ANADOLU ISUZU OTOMOTİV
SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2011

(ORIGINALLY ISSUED IN TURKISH)

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.6)

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

CONTENTS	PAGE

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.6)

INTERIM CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2011 AND 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	30 September 2011	Audited 31 December 2010
ASSETS			
Current assets		**268.686.461**	**244.549.815**
Cash and cash equivalents	**4**	29.110.023	13.737.183
Trade receivables			
-Due from related parties	**25**	1.085.685	2.742.807
-Other trade receivables	**7**	71.315.611	84.416.791
Other receivables	**8**	376.196	3.134.401
Inventories	**9**	160.767.411	135.310.450
Other current assets	**15**	6.031.535	5.208.183
Non-current assets		**83.628.151**	**85.478.604**
Trade receivables	**7**	-	124.815
Other receivables	**8**	1.623	1.367
Financial assets	**5**	3.898	3.898
Property, plant and equipment	**10**	62.437.958	64.847.596
Intangible assets	**11**	12.788.989	10.864.354
Goodwill	**11**	2.340.995	2.340.995
Deferred tax assets	**23**	6.042.793	7.287.106
Other non-current assets	**15**	11.895	8.473
Total assets		**352.314.612**	**330.028.419**

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

These interim consolidated financial statements as of and for the period ended 30 September 2011 have been approved for issue by the Board of Directors ("BOD") on 4 Kasım 2011 and signed on its behalf of BOD by General Manager Ömer Lütfü ABLAY and by Finance Manager Bekir TÖMEK.

INTERIM CONSOLIDATED BALANCE SHEETS
AT 30 SEPTEMBER 2011 AND 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	30 September 2011	Audited 31 December 2010
LIABILITIES			
Current liabilities		**172.052.878**	**160.874.027**
Financial liabilities	**6**	79.679.996	76.812.537
Trade payables			
-Due to related parties	**25**	62.912.232	54.025.574
-Other trade payables	**7**	19.959.159	20.777.957
Other payables	**8**	1.973.281	3.221.748
Current income tax liabilities	**23**	32.556	45.469
Provisions	**13**	6.636.917	5.108.489
Other current liabilities	**15**	858.737	882.253
Non-current liabilities		**8.190.254**	**7.361.552**
Provision for employment benefits	**14**	7.365.189	6.363.428
Other non-current liabilities	**15**	825.065	998.124
EQUITY	**16**	**172.071.480**	**161.792.840**
Shareholders' equity		**172.053.636**	**161.777.428**
Paid-in capital		25.419.707	25.419.707
Adjustment to share capital		86.901.880	86.901.880
Restricted reserves		13.739.132	13.661.519
Prior years' income		35.713.916	40.352.286
Loss for the period		10.279.001	(4.557.964)
Minority interest	**16**	**17.844**	**15.412**
TOTAL LIABILITIES AND EQUITY		**352.314.612**	**330.028.419**

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

INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 2010
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	01.01.2011-30.09.2011	01.07.2011-30.09.2011	01.01.2010-30.09.2010	01.07.2010-30.09.2010
CONTINUING OPERATIONS					
Revenue	**17**	318.018.086	101.919.326	222.250.671	81.428.845
Cost of sales (-)	**17**	(267.679.247)	(86.920.896)	(195.655.960)	(71.605.709)
GROSS PROFIT		**50.338.839**	**14.998.430**	**26.594.711**	**9.823.136**
Marketing, selling and distribution expenses (-)	**18**	(22.751.997)	(7.489.784)	(18.497.652)	(5.922.813)
General administrative expenses (-)	**18**	(14.706.773)	(5.002.263)	(12.747.039)	(3.804.991)
Research and development expenses (-)	**18**	(706.758)	(305.253)	(607.482)	(201.714)
Other income	**20**	3.241.453	1.045.274	2.935.425	795.668
Other expenses (-)	**20**	(1.026.007)	(27.592)	(1.313.131)	(481.071)
OPERATING PROFIT/(LOSS)		**14.388.757**	**3.218.812**	**(3.635.168)**	**208.215**
Financial income	**21**	9.741.382	4.761.992	3.947.008	716.473
Financial expenses (-)	**22**	(12.470.327)	(5.749.571)	(8.257.243)	(2.135.699)
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**11.659.812**	**2.231.233**	**(7.945.403)**	**(1.211.011)**
Income tax (expense)/ income from continuing operations		**(1.378.379)**	**19.760**	**2.299.081**	**506.446**
- Taxes on income (-)	**23**	(134.066)	(33.809)	(111.810)	(35.374)
- Deferred tax (expense)/ income	**23**	(1.244.313)	53.569	2.410.891	541.820
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		**10.281.433**	**2.250.993**	**(5.646.322)**	**(704.565)**
PROFIT/(LOSS) FOR THE PERIOD		**10.281.433**	**2.250.993**	**(5.646.322)**	**(704.565)**
Attributable to:	**16**	**10.281.433**	**2.250.993**	**(5.646.322)**	**(704.565)**
Minority interest		2.432	893	(1.951)	(252)
Equity holders of the parent		10.279.001	2.250.100	(5.644.371)	(704.313)
Profit/(Loss) per hundred shares	**24**	**0,4044**	**0,0885**	**(0,2220)**	**(0,0277)**

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	01.01.2011-30.09.2011	01.07.2011-30.09.2011	01.01.2010-30.09.2010	01.07.2010-30.09.2010
PROFIT/(LOSS) FOR THE PERIOD		**10.281.433**	**2.250.993**	**(5.646.322)**	**(704.565)**
Other comprehensive income		**-**	**-**	**-**	**-**
Fair value differences on financial assets		-	-	-	-
Revaluation differences on non-current assets		-	-	-	-
Cumulative differences on hedging		-	-	-	-
Cumulative translation differences		-	-	-	-
Actuarial gains and losses on benefit plan		-	-	-	-
Tax gains and losses related to other comprehensive income				-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		**-**	**-**	**-**	**-**
Total comprehensive income attributable to:		**10.281.433**	**2.250.993**	**(5.646.322)**	**(704.565)**
Minority interest		2.432	893	(1.951)	(252)
Equity holders of the parent		10.279.001	2.250.100	(5.644.371)	(704.313)

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

INTERIM CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2011 AND 31 DECEMBER 2010
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated.)

	Notes	30 September 2011	30 September 2010
Operating activities:			
Net profit/(loss)	**16**	**10.279.001**	**(5.644.371)**
Adjustments to reconcile net cash generated:			
Depreciation	**10**	5.093.256	5.597.015
Amortisation	**11**	1.747.188	1.230.967
Provision for employee benefits	**14**	1.403.107	1.093.988
Income on taxes	**23**	1.378.379	(2.299.081)
Interest income	**21**	(1.004.482)	(448.062)
Interest expenses	**22**	4.590.963	3.500.428
Foreign exchange differences on borrowings		0	70.400
Other non-cash generating expenses		2.307.348	(1.407.994)
(Gain)/Loss on sales of property, plant and equipment	**20**	(122.455)	(46.760)
Net operating income /(loss) before changes in assets and liabilities		**11.269.949**	**25.672.305**
Changes in assets and liabilities:			
Net decrease in trade receivables		14.286.533	(3.619.595)
Net decrease in inventories	**9**	(25.456.961)	(14.300.348)
Net (increase)/decrease in other current assets	**8-15**	1.969.046	(2.991.168)
Net decrease in other non-current assets		121.137	4.612.115
Net (increase) in trade payables	**7-25**	8.322.345	25.051.872
Net (decrease) in other liabilities		(1.665.761)	(3.375.101)
Taxes paid		(139.498)	(106.746)
Emploment benefits paid	**14**	(401.346)	(3.188.293)
Cash flows used in operating activities:		**22.707.800**	**3.729.266**
Investing activities:			
Purchase of property, plant and equipment	**10**	(2.530.588)	(7.757.115)
Purchase of intangible assets	**11**	(4.085.350)	(3.619.832)
Cash flows used in investing activities:		**(6.615.938)**	**(11.376.947)**
Financing activities:			
Dividend payments		-	-
Interests received		999.924	453.711
Interests paid		(1.723.504)	(1.840.314)
Proceeds from borrowings		51.000.000	28.718.050
Repayments of borrowings		(51.000.000)	(21.081.412)
Net cash generated from financing activities:		**(723.580)**	**6.250.035**
Net decrease in cash and cash equivalents		**15.368.282**	**(1.397.646)**
Cash and cash equivalents at the beginning of period	**4**	13.734.534	15.573.254
Cash and cash equivalents at the end of period	**4**	**29.102.816**	**14.175.608**

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH (NOTE 2.1.6)

ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 SEPTEMBER 2011 AND 30 SEPTEMBER 2010

