loan and credit conditions, granted them credit in the name of personal credit through a third party, or granted them guarantees such as indemnification in one's favour.



**ATTACHMENT: 1****Assessment regarding the Working Principles and Efficiency of Board of Directors**

Committees After board members were elected in the ordinary general assembly meeting held on April 15, 2015, with the board decision made as per Corporate Governance Principles on April 28, 2015, it was settled that:

- the audit committee will consist of two members, and in this respect, independent board member Ahmet Cemal DORDUNCU will be the chairman and independent board member Kamil Omer BOZER will be a member;
- the early risk detection committee will consist of two members, and in this respect independent board member Kamil Omer BOZER will be the chairman and Salih Metin ECEVIT will be a member;
- the corporate governance committee will consist of three members, and in this respect independent board member Kamil Omer BOZER will be the chairman and Salih Metin ECEVIT and Ali Osman MAGAL will be the members.

It is decided that the duties of Nomination Committee and Wage Committee will be fulfilled by the Corporate Governance Committee and this issue has been disclosed to the public on the Public Discourse Platform and the company website.

Our Audit Committee, Corporate Governance Committee, and Early Risk Detection Committee fulfilled their roles and responsibilities as per their own regulations and worked actively in 2015. In line with their annual meeting plans which were found necessary for their working activities, identified and created in their respective regulations in 2015:

The audit committee gathered four times: on 25 March 2015, 22 May 2015, 26 October 2015, and 17 December 2015, and they submitted their reports, including the results of the meetings held during the year as well as information regarding their work, to the board of directors. In this respect, the "Audit Committee", responsible for taking all the necessary measures to conduct any internal and independent audit in a sufficient and transparent way and applying the internal control system efficiently, conveyed all recommendations in matters for which it is responsible, including opinions and suggestions regarding the internal audit and the internal control system to the board of directors.

The corporate governance committee gathered four times: on 31 January 2015, 30 April 2015, 30 July 2015 and 26 October 2015, and they presented their reports, including the results of the meetings held during the year as well as the information regarding their work, to the board of directors. Accordingly, the "Corporate Governance Committee", established to examine the Company's Compliance with Corporate Governance Principles, make improvements in this regard, and make suggestions to the Board of Directors, identified whether Corporate Governance Principles are applied in the company, the reason if not applied, conflicts of interest caused by not fully complying with such principles, and made recommendations to the Board to improve corporate governance and observed the work of the department of shareholder relations.

The early risk detection committee gathered six times: 23 January 2015, 25 March 2015, 22 May 2015, 21 July 2015, 26 October 2015, and 17 December 2015, and they presented their reports including the results of the meetings held during the year as well as information regarding their work to the Board of Directors.

In this respect, the "Early Risk Detection Committee", which works identify early any risks that may endanger the presence, development, and continuation of the company and the application of necessary measures regarding those risks and risk management, also reviewed the risk management systems in line with corporate governance principles and the Early Risk Detection Regulation.

**ATTACHMENT: 2****ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş.  
WAGE POLICY FOR BOARD OF DIRECTORS AND TOP MANAGEMENT**

The Anadolu Isuzu Otomotiv San Ve Tic A.S. wage policy for the board of directors and top management is prepared to define the wage system and application as well as other rights of board members and top managers. A fixed monthly wage/attendance fee may be paid to the chairman of the board of directors and to the board members for the services they perform in their capacities supporting our company. The amount payable is identified in the general assembly meeting. In any case, an amount is paid to independent board members to preserve their independence, and payment plans based on company performance are not used for wages of independent board members. Payment is made to board members who execute within the policy identified for top managers, details of which are described below. Rights granted to top managers in our company are defined below. Monthly Wage: identified depending on market and/or sector conditions, inflation, position, level, and qualifications of the manager, and individual performance, and paid during the term of the labour contract. The monthly wage is reviewed once a year considering the criteria constituting the basis for identifying the wage if there is no change in the market conditions. Information regarding the market and/or sector conditions is collected through generally accepted consultancy firms and also identified using the data obtained from other sources and considering the company's future and position related to achieving the targets. Factors which refer to manager's approach, business manner, and behaviours as well as the annual objectives that the manager defined with his/her own manager are considered at rates defined for the identification of individual performance level.

Bonus: identified in relation to the monthly wage and the amount of four monthly wages divided into identified periods and paid during the term of the labour contract by the company.

Premium: in the event that a lower limit, defined according to certain weight depending on critical performance criteria (KPK), approved by the executive board, and identified within the related calendar year, is exceeded, a certain percentage of the yearly amount of the monthly wage and bonus payments made to the manager, varying according to the manager's position, is calculated, depending on the individual performance rates with company KPK, and may be paid to the manager as a premium.

Other rights: side benefits and other social allowances such as health insurance, personal retirement, etc. are provided to people in line with the defined policy and regulations of the organization generally, and/or depending on conditions such as qualification, position, etc.



## APPENDIX: 3

## INDEPENDENCE STATEMENT

I declare that I did not function as a board member for more than six years within the last decade for Anadolu Isuzu Otomotiv Sanayi Ve Ticaret A.S. (the "Company"), that, between the Company, the partnerships which the company has management control of or has significant influence upon, the partners who have control of the management of or who have significant influence upon the company, and legal entities of which these partners have control of management of himself/herself, or which their wife/husband or blood relatives and relatives by marriage up to the second degree, there is not an employment relationship in the capacity of manager that would allow someone to take on significant assignments and responsibilities, and that I have not owned myself or with any other person more than 5% of the capital or voting rights, or of privileged shares, and there was not a significant trade relation for the last five years; that I have not worked as a partner (of 5% or more), in an employee or board member capacity that would allow me to assume significant assignments and responsibilities in the companies from/to which our company purchases and sells services or products to a great extent, particularly in the auditing (including tax audit, legal audit, internal audit), rating, and consultancy of the company within the scope of agreements made, during the periods in which services or products were purchased or sold for the last five years; that I have the professional training, information and experience to duly fulfill the duties that I will undertake as an independent board member, that I am not working full time in public organizations and institutions as of the date of nomination and during the term of my duty if I am elected, that I am considered a resident in Turkey according to income tax law, that I have the strong ethical standards, professional reputation, and experience to make positive contributions to company activities, keep objective in conflicts of interest between company partners, and make free decisions considering the rights of beneficiaries; that I can spare time for company affairs to a great enough extent to follow the processes of company activities and fulfill the requirements of the roles that I undertake, that I have not served as an independent board member in more than three of the companies in which the company or the partners who have control of the management of the company have the control of management or in more than five companies listed on a stock exchange; that I have not been registered and announced as part of any legal entity selected as a board member, and, accordingly, that I will fulfill my company board membership as an independent member.

AHMET CEMAL DÖRDÜNCÜ

## INDEPENDENCE STATEMENT

I declare that I did not function as a board member for more than six years within the last decade for Anadolu Isuzu Otomotiv Sanayi Ve Ticaret A.S. (the "Company"), that, between the Company, the partnerships which the company has management control of or has significant influence upon, the partners who have control of the management of or who have significant influence upon the company, and legal entities of which these partners have control of management of himself/herself, or which their wife/husband or blood relatives and relatives by marriage up to the second degree, there is not an employment relationship in the capacity of manager that would allow someone to take on significant assignments and responsibilities, and that I have not owned myself or with any other person more than 5% of the capital or voting rights, or of privileged shares, and there was not a significant trade relation for the last five years; that I have not worked as a partner (of 5% or more), in an employee or board member capacity that would allow me to assume significant assignments and responsibilities in the companies from/to which our company purchases and sells services or products to a great extent, particularly in the auditing (including tax audit, legal audit, internal audit), rating, and consultancy of the company within the scope of agreements made, during the periods in which services or products were purchased or sold for the last five years; that I have the professional training, information and experience to duly fulfill the duties that I will undertake as an independent board member, that I am not working full time in public organizations and institutions as of the date of nomination and during the term of my duty if I am elected, that I am considered a resident in Turkey according to income tax law, that I have the strong ethical standards, professional reputation, and experience to make positive contributions to company activities, keep objective in conflicts of interest between company partners, and make free decisions considering the rights of beneficiaries; that I can spare time for company affairs to a great enough extent to follow the processes of company activities and fulfill the requirements of the roles that I undertake, that I have not served as an independent board member in more than three of the companies in which the company or the partners who have control of the management of the company have the control of management or in more than five companies listed on a stock exchange; that I have not been registered and announced as part of any legal entity selected as a board member, and, accordingly, that I will fulfill my company board membership as an independent member.

KAMİL ÖMER BOZER



## EK: 4

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş. Profit Distribution Table for 2015 (TRY)

1.	Paid-in share capital		25.419.706,54
2.	Total legal reverses (as per statutory records)		22.336.628,78
Information regarding the privilege, if any, in the profit distribution as per articles of association			
		<b>As per Capital Markets Board</b>	<b>As per Statutory Records (SR)</b>
3.	Profit for period	18.005.467,00	13.218.757,42
4.	Taxes to be paid (-)	261.570,00	36.347,60
5.	Net profit for the period (=)	17.743.897,00	13.182.409,82
6.	Losses of the Previous Years(-)	0,00	0,00
7.	First Series Legal Reserve (-)	0,00	0,00
8.	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	17.743.897,00	13.182.409,82
9.	Donations made within the year (+)	122.395,00	
10.	Donations for which the first dividend will be calculated added net distributable profit for the period	17.866.292,00	
11.	First Dividend to Partners (%5 of paid-in capital)		
	- Cash	1.270.985,33	
	- Costless		
	- Total	1.270.985,33	
12.	Dividend distributed to privileged shareholders		
13.	Dividend to members of Board of Directors, Employees etc.		
14.	Dividend distributed to holders of usufruct right certificates		
15.	<b>Second Dividend to Partners</b>	10.828.567,72	
16.	Second Order Legal Reserve	1.082.856,77	
17.	Status Reserves		
18.	Special Reserves		
19.	EXTRAORDINARY RESERVES	4.561.487,18	0,00
20.	<b>Other sources planned for distribution</b>		
	- Previous years' profits	610.300,22	610.300,22
21.	<b>Other distributable reserves as per the legislation</b>	61.030,02	61.030,02

## EK: 4

ANADOLU ISUZU OTOMOTİV SAN. VE TİC. A.Ş. Dividend Ratio Table for 2015

GROUP	TOTAL DIVIDEND AMOUNT		TOTAL DIVIDEND AMOUNT / NET DISTRIBUTABLE NET PROFIT FOR THE PERIOD	DIVIDEND PER SHARE FOR 1 TL NOMINAL VALUE	
	CASH (TRY)	COSTLESS (TRY)		AMOUNT (TL)	RATIO (%)
BRÜT	A Legal Entity	6.818.834,41	-	91,79	0,5000
	A Regal Person	13.187,60			
	B Type Limited Taxpayer	3.362.638,50	-	91,79	0,5000
	B Type Fully Responsible	417.339,00	-		
	C Type Bearer	2.097.853,76	-	91,79	0,5000
	TOTAL	12.709.853,27	-		
NET	A Legal Entity	6.818.834,41	-	-	-
	A Regal Person	11.209,46		0,4250	42,50
	B Type Limited Taxpayer	2.858.242,73	-	0,4250	42,50
	B Type Fully Responsible	417.339,00	-	-	-
	C Type Bearer	1.828.754,70	-	0,4250	42,50
	TOTAL	11.934.380,30	-		





# ANADOLU ISUZU

CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
TOGETHER WITH REPORT OF INDEPENDENT AUDITORS  
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2015

(ORIGINALLY ISSUED IN TURKISH)





CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR'S REPORT  
ORIGINALLY ISSUED IN TURKISH

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş.

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. (the "Company") and its Subsidiary (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Consolidated Financial Statements*

2. The Group's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Turkish Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

*Independent Auditor's Responsibility*

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our audit was conducted in accordance with standards on auditing issued by the Capital Markets Board of Turkey and Independent Auditing Standards that part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority. Those standards require that ethical requirements are complied with and that the audit is planned and performed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An independent audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on independent auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the independent auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 independent audit includes also 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 independent audit evidence we have obtained during our audit is sufficient and appropriate to provide a basis for our audit opinion.

Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. a member of PricewaterhouseCoopers  
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*Opinion*

4. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Anadolu Isuzu Otomotiv Sanayi ve Ticaret A.Ş. and its Subsidiary as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Turkish Accounting Standards.

**Other Responsibilities Arising From Regulatory Requirements**

5. In accordance with subparagraph 4 of Article 398 of the Turkish Commercial Code ("TCC") No: 6102; auditor's report on the early risk identification system and committee has been submitted to the Company's Board of Directors on 26 February 2016.
6. In accordance with subparagraph 4 of Article 402 of the TCC; no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2015 is not in compliance with the code and provisions of the Company's articles of association in relation to financial reporting.
7. In accordance with subparagraph 4 of Article 402 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

Başaran Nas Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.  
a member of  
PricewaterhouseCoopers

Adnan Akan, SMMM  
Partner

Istanbul, 26 February 2016

ISUZU



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CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH  
ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.  
CONSOLIDATED BALANCE SHEETS  
AT 31 DECEMBER 2015 AND 31 DECEMBER 2014  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

Page: 1

	Notes	31 December 2015	31 December 2014
<b>ASSETS</b>			
<b>Current Assets</b>		<b>733.733.852</b>	<b>577.973.787</b>
Cash and cash equivalents	4	78.558.102	111.118.458
Trade receivables			
Due from related parties	27	6.551.727	1.611.811
Due from other parties	7	279.220.471	229.092.922
Other receivables			
Due from other parties	8	1.297.639	532.869
Inventories	9	320.664.375	207.088.317
Prepaid expenses	16	12.892.651	15.093.644
Current income tax assets	25	2.132.279	-
Other current assets	16	32.416.608	13.435.766
<b>Non-current Assets</b>		<b>147.469.619</b>	<b>114.663.437</b>
Financial assets	5	-	-
Other receivables			
Due from other parties	8	186	186
Property, plant and equipment	10	103.340.205	78.011.614
Intangible assets	11	41.766.163	34.290.920
Goodwill	12	2.340.995	2.340.995
Prepaid expenses	16	22.070	19.722
Deferred tax assets	25	-	-
<b>TOTAL ASSETS</b>		<b>881.203.471</b>	<b>692.637.224</b>

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

These consolidated financial statements for the period 1 January - 31 December 2015 have been approved for issue by the Board of Directors ("BOD") on 26 February 2016 and signed by Independent Audit Committee Director Ahmet Cemal DÖRDÜNCÜ, Independent Audit Committee Member Kamil Ömer BOZER, General Manager Yusuf Tuğrul ARIKAN and Finance Director Bora ÖNER.



CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS  
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ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.  
CONSOLIDATED BALANCE SHEETS  
AT 31 DECEMBER 2015 AND 31 DECEMBER 2014  
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	Notes	31 December 2015	31 December 2014
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>406.815.587</b>	<b>314.051.734</b>
Financial liabilities	6	138.476.959	75.804.666
Trade payable			
Due to related parties	27	143.548.358	142.568.720
Due to other parties	7	101.391.422	73.573.992
Other payable			
Due to related parties	27	9.109	9.109
Due to other parties	8	7.566.045	9.766.346
Payables for employee benefits	8	1.357.045	816.202
Deferred income	16	874.641	1.005.023
Current income tax liabilities	25	-	75.244
Provisions			
Provision for employee benefits	14	-	1.354.304
Other provisions	14	13.592.008	9.078.128
<b>Non-current liabilities</b>		<b>151.026.150</b>	<b>44.683.087</b>
Financial liabilities	6	134.019.200	28.207.000
Deferred income	16	1.207.583	1.683.193
Provisions			
Provision for employment termination benefits	15	13.546.911	12.493.579
Deferred tax liabilities	25	2.252.456	2.299.315
<b>EQUITY</b>	17	<b>323.361.734</b>	<b>333.902.403</b>
<b>Shareholders equity</b>		<b>323.361.734</b>	<b>333.902.403</b>
Paid-in capital		25.419.707	25.419.707
Adjustment to share capital		86.901.880	86.901.880
Other comprehensive income/expense items that will not be reclassified to profit or loss			
Remeasurements of provision for employment termination benefits		(115.217)	112.998
Restricted reserves		162.363.654	159.657.537
Retained earnings		31.047.813	27.468.021
Net income for the period		17.743.897	34.342.260
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>881.203.471</b>	<b>692.637.224</b>

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS  
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ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2015 AND 2014 U  
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

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	Notes	1 January- 31 December 2015	1 January- 31 December 2014
<b>CONTINUING OPERATIONS</b>			
Revenue	18	935.494.541	729.143.932
Cost of sales (-)	18	(779.196.290)	(603.856.665)
<b>GROSS PROFIT/LOSS</b>		<b>156.298.251</b>	<b>125.287.267</b>
General administrative expenses (-)	19	(36.101.430)	(29.988.064)
Marketing and selling expenses (-)	19	(70.123.244)	(62.478.616)
Research and development expenses (-)	19	(3.664.820)	(2.373.599)
Other operating income	21	9.654.889	10.466.427
Other operating expenses (-)	21	(29.173.423)	(6.095.399)
<b>OPERATING PROFIT/LOSS</b>		<b>26.890.223</b>	<b>34.818.016</b>
Income from investing activities	22	685.149	307.394
Expenses on investing activities (-)	22	(93.660)	(218.779)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES</b>		<b>27.481.712</b>	<b>34.906.631</b>
Financial expenses (-)	24	(36.437.210)	(19.172.283)
Financial income	23	26.960.965	22.955.411
<b>PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>18.005.467</b>	<b>38.689.759</b>
Income tax (expense)/ income from continuing operations		(261.570)	(4.347.499)
Taxes on current income (-)	25	(251.375)	(4.267.224)
Deferred tax expense	25	(10.195)	(80.275)
<b>INCOME/ (LOSS) FROM CONTINUING OPERATIONS</b>		<b>17.743.897</b>	<b>34.342.260</b>
<b>INCOME/(LOSS) FOR THE YEAR</b>		<b>17.743.897</b>	<b>34.342.260</b>
<b>Attributable to:</b>	17	<b>17.743.897</b>	<b>34.342.260</b>
Non-controlling interests	17	-	-
Owners of the parent	17	17.743.897	34.342.260
<b>Income/ (Loss) per hundred shares</b>	26	<b>0,6980</b>	<b>1,3510</b>

**OTHER COMPREHENSIVE INCOME**

**Items that will not be reclassified to profit or loss**

Remeasurements of provision for employment termination benefits	15	(285.269)	(425.223)
Tax effect related with other comprehensive income items	25	57.054	85.045
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX</b>		<b>(228.215)</b>	<b>(340.178)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>17.515.682</b>	<b>34.002.082</b>
Non-controlling interests		-	-
Owners of the parent		17.515.682	34.002.082

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



CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS  
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ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIODS 1 JANUARY - 31 DECEMBER 2015 AND 31 DECEMBER 2014  
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	Notes	1 January- 31 December 2015	1 January- 31 December 2014
<b>Operating activities:</b>			
<b>Net income/ (loss)</b>	<b>17</b>	<b>17.743.897</b>	<b>34.342.260</b>
<b>Adjustments to reconcile net cash generated:</b>			
Adjustments for amortisation	10	11.076.847	9.081.820
Adjustments for depreciation	11	9.302.710	7.544.574
Adjustments for provision for employment termination benefits	15	2.341.759	1.954.666
Adjustments for income taxes	25	261.570	4.347.499
Adjustments for interest income	23	(9.856.118)	(14.867.194)
Adjustments for interest expense	24	10.438.820	8.971.623
Foreign exchange differences on borrowings		8.600.725	(1.576.000)
Other adjustments		7.137.955	2.110.156
Gain on sales of property, plant and equipment assets	22	591.489	88.615
<b>Net operating income before changes in assets and liabilities:</b>		<b>57.639.654</b>	<b>51.998.019</b>
<b>Changes in assets and liabilities:</b>			
Change in trade receivables		(58.790.639)	(22.785.905)
Change in inventories	9	(113.576.058)	(73.712.218)
Change in other current assets	8-16	(19.676.898)	(6.749.557)
Change in other non-current assets		(1.185.326)	(249.444)
Change in trade payables	7-27	29.698.811	79.320.845
Change in other liabilities		(1.365.363)	4.656.365
Income taxes paid		(2.383.654)	(4.191.980)
Employment benefits paid	15	(1.573.696)	(1.000.959)
<b>Cash flows (used in)/generated from operating activities:</b>		<b>(111.213.169)</b>	<b>27.285.166</b>
<b>Investing activities:</b>			
Proceeds on sales of property, plant and equipment		2.098.424	1.251.462
Purchase of property, plant and equipment	10	(37.912.373)	(23.057.132)
Purchase of intangible assets	11	(16.777.953)	(17.284.226)
<b>Cash flows used in investing activities:</b>		<b>(52.591.902)</b>	<b>(39.089.896)</b>
<b>Financing activities:</b>			
Dividends paid		(28.056.351)	(65.328.767)
Interests received		10.112.218	14.621.937
Interests paid		(9.163.527)	(7.073.032)
Proceeds from borrowings		234.764.475	75.625.000
Repayments of borrowings		(76.156.000)	(85.000.000)
<b>Net cash provided by/(used in) financing activities:</b>		<b>131.500.815</b>	<b>(67.154.862)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(32.304.256)</b>	<b>(78.959.592)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>110.399.391</b>	<b>189.358.983</b>
<b>Cash and cash equivalents at the end of year</b>	<b>4</b>	<b>78.095.135</b>	<b>110.399.391</b>

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS  
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ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS  
1 JANUARY - 31 DECEMBER 2015 AND 2014  
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Prior period	Notes	Paid in capital	Adjustment to share capital	Total paid in capital	Gain/loss on revaluation and remeasurement	Restricted reserves	Retained earnings	Net profit/loss for the year	Accumulated Profit/Loss		Total equity
									Owners of the parent	Non- controlling interests	
<b>1 January 2014</b>	<b>17</b>	<b>25.419.707</b>	<b>86.901.880</b>	<b>112.321.587</b>	<b>453.176</b>	<b>14.744.014</b>	<b>39.048.753</b>	<b>198.745.796</b>	<b>365.313.326</b>	<b>21.093</b>	<b>365.334.419</b>
Net profit for the year		-	-	-	-	-	-	34.342.260	34.342.260	-	34.342.260
Total comprehensive income		-	-	-	(340.178)	-	-	-	(340.178)	-	(340.178)
<b>Total comprehensive income</b>		-	-	-	<b>(340.178)</b>	-	-	<b>34.342.260</b>	<b>34.002.082</b>	-	<b>34.002.082</b>
Transfers		-	-	-	-	144.917.063	53.828.733	(198.745.796)	-	-	-
Non-controlling interests transactions (2.1.2)		-	-	-	-	(3.540)	(80.698)	-	(84.238)	(21.093)	(105.331)
Dividends paid		-	-	-	-	-	(65.328.767)	-	(65.328.767)	-	(65.328.767)
<b>31 December 2014</b>	<b>17</b>	<b>25.419.707</b>	<b>86.901.880</b>	<b>112.321.587</b>	<b>112.998</b>	<b>159.657.537</b>	<b>27.468.021</b>	<b>34.342.260</b>	<b>333.902.403</b>	<b>-</b>	<b>333.902.403</b>
<b>Current period</b>											
<b>1 January 2015</b>	<b>17</b>	<b>25.419.707</b>	<b>86.901.880</b>	<b>112.321.587</b>	<b>112.998</b>	<b>159.657.537</b>	<b>27.468.021</b>	<b>34.342.260</b>	<b>333.902.403</b>	<b>-</b>	<b>333.902.403</b>
Net profit for the year		-	-	-	-	-	-	17.743.897	17.743.897	-	17.743.897
Total comprehensive income		-	-	-	(228.215)	-	-	-	(228.215)	-	(228.215)
<b>Total comprehensive income</b>		-	-	-	<b>(228.215)</b>	-	-	<b>17.743.897</b>	<b>17.515.682</b>	-	<b>17.515.682</b>
Transfers		-	-	-	-	2.706.117	31.636.143	(34.342.260)	-	-	-
Dividends paid		-	-	-	-	-	(28.056.351)	-	(28.056.351)	-	(28.056.351)
<b>31 December 2015</b>	<b>17</b>	<b>25.419.707</b>	<b>86.901.880</b>	<b>112.321.587</b>	<b>(115.217)</b>	<b>162.363.654</b>	<b>31.047.813</b>	<b>17.743.897</b>	<b>323.361.734</b>	<b>-</b>	<b>323.361.734</b>

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



CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH  
ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS  
1 JANUARY - 31 DECEMBER 2015 AND 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

Anadolu Isuzu Otomotiv Sanayi ve Ticaret Anonim Şirketi (the "Company") was established in 1980. Activities of the Company are comprised mainly of manufacturing, assembling, marketing, importing and exporting of commercial vehicles, including sale of relevant automotive spare parts of the commercial vehicles. The Company is registered to Capital Markets Board of Turkey and 15% of the Company's shares have been traded on Borsa Istanbul A.Ş. since 1997.

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd., Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory established in Çayirova/Kocaeli. The average number of employees as of 31 December 2015 is 944 (31 December 2014: 869).

The Company's official address registered in the Trade Registry is Fatih Sultan Mehmet Mahallesi Balkan Caddesi  
No: 58 Buyaka E Blok Tepeüstü Ümraniye, İstanbul.

As of 31 December 2015 and 31 December 2014, details regarding the Company's subsidiary, which is subject to consolidation, is as follows:

Subsidiaries	Nature of business	Capital	31 December 2015 Ownership interest(%)	31 December 2014 Ownership interest(%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100,00	100,00

Hereafter, the Company and its subsidiary will be referred as (the "Group") in the consolidated financial statements and notes to the consolidated financial statements.

#### NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

##### 2.1 Basis of presentation

###### 2.1.1 Financial reporting standards

The enclosed consolidated financial statements have been prepared in line with Capital Markets Board ("CMB"), Communiqué Serial: II, No. 14.1 on "Principles on Financial Reporting in Capital Market", promulgated in Official Gazette No. 28676 dated 13 June 2013. Pursuant to Article 5 of the Communiqué, Turkish Accounting Standards / Turkish Financial Reporting Standards ("TAS/TFRS") enforced by Public Oversight Accounting and Auditing Standards Authority ("POAASA"), and their relevant appendices and interpretations ("TAS/TFRS") have been taken as basic.

The Company (and its Affiliate registered in Turkey) takes the Turkish Commercial Code ("TCC"), tax legislation and Uniform Chart of Accounts introduced by Turkish Ministry of Finance as basic for book keeping and preparation of the statutory financial statements. Consolidated financial statements have been prepared in Turkish Lira based on the historical costs, as well as the financial assets and liabilities presented with their fair values. Consolidated financial statements have been arranged by applying the required adjustments and classifications to the statutory records prepared on historical cost basis in order to provide accurate presentation in line with TAS/TFRS.

###### 2.1.2 Consolidation principles

###### Subsidiaries

Subsidiaries, including structured entities, are companies in the Group's control. The Group's control is provided for exposure to variable returns from these companies, being eligible for these benefits, and the power to direct them. Subsidiaries are consolidated using the full consolidation method starting from the date when the control is transferred to the Group. They are excluded from the scope of consolidation as of the date when the control is lost.

The purchasing method is used in accounting for group business combinations. The cost of acquisition includes the fair value of the assets transferred at the acquisition date, the liabilities incurred by the former owner of the company, and costs, consisting of equity instruments issued by the Group. The acquisition cost includes the fair value of the assets and liabilities transferred as a result of the contingent acquisition agreement.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS  
1 JANUARY - 31 DECEMBER 2015 AND 2014

(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

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

##### 2.1 Basis of presentation(Continued)

###### 2.1.2 Consolidation principles(Continued)

###### Subsidiaries (Continued)

The identifiable assets, liabilities, and contingent liabilities taken over during a business combination are measured at their fair value on the acquisition date. For each purchase, non-controlling shares of the acquired company are recognised either at their fair value or according to their proportional share in the net assets of the acquired company.