Not Audited	Notes	Paid in capital	Adjustment to capital	Total paid in share capital	Restricted reserves	Special reserves	Retained earings	Profit/(Loss) for the period	Shareholders' equity attributable to equity holders of the Group	Minority interest	Total shareholders' equity
As of 1 January 2010	**16**	**25.419.707**	**86.901.880**	**112.321.587**	**13.584.210**	**-**	**59.554.789**	**(19.122.401)**	**166.338.185**	**14.219**	**166.352.404**
Transfers	**16**	-	-	-		-	(19.122.401)	19.122.401	**-**	-	**-**
Dividends paid	**16**	-	-	-	77.309	-	(80.102)	-	**(2.793)**	-	**(2.793)**
Total comprehensive income	**16**	-	-	-		-	-	(5.644.371)	**(5.644.371)**	(1.951)	**(5.646.322)**
As of 30 September 2010	**16**	**25.419.707**	**86.901.880**	**112.321.587**	**13.661.519**	**-**	**40.352.286**	**(5.644.371)**	**160.691.021**	**12.268**	**160.703.289**

Not Audited											
As of 1 January 2011	**16**	**25.419.707**	**86.901.880**	**112.321.587**	**13.661.519**	**-**	**40.352.286**	**(4.557.964)**	**161.777.428**	**15.412**	**161.792.840**
Transfers	**16**	-	-	-	-	-	(4.557.964)	4.557.964	**-**	-	**-**
Dividends paid	**16**	-	-	-	77.613	-	(80.406)	-	**(2.793)**	-	**(2.793)**
Total comprehensive income	**16**	-	-	-	-	-	-	10.279.001	**10.279.001**	2.432	**10.281.433**
As of 30 September 2011	**16**	**25.419.707**	**86.901.880**	**112.321.587**	**13.739.132**	**-**	**35.713.916**	**10.279.001**	**172.053.636**	**17.844**	**172.071.480**

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

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

DİPNOT 1 ŞİRKET'İN ORGANİZASYONU VE FAALİYET KONUSU

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 Istanbul Stock Exchange 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 Gebze/Kocaeli. The average number of employees as of 30 September 2011 is 518 (31 December 2010: 492).

The Company's official address registered in the Trade Registry is Ankara Asfaltı Soğanlık Köy Karşısı Kartal, Istanbul.

As of 30 September 2011 and 31 December 2010, details regarding the Company's subsidiaries, which are subject to consolidation, are as follows,

Subsidiaries	Nature of business	Capital	Ownership interest held by the Company (%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	99,44
Anadolu Isuzu Dış Ticaret ve San. A.Ş.	Trade	100.000	97,00

Hereafter, the Company and the subsidiaries 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 Group maintains its books of account and prepares its statutory consolidated financial statements in accordance with the regulations of the Capital Markets Board of Turkey (CMB), Turkish Commercial Code, Tax Procedural Law and Uniform Chart of Accountants published by Ministry of Finance.

The Capital Markets Board ("CMB") regulated the principles and procedures of preparation, presentation and announcement of consolidated financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). The Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25, "The Accounting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by the Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB, which do not contradict with the aforementioned standards shall be applied.

The Group's consolidated financial statements are presented with its functional currency that is the currency of the primary economic environment in which the Group operates. The Group's financial position and operation results are indicated in the Group's functional currency, TRY.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1.1 Financial reporting standards (Continued)

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB have not been announced by TASB as of the date of preparation of these consolidated financial statements, the condensed consolidated financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB, CMB Financial Reporting Standards which are based on IAS/IFRS. The consolidated financial statements and the related notes to them are presented in accordance with the formats required by the CMB that announced in newsletters dated 17 April 2008 and 9 January 2009 including the compulsory disclosures.

2.1.2 Consolidation principles

(a) Subsidiaries

Subsidiaries are the companies, whose shares are held by the Company directly or indirectly through shares of other companies. As a result, the Company, with or without over 50% of voting right, has the power and authority to direct and control the management and policies of the Subsidiary companies whether through the ownership of voting securities, by contract or otherwise.

Balance sheet and income statements of the Subsidiaries are consolidated according to "the full consolidation method". The book value of the Company's investments in Subsidiaries and the Subsidiaries' capitals were netted accordingly. Transactions and balances between the Company and Subsidiaries are eliminated during consolidation.

(b) Financial assets at fair value through profit or loss

Available-for-sale financial assets in which the Group, have ownership interests below 20%, or over which the Group does not exercise a significant influence or which are immaterial and do not have quoted market prices in active markets and whose fair values cannot be reliably measured, are carried at cost, less any provision for diminution in value.

(c) Minority interest

The minority shares in the net assets and operating results of Subsidiaries are separately classified in the consolidated balance sheets and income statements as "minority interest". If losses related to minority interest are over benefits from shares of a subsidiary and if there is no bounding liability to the minority, in general, these losses related with the minority result against to benefits of the minority.

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 consolidated financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period consolidated financial statements. In this respect, the idle capacity expenses were classified under cost of sales in the current period and provisions no longer required priorly classified under other operating income have been classified to general and administrative expenses.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1.5 Amendments in International Financial Reporting Standards

a) Standards, amendments and interpretations effective for the financial year beginning 1 January 2011 which are relevant to the Company's operations and adopted by the Company:

- IAS 24 (Revised), "Related party disclosures" supersedes IAS 24, "Related party disclosures", issued in 2003. IAS 24 (revised) is mandatory for annual periods beginning on or after 1 January 2011. This amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It clarifies and simplifies the definition of a related party
- Annual improvements 2010 are effective for annual periods beginning 1 January 2011. This set of amendments includes changes to four standards, namely;

> IFRS 7 "Financial Instruments: Disclosures"
> IAS 1 "Financial statements presentation"
> IAS 27 "Consolidated and separate financial statements"
> IAS 34 "Interim financial reporting"

b) Standards, amendments and interpretations effective for the financial year beginning 1 January 2011 which are not relevant to the Company's operations and not adopted by the Company

- IFRIC 19, "Extinguishing financial liabilities with equity instruments" is effective from 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability.
- IAS 32 (Amendment), "Financial Instruments: Presentation" applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer.
- IFRS 1 (Amendment), "First-time adoption" is effective for annual periods beginning 1 July 2010. This amendment provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7, 'Financial instruments: Disclosures', regarding comparative information for the new three-level classification disclosures.
- IFRIC 14, "Prepayments of a minimum funding requirement" are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The amendments correct an unintended consequence of IFRIC 14 on IAS 19, "The limit on a defined benefit asset, minimum funding requirements and their interaction".
- Annual improvements 2010 are effective but not relevent for annual periods beginning 1 January 2011. This set of amendments includes changes to three standards and one IFRIC, namely;

> IFRS 1 "First-time adoption"
> IFRS 3 "Business combinations"
> IFRIC 13 "Customer loyalty programmes"

c) Standards, amendments and interpretations not yet effective as of 30 September 2011 and not early adopted by the Company:

- IFRS 7 (Amendment), "Financial instruments: Disclosures" is effective for annual periods beginning on or after 1 July 2011. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.1.5 Amendments in International Financial Reporting Standards (Continued)

- IFRS 1 (Amendment), "First time adoption" is effective for annual periods beginning on or after 1 July 2011. Amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.
- IAS 12 (Amendment), "Income taxes" is effective for annual periods beginning on or after 1 January 2012. This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value.
- IAS 19 (Amendment), "Employee benefits" is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.
- IAS 1 (Amendment), "Financial statement presentation" is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in Other comprehensive income (OCI)on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments).
- IFRS 9, "Financial Instruments" is not applicable until 1 January 2013 but is available for early adoption. This standard is the first step in the process to replace IAS 39, "Financial instruments: recognition and Measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets.
- IFRS 10, "Consolidated financial statements" is effective for annual periods beginning on or after 1 January 2013. This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.
- IFRS 11, "Joint arrangements" is effective for annual periods beginning on or after 1 January 2013. This standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed.
- IFRS 12, "Disclosures of interests in other entities" is effective for annual periods beginning on or after 1 January 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- IFRS 13, "Fair value measurement" is effective for annual periods beginning on or after 1 January 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.
- IAS 27, "Separate financial statements" is effective for annual periods beginning on or after 1 January 2013. This standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.
- IAS 28, "Associates and joint ventures" is effective for annual periods beginning on or after 1 January 2013. This standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

Related amendments and interpretations do not have material effect over the consolidated financial statements.

2.1.6 Convenience translation into English of consolidated financial statements

The accounting principles described in Note 2.2 to the consolidated financial statements (defined as CMB Financial Reporting Standards) differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January and 31 December 2005. Accordingly, the consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS

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:.

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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 01 January 2005 are carried at indexed historical cost for inflation effects as at 31 December 2004; however, purchases after 01 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 IFRS 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 IFRS 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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. Development costs previously recognised as expense are not recognised as an asset in a subsequent period.

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 Fair value of financial instruments

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

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

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

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Monetary assets

The fair values of balances denominated in foreign currencies, which are translated using year-end exchange rates, are considered to approximate their carrying value. The fair values of certain financial assets carried at cost, including cash and amounts due from banks and deposits with banks are considered to approximate their respective carrying values due to their short-term nature. The carrying values of trade receivables along with the related allowances for impairment are estimated to be their fair values due to their short-term nature. Trade receivables are proposed to reflect fair value when the book value is accounted with doubtful allowance for trade receivables.