The table below sets out the subsidiaries and their ownership interests as of 31 December 2015 and 31 December 2014.

Company	Proportion of effective interest (%)		Direct and indirect ownership interest held by	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Subsidiaries				
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	100,00	100,00	100,00	100,00

###### 2.1.3 Offsetting

The financial assets and liabilities in the consolidated financial statements are shown at their net value when a legal granted permission, an intention of stating the consolidated financial statements with their net values and the financial asset and liabilities are arisen concurrently.

###### 2.1.4 Comparatives and adjustment of prior periods' financial statements

The Group's consolidated financial statements for the current period are prepared in comparison with the previous periods in order to be able to determine the financial position and performance trends. The comparative information is reclassified when necessary with the aim of ensuring consistency with the presentation of the current period's consolidated financial statements.

The Group has no changes in its financial statements.



CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.1 Basis of presentation (Continued)**

**2.1.5 Amendments in International Financial Reporting Standards**

**a. Standards, Amendments and TFRICs applicable to 31 December 2015 year ends**

- Amendment to TAS 19, regarding defined benefit plans, effective from annual periods beginning on or after 1 July 2014. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to fixed percentage of salary.

- Annual improvements 2012; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards:

- TFRS 2, 'Share-based payment'
- TFRS 3, 'Business Combinations'
- TFRS 8, 'Operating segments'
- TFRS 13, 'Fair value measurement'
- TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets'
- Consequential amendments to TFRS 9, 'Financial instruments', TAS 37, 'Provisions, contingent liabilities and contingent assets', and
- TAS 39, 'Financial instruments - Recognition and measurement'
- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycles of the annual improvements project, that affect 4 standards:

- TFRS 1, 'First time adoption'
- TFRS 3, 'Business combinations'
- TFRS 13, 'Fair value measurement' and
- TAS 40, 'Investment property'.

**b. The new standards, amendments and interpretations introduced to the Financial Statements as of**

**31 December 2015, however is not effective yet:**

- Amendment to TFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation, effective from annual periods beginning on or after 1 January 2016. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions..

- Amendments to TAS 16, 'Property, plant and equipment', and TAS 41, 'Agriculture', regarding bearer plants, effective from annual periods beginning on or after 1 January 2016. These amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms. It has been decided that bearer plants should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of TAS 16, instead of TAS 41. The produce growing on bearer plants will remain within the scope of TAS 41.

- Amendment to TAS 16, 'Property, plant and equipment' and TAS 38, 'Intangible assets', on depreciation and amortisation, effective from annual periods beginning on or after 1 January 2016. In this amendment it has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**2.2 Basis of presentation (Continued)**

**2.1.5 Amendments in International Financial Reporting Standards**

**b. Standards, Amendments and TFRICs applicable to 31 December 2015 year ends (Continued)**

- TFRS 14, 'Regulatory deferral accounts', effective from annual periods beginning on or after

1 January 2016. TFRS 14, 'Regulatory deferral accounts' permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt TFRS. However, to enhance comparability with entities that already apply TFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items.

- Amendments to TAS 27, 'Separate financial statements' on the equity method, effective from annual periods beginning on or after 1 January 2016. These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Amendments to TFRS 10, 'Consolidated financial statements' and TAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments address an inconsistency between the requirements in TFRS 10 and those in TAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- TFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal.
- TFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to TFRS 1) regarding servicing contracts.
- TAS 19, 'Employee benefits' regarding discount rates.
- TAS 34, 'Interim financial reporting' regarding disclosure of information.

- Amendment to TAS 1, 'Presentation of financial statements' on the disclosure initiative, effective from annual periods beginning on or after 1 January 2016, these amendments are as part of the TASB initiative to improve presentation and disclosure in financial reports

- Amendment to TFRS 10, 'Consolidated financial statements' and TAS 28, 'Investments in associates and joint ventures', effective from annual periods beginning on or after 1 January 2016. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

- TFRS 15, 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2018. TFRS 15, 'Revenue from contracts with customers' is a converged standard from the TASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

- TFRS 9, 'Financial instruments', effective from annual periods beginning on or after 1 January 2018. This standard replaces the guidance in TAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.



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

### 2.2 Summary of Significant Accounting Policies

#### 2.2.1 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash on hand, deposits at banks and highly liquid short-term investments, with maturity periods of less than three months, which has insignificant risk of change in fair value.

#### 2.2.2 Trade receivables and valuation allowance

Trade receivables as a result of providing goods or services by the Group directly to a debtor are carried at amortised cost. Short-term receivables with no stated interest rate are measured at the original invoice amount since the effect of imputing interest is significant. A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.

If the impairment amount decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the current period.

The Company collects most of the receivables from domestic vehicles sales through the "Direct Debit System" (DDS). Within this system which is also named as Direct Collection System; the contracted banks warrant the collection of the receivables within the limits granted to the dealers. Trade receivables are transferred by the contracted banks to the Company's bank accounts at the due dates.

#### 2.2.3 Inventories

Inventories are valued at the lower of cost or net realisable value. The inventories of the Group mainly composed of trucks, small trucks, midi buses, pickups and spare parts which belong to those vehicles. The cost of inventories is determined on the moving monthly average basis. Cost elements included in inventories are materials, labor and an appropriate amount of factory overheads and exclude the cost of borrowing. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Idle time expenses arising from the ceases in production other than planned in the factory's annual production plan are not associated with inventories and are recognised as cost of finished goods.

#### 2.2.4 Property, plant and equipment

For assets acquired after 2005, the tangible basis assets are reflected to the consolidated financial statements by deducting their accumulated depreciation from their cost. For assets that were acquired before 1 January 2005, the tangible fixed assets are presented on the consolidated financial statement based on their cost basis, which is adjusted according to the inflationary effects as of 31 December 2004. Depreciation is calculated using the straight-line method based on their economic lives. The following rates, determined in accordance with the economic lives of the fixed assets, are used in calculation of depreciation:

Type	Depreciation rates (%)
Land improvements	5-6
Buildings	2-5
Machinery and equipment	10-20
Motor Vehicles	10-20
Fixtures and Furniture	10-20

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

### 2.2 Summary of Significant Accounting Policies (Continued)

#### 2.2.4 Property, plant and equipment (Continued)

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the asset's net selling price or value in use. Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amounts and are included in other operating income and losses. Repair and maintenance expenses are charged to the statement of income as they are incurred. Repair and maintenance expenditures are capitalised if they result in an enlargement or substantial improvement of the respective asset.

#### 2.2.5 Intangible assets

Intangible assets acquired before 1 January 2005 are carried at indexed historical cost for inflation effects as at 31 December 2004; however, purchases after 1 January 2005 are carried at their historical cost less accumulated amortization and impairment. Intangible assets are depreciated on a straight-line basis over their expected useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are comprised of software programme rights, brand and patent rights and development expenses. Amortization is calculated using the straight-line method based on their economic lives unless they exceed five years.

#### 2.2.6 Goodwill and related amortisation

In consolidated financial statements, if goodwill and negative goodwill which are resulted from the difference of purchase price and fair value of net assets of the acquired share of the affiliate are realised from the purchases before

31 March 2004, they are amortised by using the capitalised and normal amortisation method over its useful life until end of 31 December 2004. Within the framework of TFRS 3 - "Business Combinations" amortisation is not applied for goodwill which is resulted from acquisitions after 31 March 2004. The calculated goodwill is evaluated and if impairment is required, a provision for impairment is accounted for. Also, for the acquisitions after 31 March 2004, if negative goodwill exists, the amount is reviewed and credited to income statement in the period negative goodwill occurred.

Within the framework of TFRS 3, after 31 March 2004, in the beginning of first upcoming annual accounting period (1 January 2005), the Group has halted the amortisation of goodwill which was resulted from the transactions before 31 March 2004. Impairment of goodwill is not cancellable. The Group performs impairment testing during the year-ends.

#### 2.2.7 Impairment of assets

All assets are reviewed for impairment losses including property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such an indication exists, the recoverable amount of the asset is presumed. The recoverable amount is presumed in each year-end for unusable intangible assets. An impairment loss is recognised for the amount by which the carrying amount of the asset or a cash generating unit related to the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Impairment losses are recognised in the statement of income.

Impairment losses on assets can be reversed, to the extent of previously recorded impairment losses, in cases where increases in the recoverable value of the asset can be associated with events that occur subsequent to the period when the impairment loss was recorded.



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## **NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

### **2.2 Summary of Significant Accounting Policies (Continued)**

#### **2.2.8 Loans and borrowing costs**

Borrowings are recognised initially at the proceeds received, net of 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 statement of income over the period of the borrowings. When it comes to the assets which take long time to get ready to usage and sales, borrowing costs related to production or construction are integrated to the cost of the asset.

#### **2.2.9 Taxes on income**

Taxes include current period income taxes and deferred taxes. Current year tax liability consists of tax liability on the taxable income calculated according to currently enacted tax rates and to the effective tax legislation as of balance sheet date.

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will affect the future period tax charges based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilised or deferred tax liabilities will be settled, are used to determine deferred income tax. Deferred tax liabilities are recognised for all taxable temporary differences, where 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. Deferred tax assets and liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

#### **2.2.10 Provision for employee benefits**

Provision for employee 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 the death of employees calculated in accordance with the Turkish Labor Law.

#### **2.2.11 Provisions**

Provisions are recognised 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. If the provision amount decreases, in the case of an event occurring after the provision is accounted for, the related amount is classified as other income in the current period.

#### **2.2.12 Research and development expenses**

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as expense as incurred. Subsidies received from Tübitak are accounted for as deferred income by Group and are offsetted with amortisation expenses in the income statements in line with the useful life of the completed projects.

Development costs are directly recognised as expense. Development expenses recognised as expense in prior periods are not subject to capitalisation in subsequent periods.

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## **NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

### **2.2 Summary of Significant Accounting Policies (Continued)**

#### **2.2.13 Warranty provision expenses**

Warranty expenses are recognised on an accrual basis for amounts estimated based on prior periods' realisation.

#### **2.2.14 Related parties**

For the purpose of these consolidated financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by/or affiliated with them, and associated companies are considered and referred to as related parties. The transactions with related parties for operating activities are made with prices which are convenient with market prices.

#### **2.2.15 Foreign currency transactions**

Transactions in foreign currencies during the year 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 TRY at the exchange rates prevailing at the balance sheet dates. Foreign currency exchange gains or losses arising from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in the statement of income.

#### **2.2.16 Earnings per share**

Earnings per share disclosed in the statement of income are determined by dividing net earnings by the weighted average number of shares that have been outstanding during the related year concerned.

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 the revaluation surplus. 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 year in which they were issued and for each earlier year.

#### **2.2.17 Revenue recognition**

##### **Commercial vehicle and spare part sales**

The Group recognizes income according to the accrual basis, when the Group reasonably determines the income and economic benefit is probable. Group's revenues are comprised of sales of commercial vehicles and the spare parts of those commercial vehicles. Revenue is reduced for customer returns and sales discounts.

Revenue from the sale of goods is recognized when all the following conditions are gratified:

- The significant risks and the ownership of the goods are transferred to the buyer,
- The Group refrains the managerial control over the goods and the effective control over the goods sold,
- The revenue can be measured reasonably,
- It is probable that the the economic benefits related to transaction will flow to the entity,
- The costs incurred or will be incurred in conjunction with the transaction can be measured reliably.

##### **Service sales**

When the revenue from services can be measured reliably, the revenue is recorded in accordance with its completion level. If the revenue cannot be measured reliably, revenues are recognized as much as the recoverable amount of expenses that are associated with these revenues.





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

**2.2. Summary of Significant Accounting Policies (Continued)**

**2.2.17 Revenue recognition(Continued)**

**Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**Dividend income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

**Rent income**

Rent income from investment properties is recognized on a straight-line basis over the term of the respective lease.

When there is significant amount of cost of financing included in the sales, the fair value is determined by discounting all probable future cash flows with the yield rate, which is embedded in the cost of financing. The differences between the fair value and the nominal value are recorded as interest income according to the accrual basis.

**2.2.18 Reporting of cash flows**

In the statement of cash flows, cash flows during the period are classified under operating, investing or financing activities.

The cash flows raised from operating activities indicate cash flows due to the Group's operations.

The cash flows due to investing activities indicate the Group cash flows that are used for and obtained from investments (investments in property, plant and equipment and financial investments).

The cash flows due to financing activities indicate the cash obtained from financial arrangements and used in their repayment.

Cash and cash equivalents include cash and bank deposits and the investments that are readily convertible into cash and highly liquid assets with less than three months to maturity.

**2.2.19 Contingent assets and liabilities**

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 the consolidated financial statements and treated as contingent assets or liabilities.

**2.2.20 Government grants**

Government grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received. Government grants are recognized as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Government grants and assistance received for R&D purposes of the Group are explained in Note 13.

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

**2.2 Summary of Significant Accounting Policies (Continued)**

**2.2.21 Derivative instruments**

Derivative financial instruments are initially recognised in the consolidated balance sheet at cost and subsequently are re-measured at their fair value. The derivative instruments of the Group mainly consist of foreign exchange forward contracts and currency swap instruments. Group enters into forward contracts time to time in order to minimise its exposures due to having foreign currency denominated liabilities.

Derivative financial instruments which are mainly consist of foreign exchange forward contracts are initially recognised at cost and the transactions costs which are related to derivative financial instruments are included to their initial costs and subsequently are re-measured at their fair value. All derivative financial instruments are classified as financial assets which are measured at fair value and associated with income statement. Fair values of the derivative financial instruments are calculated through fair values determined in the market or using the discounted cash flow method. Fair values of forward contracts which are traded in over the counter markets, are calculated by using the market interest rate of the original currency until the exercise date of forward contract and the foreign currency exchange rate is determined by comparing the original forward rate with current forward rate at end of period. Derivative financial instruments are accounted for asset or liability if the fair value is positive or negative respectively.

Held-for-trading derivative financial instruments are initially recognised in the consolidated financial statements at cost and are subsequently re-measured at their fair value. Changes in the fair values of held-for-trading derivative financial instruments are included in the statements of comprehensive income.

These derivative financial instruments, even though providing effective economic hedges under the Company risk management position, do not qualify for hedge accounting under the requirements of TAS 39, "Financial Instruments: Recognition and Measurement", and therefore are accounted for as derivatives held-for-trading in the consolidated financial statement.

**2.2.22 Accounting policies, changes in accounting estimates and errors**

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. As of 1 January - 31 December 2015, there are no changes in accounting estimates and errors in the presentation of the consolidated financial statements.

If the amendments are related to the current as well as the forthcoming periods, then both current and forthcoming periods' financial statements are adjusted. In instances where the accounting estimates affect both current and forthcoming periods, then description and monetary value of the estimate is disclosed in the notes to the financial statements.

**2.2.23 Subsequent events**

Subsequent events and announcements related to net profit or even declared after other selective financial information has been publicly announced, include all events that take place between the balance sheet date and the date when the balance sheet is authorised for issue.

In the case that events requiring an adjustment to the consolidated financial statements occur subsequent to the balance sheet date, the Group makes the necessary corrections on the consolidated financial statements.

**NOTE 3 - SEGMENT REPORTING**

The field of activity of the Group established in Turkey is the manufacture, assembly, import and sale of motor vehicles and spare parts. The field of activity of the Group, the nature and economic properties of products, production processes, classification according to customer risks and methods used in the distribution of products are similar. Moreover, the Group is structured on an activity basis rather than being managed under separate divisions including different activities. Thus, the operations of the Group are considered as a single activity division, and the outputs of the Group's activities, determination of the resources to be allocated to these activities, and review of the performance of these activities are evaluated accordingly.



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**NOTE 4 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the period ends are as follows:

	<b>31 December 2015</b>	<b>31 December 2014</b>
Cash	123.528	74.114
Banks - Demand deposits	3.049.199	16.551.115
Banks - Time deposits (up to 3 months)	75.274.455	94.493.229
Other cash and cash equivalents	110.920	-
<b>Total</b>	<b>78.558.102</b>	<b>111.118.458</b>

There are no blocked deposits as of 31 December 2015 and 31 December 2014.

Cash and cash equivalents presented in the consolidated cash flow statements as of 31 December 2015 and 31 December 2014 are as follows:

	<b>31 December 2015</b>	<b>31 December 2014</b>
Cash and banks	78.558.102	111.118.458
Less: Interest Accruals (-)	(462.967)	(719.067)
<b>Total (Excluding interest accruals)</b>	<b>78.095.135</b>	<b>110.399.391</b>

The details of time deposits are as follows:

	<b>31 December 2015</b>		<b>31 December 2014</b>	
	<b>Amount in TRY</b>	<b>Annual Interest Rate (%)</b>	<b>Amount in TRY</b>	<b>Annual Interest Rate (%)</b>
TRY	66.122.939	5,50-13,30	90.992.025	6,00-10,20
USD	-	-	1.808.746	0,10
EUR	9.151.516	0,10-0,25	1.692.458	1,00
<b>Total</b>	<b>75.274.455</b>		<b>94.493.229</b>	

The Group does not have any time deposits with maturities longer than one month, and the time deposits are composed of fixed interest rates.

As of 31 December 2015, time and demand deposits amounting to TRY2.323.014 are at Alternatifbank A.Ş., a related party of the Group (31 December 2014: TRY3.682.829).

**NOTE 5 - FINANCIAL ASSETS**

The Group did not have any financial assets as of 31 December 2015 and 31 December 2014.

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**NOTE 6 - FINANCIAL LIABILITIES**

The details of bank loans as of 31 December 2015 and 31 December 2014 are as follows:

**Short-term Bank Loans**

	<b>Annual Effective Interest Rate (%)</b>		<b>Original Currency</b>		<b>Amount in TRY</b>	
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Short-term Bank Loans</b>						
EUR	2,17	2,73	40.341.686	10.152.577	128.189.743	28.637.373
TRY	10,28	10,37	10.287.216	47.167.293	10.287.216	47.167.293
<b>Total</b>					<b>138.476.959</b>	<b>75.804.666</b>

As of balance sheet dates, bank loans with variable interest rates are as follows:

<b>Period</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Up to 1 month	6.002.075	32.009.272
<b>Total</b>	<b>6.002.075</b>	<b>32.009.272</b>

**Long-term Bank Loans**

	<b>Annual Effective Interest Rate (%)</b>		<b>Original Currency</b>		<b>Amount in TRY</b>	
	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Long-term Bank Loans</b>						
EUR	2,66	3,58	17.000.000	10.000.000	54.019.200	28.207.000
TRY	13,36	-	80.000.000	-	80.000.000	-
<b>Total</b>					<b>134.019.200</b>	<b>28.207.000</b>

All long-term borrowings have due dates in 2017. The fair value of borrowings was TRY280,218,096 as of 31 December 2015 (31 December 2014: TRY106,959,126).

**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

Trade receivables at period ends are as follows:

	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Short-term trade receivables</b>		
Customer current accounts	282.858.402	231.538.036
Cheques received	70.744	93.734
Rediscount on trade receivables (-)	(3.708.675)	(2.538.848)
Uncollectible receivables	333.324	333.324
Less: Provision for uncollectible receivables (-)	(333.324)	(333.324)
<b>Total</b>	<b>279.220.471</b>	<b>229.092.922</b>



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**NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)**

Movements of provision for uncollectible receivables are as follows:

	<b>2015</b>	<b>2014</b>
<b>1 January</b>	<b>333.324</b>	<b>333.324</b>
Provisions for the period	-	-
Collections during the period	-	-
<b>31 December</b>	<b>333.324</b>	<b>333.324</b>

Trade payables as of period ends are as follows:

<b>Trade Payables</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Trade payables, net	102.339.018	74.100.720
Rediscount on trade payables (-)	(947.596)	(526.728)
<b>Total</b>	<b>101.391.422</b>	<b>73.573.992</b>

**NOTE 8 - OTHER RECEIVABLES AND PAYABLES**

<b>Other Short-term Receivables Other Receivables</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Receivables from government authorities(*)	748.195	295.841
Receivables from personnel	548.709	237.004
Deposits and guarantees given	735	24
<b>Total</b>	<b>1.297.639</b>	<b>532.869</b>

(\*) As of 31 December 2015, the amount of Group's receivables was TRY589.254 which consists of the receivables related to the VAT refund request (31 December 2014: TRY208.000).

<b>Other Long-term Receivables Other Receivables</b>	<b>31 December 2015</b>	<b>31 December 2014</b>
Deposits and guarantees given	186	186
<b>Total</b>	<b>186</b>	<b>186</b>

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**NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)**

	<b>31 December 2015</b>	<b>31 December 2014</b>
<b>Other Short-term Payables Other Payables</b>		
Due to personnel	1.357.045	816.202
Order advances received	1.556.439	4.954.142
Taxes and funds payable	3.957.203	3.237.296
Social security premiums payable	2.043.428	1.571.989
Other miscellaneous payable	8.975	2.919
<b>Total</b>	<b>8.923.090</b>	<b>10.582.548</b>

**NOTE 9 - INVENTORIES**

Inventory balances as of period ends are as follows:

	<b>31 December 2015</b>	<b>31 December 2014</b>
Raw materials	89.051.493	94.406.748
Semi-finished goods	1.692.332	4.906.815
Finished goods	192.831.728	34.594.155
Trade goods	19.013.301	14.557.831
Other inventories	1.065.568	2.588.831
Goods in transit	17.716.585	57.469.490
	<b>321.371.007</b>	<b>208.523.870</b>
Less: Provisions for impairment of finished goods and trade goods	(706.632)	(1.435.553)
<b>Total Inventories</b>	<b>320.664.375</b>	<b>207.088.317</b>

<b>Movements of Provision for Impairment on Inventories</b>	<b>2015</b>	<b>2014</b>
Opening balance – 1 January	1.435.553	1.809.169
Provision released due to sales (-)	(728.921)	(855.489)
Current period charge (+)	-	481.873
<b>Closing balance – 31 December</b>	<b>706.632</b>	<b>1.435.553</b>



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**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT**

Cost	Land	Land Improvements	Buildings	and Equipment	Vehicles	Furniture and fixtures	Tangible Assets	progress and	Total
<b>As of 1 January 2015</b>	<b>1.292.239</b>	<b>9.088.625</b>	<b>63.323.403</b>	<b>169.750.455</b>	<b>7.056.837</b>	<b>3.659.751</b>	<b>766.199</b>	<b>2.215.376</b>	<b>257.152.885</b>
Additions	-	515.782	987.139	11.071.014	2.704.293	351.765	8.385	22.273.995	37.912.373
Transfers from constructions in progress ("CIP")	-	2.407.246	15.834.249(*)	4.206.268(*)	-	-	-	(22.447.763)	-
Disposals	-	-	-	(6.992.679)	(2.159.240)	-	(385)	-	(9.152.304)
<b>As of 31 December 2015</b>	<b>1.292.239</b>	<b>12.011.653</b>	<b>80.144.791</b>	<b>178.035.058</b>	<b>7.601.890</b>	<b>4.011.516</b>	<b>774.199</b>	<b>2.041.608</b>	<b>285.912.954</b>
<b>Accumulated depreciation</b>									
<b>As of 1 January 2015</b>	-	(6.883.826)	(35.657.007)	(129.538.539)	(3.811.335)	(2.495.599)	(754.965)	-	(179.141.271)
Current period depreciation	-	(246.383)	(2.308.814)	(7.103.308)	(1.222.864)	(191.725)	(3.753)	-	(11.076.847)
Disposals	-	-	-	6.732.202	912.782	-	385	-	7.645.369
<b>As of 31 December 2015</b>	-	<b>(7.130.209)</b>	<b>(37.965.821)</b>	<b>(129.909.645)</b>	<b>(4.121.417)</b>	<b>(2.687.324)</b>	<b>(758.333)</b>	-	<b>(182.572.749)</b>
<b>Net Book Value</b>									
<b>1 January 2015</b>	<b>1.292.239</b>	<b>2.204.799</b>	<b>27.666.396</b>	<b>40.211.916</b>	<b>3.245.502</b>	<b>1.164.152</b>	<b>11.234</b>	<b>2.215.376</b>	<b>78.011.614</b>
<b>31 December 2015</b>	<b>1.292.239</b>	<b>4.881.444</b>	<b>42.178.970</b>	<b>48.125.413</b>	<b>3.480.473</b>	<b>1.324.192</b>	<b>15.866</b>	<b>2.041.608</b>	<b>103.340.205</b>

(\*)The amount includes the capitalised interest and foreign exchange difference of TRY1,521,033, calculated in the context of TAS 23, for the R&D centre investment construction which was completed in Çayırova Şekerpinar.

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**NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

Cost	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and fixtures	Other Tangible Assets	Constructions in progress and	Total
<b>As of 1 January 2014</b>	<b>1.292.239</b>	<b>7.592.013</b>	<b>60.304.949</b>	<b>154.697.308</b>	<b>6.918.045</b>	<b>2.721.536</b>	<b>759.841</b>	<b>2.306.175</b>	<b>236.592.106</b>
Additions	-	108.689	87.283	10.332.954	1.980.393	518.407	6.358	10.023.048	23.057.132
Transfers from constructions in progress ("CIP")	-	1.387.923	2.931.171	5.332.455	-	462.298	-	(10.113.847)	-
Disposals	-	-	-	(612.262)	(1.841.601)	(42.490)	-	-	(2.496.353)
<b>As of 31 December 2014</b>	<b>1.292.239</b>	<b>9.088.625</b>	<b>63.323.403</b>	<b>169.750.455</b>	<b>7.056.837</b>	<b>3.659.751</b>	<b>766.199</b>	<b>2.215.376</b>	<b>257.152.885</b>
<b>Accumulated depreciation</b>									
<b>As of 1 January 2014</b>	-	(6.756.876)	(33.481.299)	(124.418.577)	(3.537.192)	(2.447.437)	(751.576)	-	(171.392.957)
Current period depreciation	-	(126.950)	(2.175.708)	(5.706.020)	(979.101)	(90.652)	(3.389)	-	(9.081.820)
Disposals	-	-	-	586.058	704.958	42.490	-	-	1.333.506
<b>As of 31 December 2014</b>	-	<b>(6.883.826)</b>	<b>(35.657.007)</b>	<b>(129.538.539)</b>	<b>(3.811.335)</b>	<b>(2.495.599)</b>	<b>(754.965)</b>	-	<b>(179.141.271)</b>
<b>Net Book Value</b>									
<b>1 January 2014</b>	<b>1.292.239</b>	<b>835.137</b>	<b>26.823.650</b>	<b>30.278.731</b>	<b>3.380.853</b>	<b>274.099</b>	<b>8.265</b>	<b>2.306.175</b>	<b>65.199.149</b>
<b>31 December 2014</b>	<b>1.292.239</b>	<b>2.204.799</b>	<b>27.666.396</b>	<b>40.211.916</b>	<b>3.245.502</b>	<b>1.164.152</b>	<b>11.234</b>	<b>2.215.376</b>	<b>78.011.614</b>



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**NOTE 11 - INTANGIBLE ASSETS**