Monetary liabilities

The fair values of monetary liabilities are considered to approximate their respective carrying values due to their short-term nature. Long-term borrowings, which are mainly denominated in foreign currencies, are translated at year-end exchange rates and their fair values approximate their carrying values as floating interest is applied on these loans generally.

2.2.17 Losses per share

Losses 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 losses 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.

2.2.18 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.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (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.

2.2.19 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.

2.2.20 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.

2.2.21 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 12.

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2.2.22 Derivative financial 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.

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 IAS 39, "Financial Instruments: Recognition and Measurement", and therefore are accounted for as derivatives held-for-trading in the consolidated financial statement.

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.

2.2.23 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. On the other hand, 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. However; if the affect of the accounting estimate to the financial statement is not determinable, then it is not disclosed in the notes to the financial statements.

2.2.24 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.

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

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.

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	30 September 2011	31 December 2010
Cash	17.515	31.409
Banks - Demand deposits	12.588.951	1.957.258
Banks - Time deposits (up to 3 months)	16.273.457	11.748.516
Other	230.100	-
Total	**29.110.023**	**13.737.183**

There are no blocked deposits as of 30 September 2011 and 31 December 2010.

Cash and cash equivalents presented in the interim consolidated cash flow statements as of 30 September 2011, 31 December 2010 and 30 September 2011 are as follows:

	30 September 2011	31 December 2010	30 September 2010
Cash and banks	29.110.023	13.737.183	14.180.743
Less: Interest Accruals	(7.207)	(2.649)	(5.135)
Total (Except Interest Accruals)	**29.102.816**	**13.734.534**	**14.175.608**

The details of time deposits are as follows:

	30 September 2011		31 December 2010	
	Amount in TRY	Annual Interest Rate (%)	Amount in TRY	Annual Interest Rate (%)
TRY	770.110	6,00-6,50	6.837.429	6,00-9,00
USD	11.777.254	0,25-4,50	4.019.623	0,25-2,25
EUR	3.726.093	0,25-4,50	891.464	0,25-3,25
Total	**16.273.457**		**11.748.516**	

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 30 September 2011, time and demand deposits amounting to TRY21.114.311 are at Alternatifbank A.Ş., a related party of the Group (31 December 2010: TRY12.531.537).

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

NOTE 5 - FINANCIAL ASSETS

The Group's financial assets are composed of shares classified as available-for-sale financial assets and details are as follows:

	30 September 2011		31 December 2010	
Company	**Share Amount**	**Share Ratio%**	**Share Amount**	**Share Ratio %**
Efestur AŞ.	1.621	2,50	1.621	2,50
Anadolu Otomotiv Dış Ticaret A.Ş.	2.277	2,00	2.277	2,00
Total available-for-sale financial assets	**3.898**		**3.898**	

The Group's equity securities are all unlisted and are carried at their cost values.

NOTE 6 - FINANCIAL LIABILITIES

The details of bank loans as of 30 September 2011 and 31 December 2010 are as follows:

	Effective Interest Rate %		Original Currency		Amount in TRY	
	30 September 2011	**31 December 2010**	**30 September 2011**	**31 December 2010**	**30 September 2011**	**31 December 2010**
Short-term Bank Loans						
TRY	9,64	8,30	76.000.000	76.000.000	79.679.996	76.812.537
Total					**79.679.996**	**76.812.537**

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

Period	30 September 2011	31 December 2010
Up to 1 month	14.503.049	31.002.587
Total	**14.503.049**	**31.002.587**

Bank loans have been borrowed for short-term working capital needs of the Group and the Group does not have any long-term financial liabilities.

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

Short-term trade receivables	**30 September 2011**	**31 December 2010**
Trade Receivables, net	69.839.740	81.392.025
Cheques Recevied	1.475.871	3.024.766
Doubtful Receivables	333.324	333.324
Less: Provision for doubtful receivables	(333.324)	(333.324)
Total	**71.315.611**	**84.416.791**

Movements of provision for doubtful receivables are as follows:

	30 September 2011	**31 December 2010**
1 January	**333.324**	**333.324**
Provisions during the period	-	-
Collections during the period	-	-
31 December	**333.324**	**333.324**

Long-term trade receivables	**30 September 2011**	**31 December 2010**
Export-registered VAT receivables	-	124.815
Total	**-**	**124.815**

Trade payables as of period ends are as follows:

Trade Payables	**30 September 2011**	**31 December 2010**
Trade payables, net	19.959.159	20.777.957
Total	**19.959.159**	**20.777.957**

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Other Short-term Receivables	**30 September 2011**	**31 December 2010**
Receivables from government authorities (*)	57.905	2.985.776
Receivables from personnel	318.291	147.749
Deposits and guarantees given	-	876
Total	**376.196**	**3.134.401**

(*) At 30 September 2011 the Group does not have any receivables from government authorities which is attributable to VAT return application arising from 2010 transactions (31 December 2010: TRY2.894.032).

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (CONTINUED)

Other Long-term Receivables	**30 September 2011**	**31 December 2010**
Deposits and guarantees given	1.623	1.367
Total	**1.623**	**1.367**

Other Payables

Other Short-term Liabilities	**30 September 2011**	**31 December 2010**
Due to shareholders	11.580	11.761
Due to personnel	346.213	280.524
Order advances received	287.251	128.906
Taxes and funds payable	693.231	1.387.367
Social security premiums payable	626.093	603.398
Taxes to be deducted	-	808.777
Other miscellaneous payables	8.913	1.015
Total	**1.973.281**	**3.221.748**

NOTE 9- INVENTORIES

Inventory balances as of period ends are as follows:

	30 September 2011	**31 December 2010**
Raw materials	39.813.424	36.149.020
Semi-finished goods	1.227.405	2.856.318
Finished goods	44.158.783	45.126.735
Trade goods	16.511.737	10.318.088
Other inventories	768.864	322.942
Advances given for import and domestic purchases	58.684.938	41.010.539
	161.165.151	**135.783.642**
Less: Provisions for impairment of finished goods	(397.740)	(473.192)
Total Inventories	**160.767.411**	**135.310.450**

Movements of Provision for Impairment on Inventories	**30 September 2011**	**31 December 2010**
Opening balance	473.192	488.323
Less: Provision released due to the net realizable value	(75.452)	(15.131)
Current period charge	-	-
Ending balance	**397.740**	**473.192**

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

NOTE 10- PROPERTY, PLANT AND EQUIPMENT

Cost	Land	Land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Constructions in progress and advances given	Total
As of 1 January 2011	**2.427.379**	**7.586.482**	**62.521.347**	**139.808.972**	**3.739.789**	**2.841.583**	**824.796**	**37.846**	**219.788.194**
Additions		64.580	7.525	2.269.763	129.446	2.400		56.874	**2.530.588**
Transfers					413.527				**413.527**
Disposals				(226.253)	(409.772)				**(636.025)**
As of 30 September 2011	**2.427.379**	**7.651.062**	**62.528.872**	**141.852.482**	**3.872.990**	**2.843.983**	**824.796**	**94.720**	**222.096.284**
Accumulated depreciation									
As of 1 January 2011	**-**	**(6.470.359)**	**(30.288.431)**	**(112.593.953)**	**(2.092.469)**	**(2.670.590)**	**(824.796)**	**-**	**(154.940.598)**
Current period depreciation		(85.665)	(1.619.281)	(2.796.166)	(522.976)	(69.168)			**(5.093.256)**
Disposals				175.477	200.051				**375.528**
As of 30 September 2011	**-**	**(6.556.024)**	**(31.907.712)**	**(115.214.642)**	**(2.415.394)**	**(2.739.758)**	**(824.796)**	**-**	**(159.658.326)**
Net Book Value									
Net Book Value as of 1 January 2011	**2.427.379**	**1.116.123**	**32.232.916**	**27.215.019**	**1.647.320**	**170.993**	**-**	**37.846**	**64.847.596**
Net Book Value as of 30 September 2011	**2.427.379**	**1.095.038**	**30.621.160**	**26.637.840**	**1.457.596**	**104.225**	**-**	**94.720**	**62.437.958**

Due to the significant ambiguities in the construction structure of the region in which the land and buildings are located, the fair value of the land and buildings of the Group in the "Property, plant and equipment" and from which the Group receives rental income, and whose net book value is TRY4.576.465 (31 December 2010: TRY4.761.076), cannot be determined in a reliable way as of the balance sheet date.