1 January - 31 December 2015

Cost	Rights	Development costs	Other intangible assets	Constructions in progress and advances given	Total
<b>As of 1 January 2015</b>	<b>158.662</b>	<b>40.914.102</b>	<b>9.467.291</b>	<b>6.073.820</b>	<b>56.613.875</b>
Additions	-	-	1.158.312	15.619.641	16.777.953
Transfers	-	11.481.622	833.835	(12.315.457)	-
<b>As of 31 December 2015</b>	<b>158.662</b>	<b>52.395.724</b>	<b>11.459.438</b>	<b>9.378.004</b>	<b>73.391.828</b>
<b>Accumulated amortisation</b>					
<b>As of 1 January 2015</b>	<b>(34.696)</b>	<b>(18.082.614)</b>	<b>(4.205.645)</b>	<b>-</b>	<b>(22.322.955)</b>
Current year amortisation	(13.845)	(6.938.309)	(2.350.556)	-	(9.302.710)
<b>As of 31 December 2015</b>	<b>(48.541)</b>	<b>(25.020.923)</b>	<b>(6.556.201)</b>	<b>-</b>	<b>(31.625.665)</b>
<b>Net Book Value</b>					
<b>1 January 2015</b>	<b>123.966</b>	<b>22.831.488</b>	<b>5.261.646</b>	<b>6.073.820</b>	<b>34.290.920</b>
<b>31 December 2015</b>	<b>110.121</b>	<b>27.374.801</b>	<b>4.903.237</b>	<b>9.378.004</b>	<b>41.766.163</b>

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**NOTE 11 - INTANGIBLE ASSETS (Continued)**

1 January - 31 December 2014

Cost	Rights	Development costs	Other intangible assets	Constructions in progress and advances given	Total
<b>As of 1 January 2014</b>	<b>158.662</b>	<b>31.657.489</b>	<b>5.918.450</b>	<b>1.595.048</b>	<b>39.329.649</b>
Additions	-	-	2.617.590	14.666.636	17.284.226
Transfers	-	9.256.613	931.251	(10.187.864)	-
<b>As of 31 December 2014</b>	<b>158.662</b>	<b>40.914.102</b>	<b>9.467.291</b>	<b>6.073.820</b>	<b>56.613.875</b>
<b>Accumulated amortisation</b>					
<b>As of 1 January 2014</b>	<b>(34.696)</b>	<b>(12.172.646)</b>	<b>(2.571.039)</b>	<b>-</b>	<b>(14.778.381)</b>
Current year amortisation	-	(5.909.968)	(1.634.606)	-	(7.544.574)
<b>As of 31 December 2014</b>	<b>(34.696)</b>	<b>(18.082.614)</b>	<b>(4.205.645)</b>	<b>-</b>	<b>(22.322.955)</b>
<b>Net Book Value</b>					
<b>1 January 2014</b>	<b>123.966</b>	<b>19.484.843</b>	<b>3.347.411</b>	<b>1.595.048</b>	<b>24.551.268</b>
<b>31 December 2014</b>	<b>123.966</b>	<b>22.831.488</b>	<b>5.261.646</b>	<b>6.073.820</b>	<b>34.290.920</b>

**NOTE 12 - GOODWILL****31 December 2015**

	<b>Net Book Value</b>
<b>As of 1 January 2015</b>	<b>2.340.995</b>
Additions	-
Provision for impairment	-
<b>As of 31 December 2015</b>	<b>2.340.995</b>

**31 December 2014**

	<b>Net Book Value</b>
<b>As of 1 January 2014</b>	<b>2.340.995</b>
Additions	-
Provision for impairment	-
<b>As of 31 December 2014</b>	<b>2.340.995</b>



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**NOTE 13 - GOVERNMENT GRANTS**

In 2015, TRY498.788 was collected as cash in relation to R&D activities provided by TUBITAK (2014: TRY776,116). As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on 1 April 2008, R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% which amounts to TRY15,762,887 (2014: TRY15,057,685). In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, the Group applied to the Ministry of Industry and Commerce to become an R&D center. On 3 June 2009, the Group was entitled to become an R&D center. Regarding the TRY51.670.512 spent as of 31 December 2015 in accordance with Incentive Certificate No. 5487 dated 26 February 2010: the Group has started to benefit from the 20% investment incentive and 50% discounted corporate income tax incentive within the framework of Article 32/A of the Corporate Income Tax Law in proportion to the effect of the investment on generated income.

**NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

Provisions for expenses and liabilities (Short-term)	31 December 2015	31 December 2014
Warranty provisions	12.679.176	8.390.952
Provision for wage differences resulting from the collective labour	-	926.681
Provision for lawsuits	912.832	687.176
Provision for employee benefits	-	427.623
<b>Total</b>	<b>13.592.008</b>	<b>10.432.432</b>

Movements of provisions during the period are as follows:

	Warranty Provisions	Provision for lawsuits	Provision for employee benefits	Provision for derivative instruments	Total
<b>As of 1 January 2015</b>	8.390.952	687.176	427.623	926.681	<b>10.432.432</b>
Additions during the period	14.716.123	269.700	-	-	<b>14.985.823</b>
Less: Paid during the period	(10.427.899)	(25.894)	(427.623)	(926.681)	<b>(11.808.097)</b>
Reversal of provision (-)	-	(18.150)	-	-	<b>(18.150)</b>
<b>As of 31 December 2015</b>	<b>12.679.176</b>	<b>912.832</b>	<b>-</b>	<b>-</b>	<b>13.592.008</b>

	Warranty Provisions	Provision for lawsuits	Provision for employee benefits	Provision for derivative instruments	Total
<b>As of 1 January 2014</b>	7.226.702	520.099	290.986	-	<b>8.037.787</b>
Additions during the period	9.175.455	181.705	3.135.120	926.681	<b>13.418.961</b>
Less: Paid during the period	(8.011.205)	-	(2.998.483)	-	<b>(11.009.688)</b>
Reversal of provision (-)	-	(14.628)	-	-	<b>(14.628)</b>
<b>As of 31 December 2014</b>	<b>8.390.952</b>	<b>687.176</b>	<b>427.623</b>	<b>926.681</b>	<b>10.432.432</b>

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**NOTE 14 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)****Lawsuits against the Group:**

Amount of provisions allocated for the lawsuits which were filed against the Group as of 31 December 2015 and have not ended as of the balance sheet date equals TRY912.832 (31 December 2014: TRY687.176).

**Mortgages and Guarantees on Assets:**

There are not any mortgages and guarantees on assets.

**Total Insurance Coverage on Assets:**

Total insurance coverage on assets is TRY580.141.130 as of 31 December 2015 (31 December 2014: TRY399.734.646).

**Contingent liabilities as of 31 December 2015 and 31 December 2014 are as follows:**

Type	31 December 2015	31 December 2014
Letters of Guarantee	56.354.506	22.184.021
<b>Total</b>	<b>56.354.506</b>	<b>22.184.021</b>

Collaterals, pledges and mortgages "CPM" given by the Company as of 31 December 2015 and 31 December 2014 are as follows:

	31 December 2015	31 December 2014
<b>A. CPM's given in the name of its own legal personality</b>	<b>56.354.506</b>	<b>22.184.021</b>
i. Guarantee letter	56.354.506	22.184.021
ii. Mortgage	-	-
<b>B. CPM's given on behalf of the fully consolidated companies</b>	-	-
<b>C. CPM's given on behalf of third parties for ordinary course of business</b>	-	-
<b>D. Total amount of other CPM's given</b>	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-
ii. Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
<b>A. CPM's given in the name of its own legal personality</b>	-	-
<b>Total</b>	<b>56.354.506</b>	<b>22.184.021</b>

The ratio of CPM's given by the Company to the Company's equity is 0,00% as of 31 December 2015 (0,00% as of 31 December 2014).

The Group is exposed to foreign currency risk since its foreign currency denominated assets and liabilities are formed of different currencies. In order to hedge its foreign currency position due to the fluctuations in the foreign exchange parities, the Group enters into forward contracts.

**DİPNOT 15 – PROVISION FOR EMPLOYEE BENEFITS**

	31 December 2015	31 December 2014
Provision for employment termination benefit	13.546.911	12.493.579



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#### DİPNOT 15 – PROVISION FOR EMPLOYEE BENEFITS (Continued)

Within the framework of current laws in Turkey, it is obligatory to make the severance pay of each employee who has completed one year service period, has been paid off regardless of any related reason, has been called-up for military service along with men who have completed 25-year service period, women who have completed 20-year service period or those who have completed age of retirement (58 for women, 60 for men). Because there is not any funding obligation for the severance pay provision in Turkey, any special fund is not allocated in the financial statements. The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TRY4.092,53 (31 December 2014: TRY3.541,37) applicable as of 01 January 2016 has been regarded for the calculation of the Group's provision of severance pay. Moreover, the severance payments are not made for those who leave the job with his/her wish; estimated rate related to these severance pay amounts that will remain in the Group's account is considered.

Considering the Liability of Severance Pay are related to the next periods as per TAS 19, current values of the severance payments which will be made as of the balance sheet date are calculated to determine an approximate inflation expectation whose net difference refers a real discount rate and find an appropriate discount rate.

	31 December 2015	31 December 2014
Net Discount Rate (%)	3,77	3,18
Turnover rate to estimate the probability of retirement (%)	3,03	2,62

The provision calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees is recognised to the consolidated financial statements.

	2015	2014
Opening balance	12.493.579	11.114.649
Interest cost	1.354.691	1.041.964
Remeasurements	285.269	425.223
Less: Paid during the period	(1.573.696)	(1.000.959)
Current period service cost	987.068	912.702
Ending balance	13.546.911	12.493.579

#### NOTE 16 - OTHER ASSETS AND LIABILITIES

Prepaid Expenses	31 December 2015	31 December 2014
Advanced given	12.474.277	14.794.708
Prepaid insurance expenses	195.117	126.067
Prepaid subscription expenses	38.188	17.094
Prepaid advertisement expenses	12.749	46.708
Prepaid other expenses	172.320	109.067
<b>Total</b>	<b>12.892.651</b>	<b>15.093.644</b>

Other Current Assets	31 December 2015	31 December 2014
Deferred VAT	31.583.989	12.957.387
Derivative transactions income provisions (Note 29)	-	67.568
Other current assets	832.619	410.811
<b>Total</b>	<b>32.416.608</b>	<b>13.435.766</b>

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#### NOTE 16 - OTHER ASSETS AND LIABILITIES (Continued)

Prepaid expenses	31 December 2015	31 December 2014
Long-term prepaid expenses, other	22.070	19.722
<b>Total</b>	<b>22.070</b>	<b>19.722</b>

Deferred income (short term)	31 December 2015	31 December 2014
Short term deferred income(*)	874.641	1.005.023
<b>Total</b>	<b>874.641</b>	<b>1.005.023</b>

(\*) The amount of cash incentives received for the company's R&D activities, and which should be transferred to the income statement for upcoming months as of 31 December 2015, is TRY703.292 (31 December 2014: TRY814.693).

Deferred income (long term)	31 December 2015	31 December 2014
Long term deferred income(*)	1.207.583	1.683.193
<b>Total</b>	<b>1.207.583</b>	<b>1.683.193</b>

(\*) The amount which will be transferred to the consolidated income statement related to the upcoming years from the cash support received for R&D activities of the Company as of 31 December 2015 is TRY808.459 (31 December 2014: TRY1.112.720).

#### NOTE 17 - EQUITY

##### Capital / Elimination Adjustments

As of 31 December 2015 and 2014, the share capital of the Company is TRY25.419.707. This share capital is divided into 2.541.970.654 shares in total, including 1.366.404.402 A Group registered shares, 755.995.500 B Group registered shares, 419.570.752 C Group bearer's shares, each with nominal value of 1 (one) Kr. The distribution of this share capital on the basis of share group is as follows:

31 December 2015					
NAME	GROUP A	GROUP B	GROUP C	SHARE AMOUNT	SHARE (%)
YAZICILAR HOLDİNG A.Ş.	9.073.187	-	4.478	9.077.665	35,71
ÖZILHAN SINAİ YATIRIM A.Ş.	4.269.734	-	2.108	4.271.842	16,81
ANADOLU ENDÜSTRİ HOLDİNG A.Ş.	227.805	-	38.835	266.640	1,05
ISUZU MOTORS LTD.	-	4.319.991	-	4.319.991	16,99
ITOCHU CORPORATION TOKYO	-	2.405.286	-	2.405.286	9,46
ITOCHU CORPORATION İSTANBUL	-	834.678	-	834.678	3,28
BEARER TO SHARES PUBLICLY OWNED	-	-	3.811.860	3.811.860	15,00
BEARER SHARES	93.318	-	338.427	431.745	1,70
<b>TOTAL</b>	<b>13.664.044</b>	<b>7.559.955</b>	<b>4.195.708</b>	<b>25.419.707</b>	<b>100,00</b>



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**NOTE 17 – EQUITY (Continued)****31 December 2014**

NAME	GROUP A	GROUP B	GROUP C	SHARE AMOUNT	SHARE (%)
YAZICILAR HOLDİNG A.Ş.	9.073.187	-	4.478	9.077.665	35,71
ÖZILHAN SINAİ YATIRIM A.Ş.	4.269.734	-	2.108	4.271.842	16,81
ANADOLU ENDÜSTRİ HOLDİNG A.Ş.	227.805	-	38.835	266.640	1,05
ISUZU MOTORS LTD.	-	4.319.991	-	4.319.991	16,99
ITOCU CORPORATION TOKYO	-	2.405.286	-	2.405.286	9,46
ITOCU CORPORATION İSTANBUL	-	834.678	-	834.678	3,28
BEARER TO SHARES PUBLICLY OWNED	-	-	3.811.860	3.811.860	15,00
BEARER SHARES	93.318	-	338.427	431.745	1,70
<b>TOTAL</b>	<b>13.664.044</b>	<b>7.559.955</b>	<b>4.195.708</b>	<b>25.419.707</b>	<b>100,00</b>

The amount TRY25.419.707 corresponding to the share capital of the company, is fully paid up as free from any misleading transactions. The Company is not included in registered capital system.

**Privileges Granted to the Share Groups**

The Company is directed by the fourteen members of the Board of Directors elected among shareholders by General Assembly in accordance with the regulations of Turkish Commercial Code.

Four members of the Board of Directors are elected from the candidates nominated by the shareholders of Group B and the remaining members of the Board of Directors are elected from the candidates nominated by the shareholders of Group A by the General Assembly.

**31 December 2015**

Paid-in share capital	25.419.707
Adjustment to share capital	86.901.880
Restricted reserves	162.363.654
Retained earnings	31.047.813
Gain/(loss) on revaluation and remeasurement	(115.217)
Net profit for the year	17.743.897
<b>Shareholders' equity attributable to equity holders of the Group</b>	<b>323.361.734</b>
Non-controlling shares	-
<b>Total shareholders' equity</b>	<b>323.361.734</b>

**31 December 2014**

Paid-in share capital	25.419.707
Adjustment to share capital	86.901.880
Restricted reserves	159.657.537
Retained earnings	27.468.021
Gain/(loss) on revaluation and remeasurement	112.998
Net profit for the year	34.342.260
<b>Shareholders' equity attributable to equity holders of the Group</b>	<b>333.902.403</b>
Non-controlling shares	-
<b>Total shareholders' equity</b>	<b>333.902.403</b>

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**NOTE 17 – EQUITY (Continued)****Restricted reserves**

Restricted reserves are comprised of legal reserves and other reserves.

	31 December 2015	31 December 2014
Legal reserves	22.477.015	19.770.898
Real estate sale profit exemption	138.437.248	138.437.248
Profit reserves from sale of affiliates	1.449.390	1.449.390
Profit on cancelled shares certificates	1	1
<b>Total</b>	<b>162.363.654</b>	<b>159.657.537</b>

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 Company's paid-in 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 capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital. In addition, the Group's profit on the sale of real estate, which is considered to be within the scope of Article 5/e of Corporate Income Tax Law No. 5520, is classified under this accounting category as a "Real estate sale profit exemption". As of 31 December 2015, the Group's total restricted reserves are TRY162.363.654 (31 December 2014: TRY159.657.537).

**Retained earnings**

Retained earnings is comprised of extraordinary reserves, miscellaneous inflation differences and other prior years income. The Company's prior years' income details as of period ends are as follows:

	31 December 2015	31 December 2014
Extraordinary reserves	5.965.961	2.386.169
Inflation difference of legal reserves	25.081.046	25.081.046
Inflation difference of cancelled shares certificates	806	806
<b>Total</b>	<b>31.047.813</b>	<b>27.468.021</b>

Quoted companies make profit distributions as follows:

Based on the CMB Decree 7/242, dated 25 February 2005, if the amount of profit distributions calculated in accordance with the net distributable profit requirements of the CMB does not exceed the statutory net distributable profit, the total amount of distributable profit should be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit should be distributed. However, no profit distribution would be made if any financial statements prepared in accordance with the CMB or any statutory accounts carrying net loss for the period. In accordance with the CMB's decision dated 27 January 2010; it is decided not to bring any obligation for any minimum profit distribution about dividend distribution which will be made for publicly owned companies.

Inflation adjustment difference in Equity can be utilised in issuing bonus shares and in offsetting accumulated losses; the carrying amount of extraordinary reserves could have been utilised in issuing bonus shares, cash dividend distribution and offsetting accumulated losses. However, equity inflation adjustment differences will be liable to corporate tax if it is used in cash profit distribution.



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**NOTE 17 – EQUITY (Continued)****Restricted reserves (Continued)**

Group's retained earnings is TRY31.047.813 based on the consolidated financial statements prepared in accordance with TAS/IFRS Financial Reporting Standard for the period ended 31 December 2015.

In accordance with the Communiqué No:XI-29 and related announcements of TAS/IFRS, effective from 1 January 2008, "Share Capital", "Restricted Reserves" and "Share Premiums" shall be carried at their statutory amount. The valuation differences shall be classified as follows:

- the difference arising from the "Paid-in Capital" and not been transferred to capital yet, shall be classified under the "Inflation Adjustment to Share Capital";
- the difference due to the inflation adjustment of "Restricted Reserves" and "Share Premium" and the amount has not been utilised in dividend distribution or capital increase yet, shall be classified under "Retained Earnings". Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

**NOTE 18 - SALES AND COST OF SALES**

Sales	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
Domestic sales	933.302.777	660.676.015
Foreign sales	79.235.341	119.392.771
Other sales	5.216.151	8.077.122
<b>Sales Total (Gross)</b>	<b>1.017.754.269</b>	<b>788.145.908</b>
Less: Discounts	(82.259.728)	(59.001.976)
<b>Sales (Net)</b>	<b>935.494.541</b>	<b>729.143.932</b>
<b>Cost of sales</b>	<b>(779.196.290)</b>	<b>(603.856.665)</b>
<b>Gross operating profit/loss</b>	<b>156.298.251</b>	<b>125.287.267</b>

Cost of sales are summarised as follows;

Cost of Sales	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
Direct raw material costs	777.024.850	470.013.403
Direct labor costs	45.387.522	32.378.029
Depreciation and amortisation expenses	16.171.839	12.041.145
Manufacturing overhead costs	15.930.359	11.497.622
<b>Total cost of production</b>	<b>854.514.570</b>	<b>525.930.199</b>
Change in semi-finished and finish goods inventory	(140.642.755)	(12.540.965)
Cost of trade goods sold	62.723.348	87.803.953
Other cost of sales	2.601.127	2.663.478
<b>Total cost of sales</b>	<b>779.196.290</b>	<b>603.856.665</b>

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**NOTE 19 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTIONS EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES**

NOTE 19 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTIONS EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
<b>a) Research and development expenses</b>		
Personnel expenses	(782.012)	(583.502)
Trade goods quality enhancement expenses	(2.085.416)	(1.450.875)
Depreciation and amortisation expenses	(487.488)	(170.588)
Other	(309.904)	(168.634)
<b>Total Research and Development Expenses</b>	<b>(3.664.820)</b>	<b>(2.373.599)</b>
<b>b) Marketing, selling and distribution expenses</b>		
Domestic sales expenses	(7.628.031)	(7.297.435)
Export expenses	(7.713.272)	(11.612.551)
Personnel expenses	(10.210.609)	(8.437.329)
Advertising expenses	(8.714.878)	(7.475.542)
Warranty expenses	(14.716.123)	(9.175.455)
Depreciation and amortisation expenses	(1.667.428)	(1.512.836)
Other	(19.472.903)	(16.967.468)
<b>Total Marketing, Selling and Distribution Expenses</b>	<b>(70.123.244)</b>	<b>(62.478.616)</b>
<b>c) General and administrative expenses</b>		
Personnel expenses	(13.610.575)	(11.351.606)
Provisions for employee termination benefits	(987.068)	(912.702)
Service and work expenses	(11.806.964)	(9.988.907)
Depreciation and amortisation expenses	(1.501.845)	(999.039)
Insurance expenses	(1.529.012)	(1.090.205)
Other	(6.665.966)	(5.645.605)
<b>Total General and Administrative Expenses</b>	<b>(36.101.430)</b>	<b>(29.988.064)</b>

**NOTE 20 - EXPENSES BY NATURE**

	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
Direct material costs	777.024.850	470.013.403
Cost of trade goods sold	62.723.348	87.803.953
Cost of other goods sold	2.601.127	2.663.478
Change in goods inventory	(140.642.755)	(12.540.965)
Other operational expenses	80.642.469	70.872.677
Personnel expenses	70.977.786	53.663.168
Depreciation and amortisation expenses	19.828.600	14.723.608
Other production expenses	15.930.359	11.497.622
<b>Total expenses</b>	<b>889.085.784</b>	<b>698.696.944</b>

Expenses by nature include cost of goods sold, marketing, selling and distribution expenses, general administration expenses and research and development expenses.



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**NOTE 21 - OTHER OPERATING INCOME/EXPENSES**

<b>NOTE 21 - OTHER OPERATING INCOME/EXPENSES</b>		
	<b>1 January 2015 - 31 December 2015</b>	<b>1 January 2014 - 31 December 2014</b>
<b>Other operating income:</b>		
Foreign Exchange Income on Trade Receivable and Payables	1.863.154	5.415.203
Rediscount Income on Trade Payables	3.602.206	2.142.431
Rent income	57.404	86.583
Service income	259.101	376.099
MESS support income	807.513	-
Tubitak R&D incentive	914.450	944.300
Export support and price stabilization fund income	101.442	140.957
Stock count surpluses	12.418	59.365
Insurance indemnity income	49.593	27.214
Other	1.987.608	1.274.275
<b>Total</b>	<b>9.654.889</b>	<b>10.466.427</b>
<b>Other operating expenses:</b>		
Foreign Exchange Expenses on Trade Receivable and Payables	(24.312.530)	(1.819.800)
Rediscount Expenses on Trade Receivables	(4.402.625)	(3.035.347)
Contribution expense	(149.095)	(1.114.700)
Other	(309.173)	(125.552)
<b>Total</b>	<b>(29.173.423)</b>	<b>(6.095.399)</b>

**NOTE 22 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES**

	<b>1 January 2015 - 31 December 2015</b>	<b>1 January 2014 - 31 December 2014</b>
<b>Income from investing activities</b>		
Gain on sale of Machinery and Equipment	685.149	282.169
Gain on sale of subsidiary shares	-	25.225
<b>Total</b>	<b>685.149</b>	<b>307.394</b>

	<b>1 January 2015 - 31 December 2015</b>	<b>1 January 2014 - 31 December 2014</b>
<b>Expenses from investing activities</b>		
Loss on sale of Machinery and Equipment	(93.660)	(218.779)
<b>Total</b>	<b>(93.660)</b>	<b>(218.779)</b>

**NOTE 23 - FINANCIAL INCOME**

	<b>1 January 2015 - 31 December 2015</b>	<b>1 January 2014 - 31 December 2014</b>
<b>Financial income:</b>		
Interest income	8.730.687	13.264.315
Credit finance income	1.125.431	1.602.879
Foreign exchange gains	17.104.847	8.088.217
<b>Total</b>	<b>26.960.965</b>	<b>22.955.411</b>

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**NOTE 24 - FINANCIAL EXPENSES**

	<b>1 January 2015 - 31 December 2015</b>	<b>1 January 2014 - 31 December 2014</b>
<b>Financial expenses:</b>		
Interest expenses	(8.414.691)	(7.485.021)
Foreign exchange losses	(23.855.720)	(8.631.669)
Credit finance expenses	(2.024.129)	(1.486.602)
Other financial expenses	(2.142.670)	(1.568.991)
<b>Total</b>	<b>(36.437.210)</b>	<b>(19.172.283)</b>

**NOTE 25 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

The Group's tax (expense) / income is comprised of current period corporate tax expense and deferred tax income/(expense).

<b>Account name</b>	<b>1 January 2015 - 31 December 2015</b>	<b>1 January 2014 - 31 December 2014</b>
Current income tax provision	(251.375)	(4.267.224)
Deferred tax (expense) / income		
- Income Statement	(10.195)	(80.275)
<b>Total tax (expense) / income - Income Statement</b>	<b>(261.570)</b>	<b>(4.347.499)</b>
Tax income / (expense) - Comprehensive		
Income Statements	57.054	85.045
<b>Total tax (expense) / income</b>	<b>(204.516)</b>	<b>(4.262.454)</b>

	<b>31 December 2015</b>	<b>31 December 2014</b>
Current period corporate tax	251.375	4.267.224
Prepaid taxes	(2.383.654)	(4.191.980)
<b>Taxes payable</b>	<b>(2.132.279)</b>	<b>75.244</b>

*i) Provision for Current Period Tax*

The Group is subject to Corporate Tax in Turkey. Necessary provisions in supplementary financial statements have been made for estimated tax liabilities regarding Group's operations in the current period. The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit ; deducting investment and research and development allowances , income not subject to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

Effective Corporate Tax Rates:

The corporate tax rate was determined as 20% by the Corporate Tax Law No.5520 after publishing at Official Gazette on 21 September 2006 including the earnings in the fiscal year 2006. Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 25th of April in the following year. Tax authorities have the right to audit tax declarations and accounting records for 5 years, and may issue re-assessment based on their findings.

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed, except for resident companies in Turkey receiving dividends from resident companies in Turkey and Turkish branches of foreign companies.



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**NOTE 25 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES (Continued))****Income Withholding Tax:**

The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

**ii) Deferred Tax:**

The deferred tax asset and tax liability are based on the temporary differences, which arise between the financial statements prepared according to TAS/IFRS's accounting standards and statutory tax financial statements. These differences are usually due to the recognition of revenue and expenses in different reporting periods for the TAS/IFRS standards and tax purposes.

Temporary differences are result of recognizing certain income and expense items differently for accounting and tax purposes. Temporary differences are calculated off of the tangible fixed assets (except land and buildings), intangible fixed assets, stocks, the revaluation of prepaid expenses, discount of receivables, provision for termination indemnities, and previous years' loss. Every accounting year, the Group reviews the deferred tax asset and in circumstances, where the deferred tax assets cannot be used against the future taxable income, the Group writes-off the recorded deferred tax asset. Corporate tax rate is used in the calculation of deferred taxes.