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

NOTE 10- PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land	Land improvements	Buildings	Machinery and equipment	Motor vehicles	Furniture and fixtures	Other tangible assets	Constructions in progress and advances given	Total
Cost									
As of 1 January 2010	**2.427.379**	**7.574.732**	**62.519.247**	**132.784.709**	**4.910.498**	**2.807.615**	**836.669**	**2.196**	**213.863.045**
Additions		11.750	2.100	6.627.513	988.582	33.968	-	93.202	**7.757.115**
Transfer									
Disposals				(88.713)	(1.854.861)		(11.873)		**(1.955.447)**
As of 30 September 2010	**2.427.379**	**7.586.482**	**62.521.347**	**139.323.509**	**4.044.219**	**2.841.583**	**824.796**	**95.398**	**219.664.713**
Accumulated depreciation									
As of 1 January 2010	**-**	**(6.357.251)**	**(28.129.481)**	**(108.617.332)**	**(1.907.877)**	**(2.570.473)**	**(836.669)**	**-**	**(148.419.083)**
Current period depreciation		(84.782)	(1.619.232)	(3.143.066)	(675.464)	(74.471)			**(5.597.015)**
Disposals				88.713	420.156		11.873		**520.742**
As of 30 September 2010	**-**	**(6.442.033)**	**(29.748.713)**	**(111.671.685)**	**(2.163.185)**	**(2.644.944)**	**(824.796)**	**-**	**(153.495.356)**
Net Book Value									
Net Book Value as of 1 January 2010	**2.427.379**	**1.217.481**	**34.389.766**	**24.167.377**	**3.002.621**	**237.142**	**-**	**2.196**	**65.443.962**
Net Book Value as of 30 September 2010	**2.427.379**	**1.144.449**	**32.772.634**	**27.651.824**	**1.881.034**	**196.639**	**-**	**95.398**	**66.169.357**

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

NOTE - 11 INTANGIBLE ASSETS

30 September 2011

Cost	Rights	Development costs	Other intangible assets	Constructions in progress and advances given	Total
As of 1 January 2011	**74.031**	**11.130.485**	**1.837.723**	**1.540.168**	**14.582.407**
Additions	18.232		11.198	4.055.920	**4.085.350**
Transfers				(413.527)	**(413.527)**
Disposals			(20.891)		**(20.891)**
As of 30 September 2011	**92.263**	**11.130.485**	**1.828.030**	**5.182.561**	**18.233.339**

Accumulated amortisation

As of 1 January 2011	**(12.185)**	**(2.053.692)**	**(1.652.176)**	**-**	**(3.718.053)**
Current period amortisation	(4.344)	(1.669.573)	(73.271)		**(1.747.188)**
Disposals			20.891		**20.891**
As of 30 September 2011	**(16.529)**	**(3.723.265)**	**(1.704.556)**	**-**	**(5.444.350)**

Net Book Value

Net Book Value as of 1 January 2011	**61.846**	**9.076.793**	**185.547**	**1.540.168**	**10.864.354**
Net Book Value as of 30 September 2011	**75.734**	**7.407.220**	**123.474**	**5.182.561**	**12.788.989**

NOTE 11 - INTANGIBLE ASSETS (Continued)

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

30 September 2010

Cost	Rights	Development costs	Other intangible assets	Constructions in progress and advances given	Total
As of 1 January 2010	**62.631**	**6.820.167**	**1.800.718**	**857.652**	**9.541.168**
Additions	11.400		9.804	3.598.628	**3.619.832**
Transfers					**-**
Disposals					**-**
As of 30 September 2010	**74.031**	**6.820.167**	**1.810.522**	**4.456.280**	**13.161.000**
Accumulated amortisation					
As of 1 January 2010	**(7.390)**	**(617.819)**	**(1.401.717)**	**-**	**(2.026.926)**
Current period amortisation	(3.562)	(1.023.025)	(204.380)		**(1.230.967)**
Disposals					**-**
As of 30 September 2010	**(10.952)**	**(1.640.844)**	**(1.606.097)**	**-**	**(3.257.893)**
Net Book Value					
Net Book Value as of 1 January 2010	**55.241**	**6.202.348**	**399.001**	**857.652**	**7.514.242**
Net Book Value as of 30 September 2010	**63.079**	**5.179.323**	**204.425**	**4.456.280**	**9.903.107**

GOODWILL

30 September 2011

	Net Book Value
As of 1 January 2011	**2.340.995**
Additions	-
Provision for impairment	-
As of 30 September 2011	**2.340.995**

30 September 2010

	Net Book Value
As of 1 January 2010	**2.340.995**
Additions	-
Provision for impairment	-
As of 30 September 2010	**2.340.995**

NOTE 12 - GOVERNMENT GRANTS

Regarding the projects conducted by the Group, it has been considered appropriate that the Group benefits from the R&D deduction in Revenue Administration Letter No. 10378, dated 17 February 2006.

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

The cash support provided by the Scientific and Technological Research Council Of Turkey (TÜBİTAK) for R&D activities in June 2011 is TRY619.125. In 2010, total cash support received was TRY648.039 from TÜBİTAK.

The Group has been entitled for R&D deduction of TRY3.943.456 due to R&D expenditures for nine months ended 30 September 2011. As of 30 September 2011, the total R&D deduction balance was TRY15.813.488 including the amount subjected to revaluation deferring from the previous years. As per the amendment to Article 35 of Law No. 5746 on Support of R&D Activities, enacted on 1 April 2008, the deduction rate applied for R&D expenditures was increased from 40% to 100% (R&D deduction amount deferred as of 31 December 2010 was TRY11.118.219).

In order to benefit from the incentives and exemptions provided according to Law No. 5746, the Group made an R&D centre application and the Group was granted an R&D centre certificate, effective as of 3 June 2009 at the end of the review performed by the Ministry of Industry and Trade.

NOTE 13 - PROVISIONS, CONTINGENT ASSTES AND LIABILITIES

Provisions for expenses and liabilities (Short-term)	**30 September 2011**	**31 December 2010**
Warranty provisions	4.623.145	3.597.831
Provision for lawsuits	232.834	1.003.243
Provision for performance premium	1.780.938	294.178
Provision for collective bargaining salary difference	-	213.237
Total	**6.636.917**	**5.108.489**

Movements of provisions during the period are as follows:

	Warranty provisions	**Provision for lawsuits**	**Provision for performance premium**	**Provision for collective bargaining salary difference (*)**	**Total**
As of 1 January 2011	3.597.831	1.003.243	294.178	213.237	**5.108.489**
Additions during the period	4.859.645	721.235	1.780.938	169.814	**7.500.037**
Paid during the period	(3.834.331)	(1.491.644)	(294.178)	(383.051)	**(6.003.204)**
As of 30 September 2011	**4.623.145**	**232.834**	**1.780.938**	**-**	**6.605.322**

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

NOTE 13 - PROVISIONS, CONTINGENT ASSTES AND LIABILITIES (Continued)

Lawsuits against the Group;

Total amount of initiated law suits against the Group, which has not been resulted until the balance sheet date as of 30 September 2011, is TRY198.834 (As of 31 December 2010 amount of provisions concerning these lawsuits is TRY1.003.243).

Mortgages and Guarantees on Assets;

The Group does not have any mortgages or guarantees on its assets.

According to information received from Kartal Title Deed Registry Office on 27 January 2011, in line with Article 7 of Law No. 2942 there exist administrative expropriate annotation on behalf of Türkiye Elektrik Dağıtım A.Ş. (TEDAŞ), car park annotation and right of passage on the land owned by the Group in Soğanlık, Kartal, with block No. 4485, parcel No. 289, annotation for lawsuits on parcel No. 184, and annotation for the lease allocated to the General Directorate of Istanbul Electric Tramway and Tunnel Establishments (İETT) for 15 years in 1968 on parcel No. 192.

Total Insurance Coverage on Assets;

Total insurance coverage on assets as of 30 September 2011 is TRY402.128.280 (31 December 2010: TRY307.975.143).

The total amounts of commitments not included in liabilities are as follows:

Type	**30 September 2011**	**31 December 2010**
Guarantee letters given	10.080.891	8.226.557
Total	**10.080.891**	**8.226.557**

The Group's guarantee/pledge/mortgage ("GPM") positions as of 30 September 2011 and 31 December 2010 are as follows:

	30 September 2011	**31 December 2010**
A. Total amount of GPM given on behalf of the Group	**10.080.891**	**8.226.557**
i. Letters of guarantee	10.080.891	8.226.557
ii. Mortgages	-	-
B. Total amount of GPM given on behalf of Subsidiaries subject to full consolidation	-	-
C. Total amount of GPM given on behalf of third parties in	-	-
order to sustain operating activities	-	-
D. Total amount of other GPM given	-	-
i. Total amount of GPM given on behalf of main shareholder	-	-
ii. Total amount of GPM given on behalf of other affiliated companies which cannot be classified under section B and C	-	-
iii. Total amount of GPM given on behalf of the third person that cannot be classified under section C	-	-
Total	**10.080.891**	**8.226.557**

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

NOTE 13 - PROVISIONS, CONTINGENT ASSTES AND LIABILITIES (Continued)

The ratio of total amount of other GPM given on behalf of the Group to the Group’s shareholders’ equity as of 30 September 2011 is 0% (31 December 2010: 0%).

The Group is exposed to foreign currency exchange risk as the Group has foreign currency denominated earnings and liabilities. The Group conducts financial derivative instruments in order to hedge its foreign currency exposure due to fluctuation in foreign currencies.

NOTE 14 - PROVISION FOR EMPLOYMET BENEFITS

	30 September 2011	31 December 2010
Provision for employee benefits	**7.365.189**	**6.363.428**

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month’s salary limited to a maximum of TRY2.731,85 for each year of service as of 30 September 2011 (31 December 2010: TRY2.517,01).

The liability is not funded in the consolidated financial statements, as there is no funding requirement for provision for employee benefits in Turkey.

According to IAS 19, for the liability of termination indemnities related to the future periods, a convenient discount rate and inflation expectation must be determined to obtain a real discount as a result of offsetting them. This discount rate should be used in the calculation of bringing termination indemnities payable in the future to present value as of balance date.

In addition, termination indemnities are not paid to employees who leave their jobs voluntarily. With respect to this, estimated value of termination indemnity amounts that will stay in the Group should also be taken into consideration.

	30 September 2011	31 December 2010
Discount rate (%)	4,66	4,66
Turnover rate to estimate the probability of retirement (%)	2,64	2,79

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 financial statements.

Movements in the provision for employee benefits during the period are as follows:.

	30 September 2011	31 September 2010
1 January	**6.363.428**	**7.766.028**
Interest cost	222.508	344.812
Actuarial loss	913.261	367.642
Paid during the period	(401.346)	(3.188.293)
Current period service cost	267.338	381.533
Closing	**7.365.189**	**5.671.722**

NOTE 15 - OTHER ASSETS AND LIABILITIES

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

Other current assets

	30 September 2011	31 December 2010
Carried Forward Value Added Tax ("VAT")	5.448.722	4.970.691
Prepaid expenses	306.433	82.819
Prepaid taxes and funds	143.167	-
Income accruals (*)	34.193	80.384
Other	99.020	74.289
Total	**6.031.535**	**5.208.183**

(*) Income accruals are comprised of calculation of current period derivative financial instrument contracts and insurance income which are not matured as of balance sheet date.

Other non-current assets:	30 September 2011	31 December 2010
Prepaid expenses	11.895	8.473
Total	**11.895**	**8.473**

Other current liabilities (Net)	30 September 2011	31 December 2010
Deferred income (*)	858.737	882.253
Total	**858.737**	**882.253**

(*) Lease amount collected in relation to future periods in the scope of lease agreements for real estate of the Group located in Kartal totals TRY134.266 (31 December 2010: TRY249.695). Moreover, of the financial support received for R&D activities, the amount to be transferred to the income statement in 2011 corresponds to TRY724.471 (31 December 2010: TRY632.558).

Other non-current liabilities	30 September 2011	31 December 2010
Deferred income (*)	825.065	998.124
Total	**825.065**	**998.124**

(*) Lease amount collected in relation to periods subsequent to 30 September 2011 in the scope of lease agreements for real estate of the Group located in Kartal totals TRY15.912 (31 December 2010: TRY106.348). Moreover, of the financial support received for R&D activities, the amount to be transferred to the income statement in periods subsequent to 30 September 2011 corresponds to TRY809.153 106 (31 December 2010: TRY891.776).

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

NOTE 16 - EQUITY

Minority Interest

	30 September 2011	31 December 2010
Minority shares	17.844	15.412
Total	**17.844**	**15.412**

	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Minority shares profit / loss	2.432	893	(1.951)	(252)
Total	**2.432**	**893**	**(1.951)**	**(252)**

Capital / Elimination Adjustments

Paid-in capital shown on the consolidated balance sheet is the paid-in capital of the Group. Paid-in capital of Subsidiaries in consolidated balance sheet and subsidiary accounts are mutually eliminated.

As of 30 September 2011, 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:

30 September 2011

NAME	GROUP A	GROUP B	GROUP C	SHARE AMOUNT	SHARE %
YAZICILAR HOLDİNG A.Ş.	9.073.187	-	4.478	9.077.665	**35,71**
ÖZİLHAN SINAİ YATIRIM A.Ş.	4.269.734	-	2.108	4.271.842	**16,81**
ANADOLU ENDÜSTRİ HOLDİNG A.Ş.	223.748	-	38.835	262.583	**1,03**
ISUZU MOTORS LTD.	-	4.319.991	-	4.319.991	**16,99**
ITOCHU CORPORATION	-	3.239.964	-	3.239.964	**12,75**
BEARER SHARES PUBLICLY OWNED	-	-	3.811.860	3.811.860	**15,00**
OTHER BEARER SHARES	97.375	-	338.427	435.802	**1,71**
TOTAL	**13.664.044**	**7.559.955**	**4.195.708**	**25.419.707**	**100,00**

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

NOTE 16 - EQUITY (Continued)

<u>31 December 2010</u>

NAME	GROUP A	GROUP B	GROUP C	SHARE AMOUNT	SHARE %
YAZICILAR HOLDİNG A.Ş.	9.073.187	-	4.478	9.077.665	**35,71**
ÖZİLHAN SINAİ YATIRIM A.Ş.	4.269.734	-	2.108	4.271.842	**16,81**
ANADOLU ENDÜSTRİ HOLDİNG A.Ş.	223.748	-	38.835	262.583	**1,03**
ISUZU MOTORS LTD.	-	4.319.991	-	4.319.991	**16,99**
ITOCHU CORPORATION	-	3.239.964	-	3.239.964	**12,75**
BEARER SHARES PUBLICLY OWNED	-	-	3.811.860	3.811.860	**15,00**
OTHER BEARER SHARES	97.375	-	338.427	435.802	**1,71**
TOTAL	**13.664.044**	**7.559.955**	**4.195.708**	**25.419.707**	**100,00**

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 eleven 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 the Group A by the General Assembly.

<u>30 September 2011</u>

Paid-in share capital	25.419.707
Adjustment to share capital	86.901.880
Restricted reserves	13.739.132
Retained earnings	35.713.916
Net loss for the year	10.279.001
Shareholders' equity attributable to equity holders of the Group	**172.053.636**
Minority shares	**17.844**
Total shareholders' equity	**172.071.480**

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

DİPNOT 16- ÖZKAYNAKLAR (Devamı)

31 December 2010

Paid-in share capital	25.419.707
Adjustment to share capital	86.901.880
Restricted reserves	13.661.519
Retained earnings	40.352.286
Net loss for the year	(4.557.964)
Shareholders' equity attributable to equity holders of the Group	**161.777.428**
Minority shares	**15.412**
Total shareholders' equity	**161.792.840**

Restricted reserves

Restricted reserves are comprised of legal reserves and other reserves.

	30 September 2011	31 December 2010
Legal reserves	12.289.741	12.212.128
Profit reserves from sale of affiliates	1.449.390	1.449.390
Profit on cancelled shares certificates	1	1
Total	**13.739.132**	**13.661.519**

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. As of 30 September 2011, the Group's total restricted reserves are TRY13.739.132 (31 December 2010: TRY13.661.519).

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:

	30 September 2011	31 December 2010
Extraordinary reserves	31.480.604	31.561.010
Inflation difference of extraordinary reserves	3.300.229	3.300.229
Inflation difference of legal reserves	25.081.046	25.081.046
Inflation difference of cancelled shares certificates	806	806
Accumulated losses	(24.148.769)	(19.590.805)
Total	**35.713.916**	**40.352.286**

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

DİPNOT 16- ÖZKAYNAKLAR (Devamı)

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.

As the Group has loss, as shown in the financial statements prepared according to the standards of the CMB, there is no profit that distributable as dividends. In the financial statements prepared according to the standards of the CMB, the Group's retained profits amounted to TRY35.713.916. After subtracting the current period's loss from the retained profits, the remaining balance is TRY45.992.917 at 30 September 2011. Management of the Group has not taken any decision regarding distribution of retained earnings. In the case of the distribution of the respective amount, an allowance of 10% over the distributed profit will be made as second legal reserve.