	31 December 2015		31 December 2014	
	Cumulative Temporary Differences	Deferred Tax Assets/(Liabilities)	Cumulative Temporary Differences	Deferred Tax Assets/(Liabilities)
Inventories	1.514.942	302.988	1.769.506	353.901
Non-current assets	(42.575.959)	(8.515.191)	(37.184.966)	(7.436.993)
Provision for employee termination benefits	13.546.911	2.709.382	12.493.579	2.498.716
Guarantee provisions	12.679.176	2.535.836	8.390.952	1.678.190
Provision for employee benefits	-	-	427.623	85.525
Rediscount expenses/income (Net)	2.659.816	531.963	1.860.432	372.086
Law suit provisions	912.832	182.566	687.176	137.435
Other (Net)	-	-	59.125	11.825
<b>Total</b>		<b>(2.252.456)</b>		<b>(2.299.315)</b>

	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
<b>Movements of deferred income tax:</b>		
Opening	(2.299.315)	(2.304.085)
Deferred tax income on income statements	(10.195)	(80.275)
Deferred tax income on comprehensive income statements	57.054	85.045
<b>Total</b>	<b>(2.252.456)</b>	<b>(2.299.315)</b>

Dönem vergi giderinin dönem kar/ zararı ile mutabakatı aşağıdaki gibidir:

	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
<b>Reconciliation of tax provision:</b>		
<b>Income/ (Loss) from continuing operations</b>	<b>18.005.467</b>	<b>38.689.759</b>
Corporate tax rate (20%)	(3.601.093)	(7.737.952)
<b>Taxation effect:</b>		
R&D deductions	3.152.577	3.011.537
- Income on R&D subsidies	182.890	188.860
- Non-deductible expenses for tax purposes	(32.292)	(10.858)
- Tax-free income	36.348	210.758
- Other	-	(9.844)
<b>Loss)/income tax provision on statements of income</b>	<b>(261.570)</b>	<b>(4.347.499)</b>

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**NOTE 26 - INCOME/(LOSS) PER SHARE**

	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
Net income/ (loss) for the period (TRY)	17.743.897	34.342.260
Weighted average number of shares with nominal value of Kr 1 each	2.541.970.654	2.541.970.654
<b>Income / (loss) per 100 share with nominal value of TRY1 each</b>	<b>0,6980</b>	<b>1,3510</b>

**NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES****a) Related party balances:**

Group's receivables from related parties are mainly due to trade goods, service sales and rent income. Group's payables to related parties are mainly due to raw material, service purchases and rent expenses.

**31 December 2015**

D) Related Parties	Receivables		Payables	
	Trade	Other	Trade	Other
Payables to shareholders (*)	-	-	-	9.109
Anadolu Endüstri Holding A.Ş.	-	-	6.042	-
Itochu Corporation Tokyo	-	-	135.144.834	-
Isuzu Motors International Operation Thailand	-	-	4.258.975	-
Isuzu Motors Ltd. Tokyo	1.170.210	-	3.214.906	-
Çelik Motor Ticaret A.Ş.	5.381.517	-	-	-
Efestur Turizm İşletmeleri A.Ş.	-	-	180.315	-
Anadolu Bilişim Hizmetleri A.Ş.	-	-	232.497	-
Yazıcılar Holding A.Ş.	-	-	8.074	-
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	5.141	-
AEH Sigorta Acenteliği A.Ş.	-	-	96.588	-
AEH Gayrimenkul Yatırımları A.Ş.	-	-	1.914	-
Migros Ticaret A.Ş.	-	-	399.072	-
<b>Total</b>	<b>6.551.727</b>	<b>-</b>	<b>143.548.358</b>	<b>9.109</b>

(\*) Payables to shareholders balance is classified under other payables in the consolidated balance sheet.



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**NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)****31 December 2014**

D) Related Parties	Receivables		Payables	
	Trade	Other	Trade	Other
Payables to shareholders (*)	-	-	-	9.109
Anadolu Endüstri Holding A.Ş.	50.325	-	-	-
Itochu Corporation Tokyo	-	-	117.039.076	-
Isuzu Motors International Operation Thailand	390.713	-	21.007.658	-
Isuzu Motors Ltd. Tokyo	750.768	-	3.159.958	-
Çelik Motor Ticaret A.Ş.	415.195	-	-	-
Efestur Turizm İşletmeleri A.Ş.	-	-	62.226	-
Anadolu Bilişim Hizmetleri A.Ş.	-	-	1.277.004	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	-	-	424	-
Adel Kalemcilik Tic. ve San. A.Ş.	4.720	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	22.374	-
Anadolu Otomotiv Dış Ticaret A.Ş.	90	-	-	-
<b>Total</b>	<b>1.611.811</b>	<b>-</b>	<b>142.568.720</b>	<b>9.109</b>

(\*) Payables to shareholders balance is classified under other payables in the consolidated balance sheet.

**b) Related party transactions:**

1 January -31 December 2015	Goods and Service sales	Sales of Fixed assets	Other income	Total revenues / Sales
<b>Sales to related parties</b>				
Isuzu Motors International Operation Thailand	699.643	-	-	699.643
Isuzu Motors Ltd. Tokyo	2.657.610	-	-	2.657.610
Isuzu Motors Co. Thailand Ltd.	28.615	-	-	28.615
Çelik Motor Ticaret A.Ş.	5.533.255	-	-	5.533.255
Ana Gıda İhtiyaç Maddeleri ve San. ve Tic. A.Ş.	31.085	-	-	31.085
Anadolu Sağlık Merkezi İktisadi İşletmesi	3.338	-	-	3.338
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	12.986	12.986
Anadolu Motor Üretim ve Paz. A.Ş.	433.569	-	-	433.569
Kamil Yazıcı Yönetim ve Danışmanlık A.Ş.	29.181	-	-	29.181
Alternatifbank A.Ş.	-	-	5.169.183	5.169.183
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	2.171	-	-	2.171
<b>Total</b>	<b>9.418.467</b>	<b>-</b>	<b>5.182.169</b>	<b>14.600.636</b>

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**NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)****1 January -31 December 2014**

Sales to related parties	Goods and Service sales	Sales of Fixed assets	Other income	Total revenues / Sales
Isuzu Motors International Operation Thailand	1.357.087	-	-	1.357.087
Isuzu Motors Ltd. Tokyo	2.074.908	-	-	2.074.908
Çelik Motor Ticaret A.Ş.	1.104.021	-	-	1.104.021
Anadolu Endüstri Holding A.Ş.	43.693	-	-	43.693
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	24.000	24.000
Anadolu Bilişim Hizmetleri A.Ş.	55.578	-	-	55.578
Anadolu Motor Üretim ve Paz. A.Ş.	539.477	-	12.000	551.477
Anadolu Otomotiv Dış Ticaret A.Ş.	-	140.750	-	140.750
Anadolu Sağlık Merkezi İktisadi İşletmesi	20.129	-	-	20.129
Alternatifbank A.Ş.	-	-	1.195.363	1.195.363
<b>Total</b>	<b>5.194.893</b>	<b>140.750</b>	<b>1.231.363</b>	<b>6.567.006</b>

**1 January -31 December 2015**

Purchases from related parties	Goods and Service purchases	Fixed asset purchases	Other	Total expense/ Purchases
Anadolu Motor Üretim ve Paz. A.Ş.	40	-	-	40
Çelik Motor Ticaret A.Ş.	13.346	-	869.562	882.908
Anadolu Endüstri Holding A.Ş.	4.640.130	1.300	6.000	4.647.430
Itochu Corporation Tokyo	268.960.989	-	-	268.960.989
Isuzu Motors International Operation Thailand	99.577.484	-	-	99.577.484
Isuzu Motors Ltd. Tokyo	10.939.134	-	-	10.939.134
Isuzu Motors Ltd. Europe	3.070	-	-	3.070
Isuzu Motors Co. Thailand Ltd.	21.100	-	-	21.100
Isuzu Techno Co.,Ltd	50.422	-	-	50.422
Efestur Turizm İşletmeleri A.Ş.	3.356.378	-	-	3.356.378
Anadolu Bilişim Hizmetleri A.Ş.	3.200.805	1.473.890	-	4.674.695
Adel Kalemcilik Tic. ve San. A.Ş.	23.065	-	-	23.065
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	6.911	-	-	6.911
Alternatifbank A.Ş.	-	-	293.117	293.117
Anadolu Sağlık Merkezi İktisadi İşletmesi	95.457	-	-	95.457
AEH Gayrimenkul Yatırımları A.Ş.	11.357	-	-	11.357
Migros Ticaret A.Ş.	70.156	-	-	70.156
Oyex Handels GmbH	41.494	-	-	41.494
Yazıcılar Holding A.Ş.	2.844	-	44.151	46.995
<b>Total</b>	<b>391.014.182</b>	<b>1.475.190</b>	<b>1.212.830</b>	<b>393.702.202</b>



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**NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)****1 January -31 December 2014**

Purchases from related parties	Goods and Service purchases	Fixed asset purchases	Other	Total Expense/Purchases
Çelik Motor Ticaret A.Ş.	14.760	-	711.768	726.528
Anadolu Endüstri Holding A.Ş.	4.176.293	1.060	4.673	4.182.026
Itochu Corporation Tokyo	173.686.867	-	-	173.686.867
Isuzu Motors International Operation Thailand	103.718.899	-	-	103.718.899
Isuzu Motors Ltd. Tokyo	9.695.088	-	-	9.695.088
Isuzu Motors Ltd. Europe	19.625	-	-	19.625
Efestur Turizm İşletmeleri A.Ş.	2.771.424	-	-	2.771.424
Anadolu Bilişim Hizmetleri A.Ş.	1.965.482	2.928.238	-	4.893.720
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	9.140	-	-	9.140
Anadolu Sağlık Merkezi İktisadi İşletmesi	23.889	-	-	23.889
AEH Sigorta Acenteliği A.Ş.	948.871	-	-	948.871
Anadolu Araçlar Ticaret A.Ş.	140	-	-	140
Alternatifbank A.Ş.	-	-	259.227	259.227
<b>Total</b>	<b>297.030.478</b>	<b>2.929.298</b>	<b>975.668</b>	<b>300.935.444</b>

**c) Donations to Anadolu Eğitim ve Sosyal Yardım Vakfı:**

As per the Article No:19 in the Main Articles of Association of the Group, at least 2% - 5% of the Group's profit before tax following the distribution of 1st dividend shall be donated to Anadolu Eğitim ve Sosyal Yardım Vakfı as long as it is subject to tax exemption. TRY80.000 donation was made to Anadolu Eğitim ve Sosyal Yardım Vakfı in the current year.

(31 December 2014: TRY1.100.000 donation was made).

**d) Key management compensation:**

	1 January 2015 - 31 December 2015	1 January 2014 - 31 December 2014
Salaries and other short-term benefits	5.818.790	3.621.766
<b>Total</b>	<b>5.818.790</b>	<b>3.621.766</b>

The benefits provided to top management (automotive group chairman, general manager and directors) included salaries, bonuses, premiums, and the employer's share of social security.

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**NOTE 28 - FINANCIAL RISK MANAGEMENT****(a) Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

The Group's equity comprised of cash and cash equivalents (Note 4) and respectively share capital, capital reserves, profit reserves and retained earnings items (Note 17).

Risks, associated with each capital class, and the capital cost are evaluated by the top management. It is aimed that the capital structure will be set in balance by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the top management evaluations.

The Group monitors capital by using debt to total capital ratio. This ratio is calculated by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet). Total capital is calculated by adding net debt to shareholders' equity as indicated in the balance sheet.

	31 December 2015	31 December 2014
Financial Liabilities	438.877.837	209.035.920
Total Shareholders' Equity	323.361.734	333.902.403
<b>Debt/Total equity</b>	<b>1,36</b>	<b>0,63</b>

General strategy of the Group based on shareholders' equity is not different from previous periods.

The Group conducts hedging contracts (including derivative financial instruments) for the purpose of diversifying foreign currency fluctuation risks.

**(b) Price risk**

Equity instruments which are classified on Group's balance sheet as available-for-sale are subjected to price risk. In order to manage the price risk due to capital instruments, The Group has a limited number of financial assets which are available-for-sale.

**(c) Market risk**

The Group is subject to the financial risks related to the changes in the exchange rate (Please see (d) below) and interest rate (Please see (e) below) due to its operations and other (Please see (f) below). Also due to having financial instruments, the Group also bears the risk of other parties not meeting the requirements of agreements (Please see (g) below).

Market risks seen at the level of the Group are measured in accordance with sensitivity analyses.

The market risk of the Group incurred during the current year or the method of handling the encountered risks or the method of measuring those risks are not different from the previous year.

**(d) Foreign exchange risk**

Foreign currency transactions may result in foreign currency fluctuation risk.

The Group maintains foreign currency time deposit accounts in banks as the Group has receivables and payables in foreign currencies. As a consequence, the Group is exposed to foreign currency exchange risk due to the changes in exchange rates used for converting assets and liabilities into TRY. Foreign exchange risk arises from future trade operations and the differences between assets and liabilities.