In accordance with the Communiqué No:XI-29 and related announcements of CMB, 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 17 - SALES AND COST OF SALES

Sales	**1 January 2011 30 September 2011**	**1 July 2011 30 September 2011**	**1 January 2010 30 September 2010**	**1 July 2010 30 September 2010**
Domestic sales	304.922.992	99.014.492	200.419.852	77.619.809
Foreign sales	31.457.253	9.724.441	34.697.814	7.716.641
Other sales	1.982.637	722.103	1.797.592	371.992
Less: Discounts	(20.344.796)	(7.541.710)	(14.664.587)	(4.279.597)
Income from sales (Net)	**318.018.086**	**101.919.326**	**222.250.671**	**81.428.845**
Cost of sales	**(267.679.247)**	**(86.920.896)**	**(195.655.960)**	**(71.605.709)**
Gross operating profit/loss	**50.338.839**	**14.998.430**	**26.594.711**	**9.823.136**

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

NOTE 17 - SALES AND COST OF SALES (Continued)

Cost of sales are summarised as follows;

	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Direct raw material costs	170.121.910	59.875.596	114.090.743	40.138.222
Direct labor costs	3.923.605	1.514.135	6.601.166	2.214.473
Depreciation and amortisation expenses	5.270.838	1.789.560	4.123.237	1.330.088
Manufacturing overhead costs	8.704.724	2.984.707	2.965.918	853.155
Idle capacity expenses	1.148.447	293.004	4.457.312	1.675.518
Total cost of production	**189.169.524**	**66.457.003**	**132.238.376**	**46.211.456**
Change in semi-finished goods inventory	1.435.503	(138.670)	753.669	(53.769)
Change in finished goods inventory	5.267.580	(3.613.322)	3.653.593	4.359.681
Cost of trade goods sold	71.069.100	23.769.720	58.701.663	21.032.680
Other cost of sales	737.540	446.165	308.659	55.661
Total cost of sales	**267.679.247**	**86.920.896**	**195.655.960**	**71.605.709**

NOTE 18 - RESEARCH AND DEVELOPMENT EXPENSES, MARKETING, SELLING AND DISTRIBUTIONS EXPENSES AND GENERAL ADMINISTRATIVE EXPENSES

a) Research and development expenses	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Personnel expenses	(168.892)	(91.011)	(176.999)	(99.222)
Project costs	(65.021)	(19.967)	(7.356)	(3.878)
Depreciation and amortisation expenses	(73.226)	(29.160)	(126.263)	(39.707)
Other	(399.619)	(165.115)	(296.864)	(58.907)
Total research and development expenses	**(706.758)**	**(305.253)**	**(607.482)**	**(201.714)**
b) Marketing, selling and distribution expenses				
Domestic sales expenses	(4.050.176)	(1.084.212)	(2.819.632)	(886.917)
Export expenses	(2.249.265)	(604.145)	(2.645.304)	(699.040)
Personnel expenses	(3.859.161)	(1.366.262)	(3.408.292)	(1.129.937)
Advertising expenses	(2.759.635)	(674.943)	(2.154.441)	(767.150)
Warranty expenses	(4.859.532)	(1.975.944)	(2.550.076)	(772.599)
Depreciation expenses	(520.884)	(168.060)	(645.329)	(185.331)
Other	(4.453.344)	(1.616.218)	(4.274.578)	(1.481.839)
Total marketing, selling and distribution expenses	**(22.751.997)**	**(7.489.784)**	**(18.497.652)**	**(5.922.813)**
c) General and administrative expenses				
Personnel expenses	(7.442.704)	(2.582.031)	(5.422.424)	(1.595.281)
Service and work expenses	(4.374.178)	(1.482.156)	(4.121.418)	(1.410.641)
Depreciation expenses	(304.150)	(99.325)	(430.298)	(133.506)
Insurance expenses	(817.071)	(253.596)	(707.497)	(254.180)
Other	(1.768.670)	(585.155)	(2.065.402)	(411.383)
Total general and administrative expenses	**(14.706.773)**	**(5.002.263)**	**(12.747.039)**	**(3.804.991)**

NOTE 19 - EXPENSES BY NATURE

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

	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Direct material costs	170.121.910	59.875.596	114.090.743	40.138.222
Cost of trade goods sold	71.069.100	23.769.720	58.701.663	21.032.680
Cost of other sales	737.540	446.165	308.660	55.662
Change in goods inventory	6.703.083	(3.751.992)	4.407.262	4.305.912
Other operational expenses	25.796.512	8.461.452	21.642.568	6.746.534
Personnel expenses	15.394.362	5.553.439	15.608.881	5.038.913
Idle capacity expenses	1.148.447	293.004	4.457.312	1.675.518
Depreciation and amortisation expenses	6.169.098	2.086.105	5.325.127	1.688.632
Other production expenses	8.704.723	2.984.707	2.965.917	853.155
Total expenses	**305.844.775**	**99.718.196**	**227.508.133**	**81.535.227**

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

NOTE 20- OTHER OPERATING INCOME/(EXPENSES)

Other operating income:	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Rent income	1.080.901	409.994	1.317.712	403.393
Service income	496.076	150.473	467.965	135.812
Export SPSF	1.502	1.502	38.079	-
Tubitak R&D incentive	609.835	189.094	471.031	157.010
Insurance claim recoveries	55.029	5.387	41.274	7.726
Income from the sale of property, plant and equipment	172.561	-	167.146	74.085
Other	825.549	288.824	432.218	17.642
Total	**3.241.453**	**1.045.274**	**2.935.425**	**795.668**
Other operating expenses:				
Donations	(7.000)	-	(6.224)	-
Loss on sale of property, plant and equipment	(50.106)	-	(120.386)	(9.545)
Other	(968.901)	(27.592)	(1.186.521)	(471.526)
Total	**(1.026.007)**	**(27.592)**	**(1.313.131)**	**(481.071)**

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

NOTE 21 - FINANCIAL INCOME

	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Interest income	1.004.482	434.534	448.062	77.866
Credit finance income	501.825	87.394	517.862	148.387
Foreign exchange gains	7.146.368	4.224.502	2.903.642	466.375
Rediscount income	1.088.707	15.562	77.442	23.845
Total	**9.741.382**	**4.761.992**	**3.947.008**	**716.473**

NOTE 22 - FINANCIAL EXPENSES

	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Interest expenses	(4.590.963)	(1.492.370)	(3.500.428)	(1.194.574)
Foreign exchange losses	(6.657.400)	(3.986.556)	(4.598.418)	(937.284)
Rediscount expenses	(1.051.838)	(194.035)	(57.299)	31.173
Other financial expenses	(170.126)	(76.610)	(101.098)	(35.014)
Total	**(12.470.327)**	**(5.749.571)**	**(8.257.243)**	**(2.135.699)**

NOTE 23 - TAX ASSETS AND LIABILITIES

The Group's tax (expense) / income is comprised of current period corporate tax expense and deferred tax income/(expense).

Account name	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Corporate tax provision	(134.066)	(33.809)	(111.810)	(35.374)
Deferred tax income	(1.244.313)	53.569	2.410.891	541.820
Total tax income	**(1.378.379)**	**19.760**	**2.299.081**	**506.446**

	30 September 2011	31 December 2010
Current period corporate tax provision	134.066	160.812
Prepaid taxes	(101.510)	(115.343)
Taxes Payable	**32.556**	**45.469**

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.

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

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

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.

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 CMB'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 CMB 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.

	30 September 2011		**31 December 2010**	
	Cumulative Temporary Differences	**Deferred Tax Assets/(Liabilities)**	**Cumulative Temporary Differences**	**Deferred Tax (Assets/(Liabilities**
Inventories	539.214	107.843	1.107.166	221.433
Property, plant and equipment	(23.599.335)	(4.719.867)	(23.391.041)	(4.678.207)
Provision for employment benefits	7.365.189	1.473.038	6.363.428	1.272.686
Carry forward tax losses (*)	23.586.559	4.717.312	36.091.879	7.218.376
2008-2009-2010 R&D deductions	15.813.488	3.162.698	11.118.219	2.223.644
Other(Net)	6.508.849	1.301.769	5.145.880	1.029.174
Total Deferred Tax Assets, net		**6.042.793**		**7.287.106**

(*) Group expects to use TRY2.000.000, TRY12.000.000 and TRY9.586.559 of its carry forward tax losses amounting to TRY23.586.559, in 2011, 2012 and 2013, respectively.

Movements of deferred tax:	**1 January 2011 30 September 2011**	**1 January 2010 30 September 2010**
Opening	7.287.106	4.654.107
Deferred tax income	(1.244.313)	2.410.891
Closing	**6.042.793**	**7.064.998**

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

NOTE 23 - TAX ASSETS AND LIABILITIES (Continued)

Reconciliations of tax provision with the current period loss are as follows:

	30 September 2011	30 September 2010
Loss from continuing operations	**11.659.812**	**(7.945.403)**
Corporate tax rate 20%	(2.331.962)	1.589.081
Taxation effect:		
- R&D deductions	939.054	661.383
- Non-deductible expenses for tax purposes	(38.957)	(9.435)
- Other	53.486	58.052
Income tax provision on income statement	**(1.378.379)**	**2.299.081**

NOTE 24 - PROFIT/(LOSS) PER SHARE

	1 January 2011 30 September 2011	1 July 2011 30 September 2011	1 January 2010 30 September 2010	1 July 2010 30 September 2010
Net income for the period (TRY)	10.279.001	2.250.100	(5.644.371)	(704.313)
Weighted average number of shares with nominal value of Kr 1 each	2.541.970.654	2.541.970.654	2.541.970.654	2.541.970.654
Losses per 100 share with nominal value of TRY 1 each	**0,4044**	**0,0885**	**(0,2220)**	**(0,0277)**

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

NOTE 25 - RELATED PARTY DISCLOSURES

a) Related party balances

30 September 2011

	Receivables		Payables	
Related Parties	**Trade**	**Other**	**Related Parties**	**Trade**
Payables to shareholders	-	-	-	11.580
Anadolu Endüstri Holding A.Ş.	-	-	240.446	-
Efes Pazarlama Dağıtım ve Tic. A.Ş.	82.369	-	-	-
Itochu Corporation Tokyo	-	-	37.536.799	-
Isuzu Operation Thailand	358.610	-	24.347.971	-
Isuzu Motors Ltd. Tokyo	585.419	-	494.649	-
Çelik Motor Ticaret A.Ş.	-	-	90.880	-
Alternatifbank A.Ş.	11.838	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	-	-	95.744	-
Efestur Turizm İşletmeleri A.Ş.	-	-	53.730	-
Anadolu Bilişim Hizmetleri A.Ş.	-	-	2.463	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	-	-	3.657	
Alternatif Yatırım A.Ş.	720	-	-	-
Adel Kalemcilik Tic. ve San. A.Ş.	32.249	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	14.805	-
Alternatif Finansal Kiralama A.Ş.	10.726	-	-	-
Antek Teknoloji Ürünleri Paz. ve Tic. A.Ş.	3.754	-	-	-
Oyex Handels Gmbh		-	31.088	-
Total	**1.085.685**	**-**	**62.912.232**	**11.580**

(*) Non-trade payables to shareholders is classified under other liabilities.

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.

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

NOTE 25 - RELATED PARTY DISCLOSURES (Continued)

31 December 2010

	Receivables		Payables	
Related Parties	**Trade**	**Other**	**Trade**	**Other**
Payables to shareholders (*)	-	-	-	11.761
Anadolu Endüstri Holding A.Ş.	-	-	222.883	-
Efes Pazarlama Dağıtım ve Tic. A.Ş.	-	-	38.820	-
Itochu Corporation Tokyo	-	-	37.875.913	-
Isuzu Operation Thailand	355.802	-	13.634.336	-
Isuzu Motors Ltd. Tokyo	2.022.255	-	2.004.062	-
Çelik Motor Ticaret A.Ş.	202.074	-	-	-
Alternatifbank A.Ş.	11.838	-	-	-
Anadolu Motor Üretim ve Paz. A.Ş.	-	-	173.517	-
Efestur Turizm İşletmeleri A.Ş.	-	-	10.168	-
Anadolu Bilişim Hizmetleri A.Ş.	-	-	50.759	-
Alternatif Yatırım A.Ş.	720	-	-	-
Adel Kalemcilik Tic. ve San. A.Ş.	1.575	-	-	-
Anadolu Elektronik A.Ş.	137.817	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	13.592	-
Alternatif Finansal Kiralama A.Ş.	10.726	-	-	-
Antek Teknoloji Ürünleri Paz. ve Tic. A.Ş.	-	-	1.524	-
Total	**2.742.807**	**-**	**54.025.574**	**11.761**

(*) Non-trade payables to shareholders is classified under other liabilities.

b) Related party transactions:

30 September 2011

Sales to related parties	**Goods and Service sales**	**Sales of Fixed assets**	**Rent income**	**Total revenues / Sales**
Efes Pazarlama Dağıtım ve Tic. A.Ş.	-	-	760.258	**760.258**
Isuzu Operations Thailand	1.310.261	-	-	**1.310.261**
Çelik Motor Ticaret A.Ş.	271.489	-	24.000	**295.489**
Isuzu Motors Ltd. Tokyo	2.554.995	-	-	**2.554.995**
Alternatif Yatırım A.Ş.	-	-	5.490	**5.490**
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	119.205	**119.205**
Anadolu Motor Üretim ve Paz. A.Ş.	138.117	-	-	**138.117**
Alternatif Finansal Kiralama A.Ş.	-	-	81.810	**81.810**
Alternatifbank A.Ş.	-	-	90.288	**90.288**
Antek Teknoloji Ürünleri Paz. ve Tic. A.Ş.	36.748	-	-	**36.748**
Anadolu Araçlar Ticaret A.Ş	2.925	-	-	**2.925**
Total	**4.314.535**	**-**	**1.081.051**	**5.395.586**

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

NOTE 25 - RELATED PARTY DISCLOSURES (Continued)

30 September 2010

Sales to related parties	Goods and Service sales	Sales of Fixed Assets	Rent Income	Total revenue / Sales
Efes Pazarlama Dağıtım ve Tic. A.Ş.	1.270	-	861.138	**862.408**
Isuzu Operation Thailand	752.993	-	-	**752.993**
Çelik Motor Ticaret A.Ş.	195.744	-	73.413	**269.157**
Isuzu Motors Ltd. Tokyo	498.300	-	-	**498.300**
Alternatif Yatırım A.Ş.	12	-	5.490	**5.502**
Adel Kalemcilik Tic. ve San. A.Ş.	26	-	12.015	**12.041**
Anadolu Elektronik A.Ş.	130.793	-	174.720	**305.513**
Anadolu Motor Üretim ve Paz. A.Ş.	63.596	-	-	**63.596**
Alternatif Finansal Kiralama A.Ş.	0	-	76.980	**76.980**
Alternatifbank A.Ş.	223	-	90.288	**90.511**
Efes Breweries International B.V.	-	-	1.495	**1.495**
Ana Gıda İhtiyaç Maddeleri San. A.Ş.	-	1.760	-	**1.760**
Anadolu Araçlar Ticaret A.Ş.	1.652	-	-	**1.652**
Antek Teknoloji Ürünleri Paz. ve Tic. A.Ş.	1.274	-	-	**1.274**
Efestur Turizm İşletmeleri A.Ş.	3.854	-	-	**3.854**
Total	**1.649.737**	**1.760**	**1.295.539**	**2.947.036**

30 September 2011

Purchases from related parties	Goods and Service purchases	Fixed asset purchases	Rent expense	Total expense/ Purchases
Anadolu Motor Üretim ve Paz. A.Ş.	1.366.563	-	-	**1.366.563**
Çelik Motor Ticaret A.Ş.	164.921	-	173.630	**338.551**
Anadolu Endüstri Holding A.Ş.	1.872.446	-	-	**1.872.446**
Itochu Corporation Tokyo	87.505.920	-	-	**87.505.920**
Mitsubishi Corporation Tokyo	49.115.164	-	-	**49.115.164**
Isuzu Motors Ltd. Tokyo	3.156.723	-	-	**3.156.723**
Isuzu Motors Ltd. Europe	7.158	-	-	**7.158**
Efestur Turizm İşletmeleri A.Ş.	661.926	-	-	**661.926**
Anadolu Bilişim Hizmetleri A.Ş.	1.529.756	9.893	-	**1.539.649**
Efes Pazarlama Dağıtım ve Tic. A.Ş.	124.440			**124.440**
Oyex Handels Gmbh	65.780	-	-	**65.780**
Adel Kalemcilik Tic. ve San. A.Ş.	11.363	-	-	**11.363**
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	3.099	-	-	**3.099**
Total	**145.585.259**	**9.893**	**173.630**	**145.768.782**

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

NOTE 25 - RELATED PARTY DISCLOSURES (Continued)

30 September 2010

Purchases from related parties	Goods and Service purchases	Fixed asset purchases	Rent expense	Total expense / Purchases
Anadolu Motor Üretim ve Paz. A.Ş.	1.818.542	-	-	**1.818.542**
Çelik Motor Ticaret A.Ş.	54.673	-	111.483	**166.156**
Anadolu Endüstri Holding A.Ş.	1.732.715	-	-	**1.732.715**
Itochu Corporation Tokyo	72.265.669	-	-	**72.265.669**
Mitsubishi Corporation Tokyo	36.389.108	-	-	**36.389.108**
Isuzu Motors Ltd. Tokyo	819.519	-	-	**819.519**
Isuzu Motors Ltd. Europe	30.038	-	-	**30.038**
Efes Pazarlama Dağıtım ve Tic. A.Ş.	13.895	-	-	**13.895**
Efestur Turizm İşletmeleri A.Ş.	683.214	-	-	**683.214**
Anadolu Bilişim Hizmetleri A.Ş.	1.439.239	67.806	-	**1.507.045**
Anadolu Sağlık Merkezi	19.224	-	-	**19.224**
Oyex Handels Gmbh	44.869	-	-	**44.869**
Total	**115.310.705**	**67.806**	**111.483**	**115.489.994**

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. However, the Group could not donate for six-month period ended 31 December 2011 as the Group was in a loss position (31 December 2010: No donation was made due to loss in the period).

d) Key management compensation:

	30 September 2011	30 September 2010
Compensation of key management personnel	913.672	949.664
Total	**913.672**	**949.664**

Key management compensation includes salaries, premiums, social security contributions.

NOTE 26 - FINANCIAL INSTRUMENTS AND 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 16).

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.

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

NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

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.

	30 September 2011	31 December 2010
Financial Liabilities	133.441.364	137.878.885
Total Shareholders' Equity	172.071.480	161.792.840
Debt/Total equity	**0,78**	**0,85**

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.