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**NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)**

Sensitivity analysis of foreign exchange		
31 December 2015	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
If USDS appreciated/(depreciated) against TRY by 10%;		
1- USD currency net asset/liability	(414.252)	414.252
2- Hedged items (-)	-	-
<b>3- Net effect of USD (1+2)</b>	<b>(414.252)</b>	<b>414.252</b>
If EUR appreciated/(depreciated) against TRY by 10%;		
7- EUR currency net asset/liability	(16.068.754)	16.068.754
5- Avro Riskinden Korunan Kısım (-)	-	-
<b>6- Net effect of EUR(4+5)</b>	<b>(16.068.754)</b>	<b>16.068.754</b>
If Other appreciated/(depreciated) against TRY by 10%;		
7- Other currency net asset/liability	(13.615.134)	13.615.134
8- Hedged items (-)	-	-
<b>9- Net effect of Other (7+8)</b>	<b>(13.615.134)</b>	<b>13.615.134</b>
<b>TOTAL (3+6+9)</b>	<b>(30.098.140)</b>	<b>30.098.140</b>

Sensitivity analysis of foreign exchange		
31 December 2014	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
If US\$ appreciated/(depreciated) against TRY by 10%;		
1- USD currency net asset/liability	(1.881.559)	1.881.559
5- Hedged items (-)	-	-
<b>3- Net effect of USD (1+2)</b>	<b>(1.881.559)</b>	<b>1.881.559</b>
If EUR appreciated/(depreciated) against TRY by 10%;		
4- EUR currency net asset/liability	(4.033.740)	4.033.740
5- Hedged items (-)	-	-
<b>6- Net effect of EUR(4+5)</b>	<b>(4.033.740)</b>	<b>4.033.740</b>
If Other appreciated/(depreciated) against TRY by 10%;		
7- Other currency net asset/liability	(10.923.707)	10.923.707
8- Hedged items (-)	-	-
<b>9- Net effect of Other (7+8)</b>	<b>(10.923.707)</b>	<b>10.923.707</b>
<b>TOTAL (3+6+9)</b>	<b>(16.839.006)</b>	<b>16.839.006</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)**

	Foreign currency position table					31 December 2015					31 December 2014				
	TRY Amount	USD	EUR	JPY	Other	TRY Amount	USD	EUR	JPY	Other	TRY Amount	USD	EUR	JPY	Other
1. Trade receivables	17.213.460	13.256	5.048.858	47.000.000	-	20.270.331	311.491	6.930.200	-	-	-	-	-	-	-
2a. Monetary financial assets	9.638.540	26.994	2.990.397	2.075.456	1.812	19.091.992	786.688	5.098.489	148.972.711	1.184	-	-	-	-	-
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Other	762.646	-	-	31.673.994	-	123.038	-	-	6.359.532	-	-	-	-	-	-
<b>4. Total current assets (1+2+3)</b>	<b>27.614.646</b>	<b>40.250</b>	<b>8.039.255</b>	<b>80.749.450</b>	<b>1.812</b>	<b>39.485.361</b>	<b>1.098.179</b>	<b>12.028.689</b>	<b>155.332.243</b>	<b>1.184</b>	-	-	-	-	-
5. Trade payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>8. Total non-current assets (5+6+7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9. Total assets(4+8)</b>	<b>27.614.646</b>	<b>40.250</b>	<b>8.039.255</b>	<b>80.749.450</b>	<b>1.812</b>	<b>39.485.361</b>	<b>1.098.179</b>	<b>12.028.689</b>	<b>155.332.243</b>	<b>1.184</b>	-	-	-	-	-
10. Trade payables	144.873.664	1.464.773	790.305	5.735.668.108	-	146.138.447	9.065.166	2.048.215	6.168.240.300	803	-	-	-	-	-
11. Financial liabilities	128.189.741	-	40.341.686	-	-	28.637.373	-	10.152.577	-	-	-	-	-	-	-
12a. Other monetary liabilities	1.513.441	200	476.101	-	-	4.934.141	147.027	1.628.390	-	-	-	-	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>13. Total current liabilities (10+11+12)</b>	<b>274.576.846</b>	<b>1.464.973</b>	<b>41.608.092</b>	<b>5.735.668.108</b>	<b>-</b>	<b>179.709.961</b>	<b>9.212.193</b>	<b>13.829.182</b>	<b>6.168.240.300</b>	<b>803</b>	-	-	-	-	-
14. Trade payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	54.019.200	-	17.000.000	-	-	28.207.000	-	10.000.000	-	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>17. Total non-current liabilities (14+15+16)</b>	<b>54.019.200</b>	<b>-</b>	<b>17.000.000</b>	<b>-</b>	<b>-</b>	<b>28.207.000</b>	<b>-</b>	<b>10.000.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18. Total liabilities (13+17)</b>	<b>328.596.046</b>	<b>1.464.973</b>	<b>58.608.092</b>	<b>5.735.668.108</b>	<b>-</b>	<b>207.916.961</b>	<b>9.212.193</b>	<b>23.829.182</b>	<b>6.168.240.300</b>	<b>803</b>	-	-	-	-	-
19. Off-balance sheet derivative instruments net position (19a-19b)	-	-	-	-	-	41.537	-	(2.500.000)	366.635.000	-	-	-	-	-	-
19a. Total Amount of Hedged Assets	-	-	-	-	-	7.093.287	-	-	366.635.000	-	-	-	-	-	-
19b. Total Amount of Hedged Liabilities	-	-	-	-	-	7.051.750	-	2.500.000	-	-	-	-	-	-	-
<b>20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)</b>	<b>(300.981.400)</b>	<b>(1.424.723)</b>	<b>(50.568.837)</b>	<b>(5.654.918.659)</b>	<b>1.812</b>	<b>(168.390.063)</b>	<b>(8.114.014)</b>	<b>(14.300.493)</b>	<b>(5.646.273.057)</b>	<b>381</b>	-	-	-	-	-
21. Monetary Items Net Foreign Exchange Asset / (liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	(301.744.046)	(1.424.723)	(50.568.837)	(5.686.592.652)	1.812	(168.554.638)	(8.114.014)	(11.800.493)	(6.019.267.589)	381	-	-	-	-	-
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Assets	-	-	-	-	-	(7.051.750)	-	-	-	-	-	-	-	-	-
23. The Amount of Hedged part of Foreign Exchange Liabilities	-	-	-	-	-	7.093.287	-	-	-	-	-	-	-	-	-
<b>23. Export</b>	<b>79.235.341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.392.771</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Import</b>	<b>462.308.317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>329.644.134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)**

e) Interest rate risk

The Group is exposed to interest rate risk either through market value fluctuations of balance sheet items or the impact of rate change on interest-sensitive assets and liabilities. The financial liabilities and assets with fixed and variable interest rates are respectively shows at Note 4 and Note 6.

Interest rate position table		
	31.12.2015	31.12.2014
<b>Financial assets with fixed rates</b>		
Financial assets	75.274.455	94.493.229
Cash and cash equivalents	(116.240.146)	(43.714.139)
<b>Financial liabilities with variable rates</b>		
Financial assets	-	-
Financial liabilities	(156.256.013)	(60.297.527)

As of 31 December 2015, if the market interest rate had increased/decreased by 1% with all other variables held constant, income before taxes for the period would have been higher/lower by TRY1.562.560 (31 December 2014: TRY TRY602.975).

(f) Funding risk

The ability to fund the existing and prospective debt requirements is managed as necessary by obtaining adequate committed funding lines from high quality lenders.

(g) Credit risk management

The risk of a financial loss for the Group due to failing of one of the parties of the contract to meet its obligations is defined as credit risk. The Group's credit risk is basically related to its receivables. The balance shown in the balance sheet is formed by the net amount after deducting the doubtful receivables arisen from the Group management's forecasts based on its previous experience and current economical conditions (Note 7).

Most of trade receivables are comprised of receivables from costumers who has given an adequate amount of guarantees. An effective control system was established to collect the receivables. Credit risk arising from transactions is followed and these risks are taken into account when assessing each debtor. Because there are so many costumers, The Group's credit risk is dispersed and there is no important credit risk concentration. Receivables from foreign costumers as of 31 December 2015 are TRY17.213.460 and there is no geographical concentration (31 December 2014: TRY20.270.331).

31 December 2015	Receivables				Notes	Deposits in Banks	Notes
	Trade Receivables		Other Receivables				
	Related	Other	Related	Other			
<b>Maximum credit risk exposed as of the date of reporting (A+B+C+D+E)</b>	<b>6.551.727</b>	<b>279.220.471</b>	<b>-</b>	<b>1.297.825</b>		<b>78.323.654</b>	
- The part of maximum risk secured by guarantee etc.	-	279.220.471	-	-	7	-	
<b>A. Net book value of financial assets which are undue or which is not impaired</b>	<b>6.551.727</b>	<b>249.649.698</b>	<b>-</b>	<b>1.297.825</b>	<b>7-8-27</b>	<b>78.323.654</b>	<b>4</b>
<b>B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Net book value of assets, overdue but not impaired</b>	<b>-</b>	<b>29.570.773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Secured by guarantee and etc.	-	29.570.773	-	-	-	-	-
<b>D. Net book value of assets decrease in value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Overdue (gross book value)	-	(333.324)	-	-	7	-	-
- Impairment (-)	-	333.324	-	-	7	-	-
- The part of net value secured by guarantee etc.	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value secured by guarantee etc.	-	-	-	-	-	-	-
<b>E. Elements containing credit risk off the balance sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)**

31 December 2014	Receivables				Notes	Deposits in Banks	Notes
	Trade Receivables		Other Receivables				
	Other	Related	Other	Related			
<b>Maximum credit risk exposed as of the date of reporting (A+B+C+D+E)</b>	<b>1.611.811</b>	<b>229.092.922</b>	<b>-</b>	<b>533.055</b>		<b>111.044.344</b>	
- The part of maximum risk secured by guarantee etc.	-	229.092.922	-	-	7	-	
<b>A. Net book value of financial assets which are undue or which is not impaired</b>	<b>1.611.811</b>	<b>205.949.319</b>	<b>-</b>	<b>533.055</b>	<b>7-8-27</b>	<b>111.044.344</b>	<b>4</b>
<b>B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Net book value of assets, overdue but not impaired</b>	<b>-</b>	<b>23.143.603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Secured by guarantee and etc.	-	23.143.603	-	-	-	-	-
<b>D. Net book value of assets decrease in value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Overdue (gross book value)	-	(333.324)	-	-	7	-	-
- Impairment (-)	-	333.324	-	-	7	-	-
- The part of net value secured by guarantee etc.	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value secured by guarantee etc.	-	-	-	-	-	-	-
<b>E. Elements containing credit risk off the balance sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The ageing of trade receivables, overdue but not impaired, is as follows;

31 December 2015	Receivable				
	Trade Receivable	Other Receivable	Bank Deposit	Derivative Instruments	Trade Receivable
1-30 days overdue	26.613.696	-	-	-	-
1-3 months overdue	2.957.077	-	-	-	-
3-12 months overdue	-	-	-	-	-
1-5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
<b>Assets covered portion with guarantee letter etc.</b>	<b>29.570.773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 December 2014	Receivable				
	Trade Receivable	Other Receivable	Bank Deposit	Derivative Instruments	Trade Receivable
1-30 days overdue	20.829.243	-	-	-	-
1-3 months overdue	2.314.360	-	-	-	-
3-12 months overdue	-	-	-	-	-
1-5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
<b>Assets covered portion with guarantee letter etc.</b>	<b>23.143.603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Impairment analysis on trade receivables is made over the ageing table and though assessing the management's best estimates.



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**NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)**

(h) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Liquidity Risk Tables**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and having the availability and flexibility of funding through an adequate amount of (committed) credit facilities.

The risk of meeting existing and probable future liabilities is managed only by means of having access to sufficient number of trustable creditors.

The table below indicates derivative and non-derivative financial liabilities of the Group in terms of TRY and maturity term.

**31 December 2015****Non-derivative financial liabilities**

<b>Contractual maturities:</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Up to 3 months</b>	<b>Between 3 and 12 months</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>
Bank borrowings	272.496.159	291.773.124	7.296.718	144.559.522	139.916.884	-
Corporate bonds issued	-	-	-	-	-	-
Financial Lease	-	-	-	-	-	-
Trade Payables	244.939.780	246.003.138	153.647.880	92.355.258	-	-
Other Liabilities	8.932.199	8.932.199	8.932.199	-	-	-
<b>Non-derivative financial liabilities</b>	<b>526.368.138</b>	<b>546.708.461</b>	<b>169.876.797</b>	<b>236.914.780</b>	<b>139.916.884</b>	<b>-</b>

**Derivative financial liabilities**

The Group had no derivative financial liabilities as of 31 December 2015.

**31 December 2014****Non-derivative financial liabilities**

<b>Contractual maturities:</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Up to 3 months</b>	<b>Between 3 and 12 months</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>
Bank borrowing	104.011.666	107.833.161	32.009.272	46.574.584	29.249.305	-
Corporate bonds issued	-	-	-	-	-	-
Financial Lease	-	-	-	-	-	-
Trade Payables	216.142.712	216.819.901	121.236.201	95.583.700	-	-
Other Liabilities	10.591.657	10.591.657	10.591.657	-	-	-
<b>Non-derivative financial liabilities</b>	<b>330.746.035</b>	<b>335.244.719</b>	<b>163.837.130</b>	<b>142.158.284</b>	<b>29.249.305</b>	<b>-</b>

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**NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)****Derivative Financial Liabilities**

<b>Contractual maturities:</b>	<b>Carrying value</b>	<b>Total contractual cash outflow</b>	<b>Up to 3 months</b>	<b>Between 3 and 12 months</b>	<b>Between 1 and 5 years</b>	<b>Over 5 years</b>
Derivative cash received	7.093.287	7.093.287	2.838.011	4.255.276	-	-
Derivative cash outflow	(7.051.750)	(7.025.719)	(2.811.538)	(4.214.181)	-	-
<b>Derivative financial liabilities</b>	<b>41.537</b>	<b>67.568</b>	<b>26.473</b>	<b>41.095</b>	<b>-</b>	<b>-</b>

**NOTE 29 - FINANCIAL INSTRUMENTS****(Fair value and hedging disclosures)**

The Group believes that registered values of financial instruments reflect their fair values.

**Objectives of Financial Risk Management**

Finding access to financial markets and managing financial risks arisen from operational activities of the Group fall under the responsibility of the Group's finance department. Aforementioned risks include market risk (foreign exchange risk, interest rate risk and price risk) Financial risk covers market risk (exchange rate risk, fair value of interest risk and price risk), credit risk liquidity risk and cash flow risk.

Determination of the fair value of financial assets and liabilities are explained below;

Level 1: Valuation of the financial assets and liabilities over the stock exchange prices of similar assets and liabilities resulting from the transactions in active markets.

Level 2: Valuation of the financial assets and liabilities over the price calculated on the basis of the data that is directly or indirectly observable in the market other than the stock exchange price of the relevant asset or liability determined on the first level.

Level 3: Valuation of the financial assets and liabilities carried out in the absence of observable data in the market for determining the fair value of the relevant asset or liability.

**Derivative financial instruments**

In order to hedge these risks, the Group enters into forward foreign currency transaction agreements as a financial instrument where necessary.

The Group had no forward foreign exchange contracts for derivative financial instruments as of 31 December 2015.

<b>31 December 2014</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Assets	-	7.093.287	-	<b>7.093.287</b>
Liability	-	(7.025.719)	-	<b>(7.025.719)</b>
Net	-	<b>67.568</b>	-	<b>67.568</b>

The Group has a Forward Foreign Currency Purchase Agreement (EUR2.500.000 in return for JPY366.635.000) as of 31 December 2014. An expense accrual of TRY67.568 regarding this agreement is reflected in the financial statements.

**NOTE 30 - SUBSEQUENT EVENTS**

None.



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