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

NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity analysis of foreign currency:

30 September 2011

	Profit/Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
If US$ appreciated/(depreciated) against TRY by 10%;		
1- USD currency net asset/liability	(963.119)	963.119
2- Hedged items (-)		
3- Net effect of USD (1+2)	**(963.119)**	**963.119**
If EUR appreciated/(depreciated) against TRY by 10%;		
4- EUR currency net asset/liability	517.416	(517.416)
5- Hedged items (-)		
6- Net effect of EUR(4+5)	**517.416**	**(517.416)**
If JPY appreciated/(depreciated) against TRY by 10%;		
7- JPY currency net asset/liability	(2.815.998)	2.815.998
8- Hedged items (-)		
9- Net effect of JPY (7+8)	**(2.815.998)**	**2.815.998**
TOTAL (3+6+9)	**(3.261.701)**	**3.261.701**

Sensitivity analysis of foreign currency:

31 December 2010

	Profit/Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
If US$ appreciated/(depreciated) against TRY by 10%;;		
1- USD currency net asset/liability	(921.185)	921.185
2- Hedged items (-)	-	-
3- Net effect of USD (1+2)	**(921.185)**	**921.185**
If EUR appreciated/(depreciated) against TRY by 10%;		
4- EUR currency net asset/liability	214.835	(214.835)
5- Hedged items (-)	-	-
6- Net effect of EUR(4+5)	**214.835**	**(214.835)**
If JPY appreciated/(depreciated) against TRY by 10%;		
7- JPY currency net asset/liability	(3.636.647)	3.636.647
8- Hedged items (-)	-	-
9- Net effect of JPY (7+8)	**(3.636.647)**	**3.636.647**
TOTAL (3+6+9)	**(4.342.997)**	**4.342.997**

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

DİPNOT 26- FİNANSAL ARAÇLARDAN KAYNAKLANAN RİSKLERİN NİTELİĞİ VE DÜZEYİ (Devamı)

Foreign currency position table

	30 September 2011					31 December 2010				
	TRY Amount	USD	EUR	JPY	Other	TRY Amount	USD	EUR	JPY	Other
1. Trade receivables	3.399.987	249.029	936.135	24.341.731	-	4.007.915	257.579	795.402	104.570.853	
2a. Monetary financial assets	26.855.968	6.947.267	2.047.809	369.418.009	-	6.469.673	2.602.947	572.994	67.152.326	
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	
3. Other	-	-	-	-	-	127.690	-	62.315	-	
4. Total current assets (1+2+3)	**30.255.955**	**7.196.296**	**2.983.944**	**393.759.740**	**-**	**10.605.278**	**2.860.526**	**1.430.711**	**171.723.179**	**-**
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
7. Other	1.576	854	-	-	-	1.320	854	-	-	-
8. Total non-current assets (5+6+7)	**1.392**	**854**	**-**	**-**	**-**	**1.320**	**854**	**-**	**-**	**-**
9. Total assets(4+8)	**30.257.531**	**7.197.150**	**2.983.944**	**393.759.740**	**-**	**10.606.598**	**2.861.380**	**1.430.711**	**171.723.179**	**-**
10 Trade payables	62.621.236	13.255.259	211.235	1.564.652.910	-	53.770.302	8.819.884	252.334	2.092.521.190	-
11. Financial liabilities	-	-	-	-	-	-	-	-	-	-
12a. Other monetary liabilities	291.726	-	115.962	-	-	27.308	-	13.327	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
13. Total current liabilities (10+11+12)	**62.912.961**	**13.255.259**	**327.197**	**1.564.652.910**	**-**	**53.797.610**	**8.819.884**	**265.661**	**2.092.521.190**	**-**
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	-	-	-	-	-	-	-	-	-	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Total non-current liabilities (14+15+16)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
18. Total liabilities (13+17)	**62.912.961**	**13.255.259**	**327.197**	**1.564.652.910**	**-**	**53.797.610**	**8.819.884**	**265.661**	**2.092.521.190**	**-**
19. Off-balance sheet derivative instruments net position (19a-19b)	**38.418**	**838.800**	**(600.000)**	**-**	**-**	**(238.956)**	**-**	**(116.615)**	**-**	**-**
19a Total Amount of Hedged Assets	1.547.838	838.800	-	-	-	5.317.845	-	1.209.260	150.000.000	-
19b. Total Amount of Hedged Liabilities	1.509.420	-	600.000	-	-	5.556.800	-	1.325.875	150.000.000	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**(32.617.013)**	**(5.219.309)**	**2.056.747**	**(1.170.893.170)**	**-**	**(43.429.968)**	**(5.958.504)**	**1.048.435**	**(1.920.798.011)**	**-**
21. Monetary Items Net Foreign Exchange Asset / (liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**(32.657.007)**	**(6.058.963)**	**2.656.747**	**(1.170.893.170)**	**-**	**(43.320.022)**	**(5.959.358)**	**1.102.735**	**(1.920.798.011)**	**-**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
23. The Amount of Hedged part of Foreign Exchange Assets	**(1.509.420)**					**(238.956)**				
23. The Amount of Hedged part of Foreign Exchange Liabilities	**1.547.838**					**-**				
23. Export	**31.457.253**					**43.188.220**				
24. Import	**149.334.753**					**171.377.949**				

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

NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

(e) Interest rate risk

The Company is exposed to interest rate risk either through market value fluctuations of balance sheet items or the impact of rate changes on interest-sensitive assets and liabilities. The financial liabilities and assets with fixed and variable rates are respectively shown at Note 6 and Note 4.

Interest rate position table

	30 September 2011	31 December 2010
Financial assets with fixed rates		
Financial assets	16.273.457	11.748.516
Financial liabilities	(65.176.947)	(45.809.950)
Financial liabilities with variable rates		
Financial assets		
Financial liabilities	(14.503.049)	(31.002.587)

As of 30 September 2011 if the market interest rates had been increased/decreased by 100 basis points with all other variables held constant net loss before taxes for the period would have been higher/lower by TRY145.030 (31 December 2010: TRY310.026 higher/lower).

(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 customers who have 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 customers, the Group's credit risk is dispersed and there is no important credit risk concentration. The receivables from foreign customers as of 30 September 2011 are TRY3.399.987 (31 December 2010: TRY4.007.915).

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

NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

30 September 2011	Receivables				Note	Deposits in Banks	Note
	Trade Receivables		Other Receivables				
	Related	Other	Related	Diğer			
Maximum credit risk exposed as of the date of reporting (A+B+C+D+E)	**1.085.685**	**71.315.611**	**-**	**376.196**		**29.092.508**	
- The part of maximum risk secured by guarantee etc.	-	71.315.611	-	-		-	
A. Net book value of financial assets which are undue or which is not impaired	**1.085.685**	**69.263.611**	**-**	**376.196**	**7-8-25**	**29.092.508**	**4**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired.	**-**		**-**	**-**	**-**	**-**	
C. Net book value of assets, overdue but not impaired	**-**	2.052.000	**-**	**-**	**7-8-25**	**-**	
- Secured by guarantee and etc.	-	2.052.000	-	-		-	
D. Net book value of assets decrease in value	-	-	-	-		-	
- 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.	-	-	-	-		-	
E. Elements containing credit risk off the balance sheet	-	-	-	-		-	

31 December 2010	Receivables				Note	Deposits in Banks	Note
	Trade Receivables		Other Receivables				
	Related	Other	Related	Other			
Maximum credit risk exposed as of the date of reporting (A+B+C+D+E)	**2.742.807**	**84.416.791**	**-**	**3.135.768**		**13.705.774**	
- The part of maximum risk secured by guarantee etc.	-	84.416.791		-		-	
A. Net book value of financial assets which are undue or which is not impaired	**2.742.807**	**83.131.791**		**3.135.768**	**7-8-25**	**13.705.774**	**4**
B. Book value of financial assets which conditions are renegotiated, and which otherwise would be counted as overdue or impaired.	**-**		**-**	**-**	**-**	**-**	
C. Net book value of assets, overdue but not impaired	**-**	**1.285.000**	**-**	**-**	**7-8-25**	**-**	
- Secured by guarantee and etc.	-	1.285.000	-	-		-	
D. Net book value of assets decrease in value	-	-	-	-		-	
- 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.	-	-	-	-		-	
E. Elements containing credit risk off the balance sheet	-	-	-	-		-	

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

NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

For impairment of receivables, the aging report and managerial staff's evaluation on the collectability of receivable account balances has been taken into account.

(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.

30 September 2011

Non-derivative financial instruments

Due to contractual dates:	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Bank borrowing	79.679.996	81.899.604	52.728.486	29.171.118	-	-
Corporate bonds issued	-	-	-	-	-	-
Financial Lease Obligations	-	-	-	-	-	-
Trade Payables	82.871.391	83.173.169	59.950.235	23.222.934	-	-
Other Liabilities	1.973.281	1.973.281	1.973.281		-	-
Non-derivative financial liabilities	**164.524.668**	**167.046.054**	**114.652.002**	**52.394.052**	**-**	**-**

Non-derivative financial instruments

Contractual dates:	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Derivative cash inflow	1.547.838	1.547.838	1.547.838	-	-	-
Derivative cash outflow	(1.509.420)	(1.509.420)	(1.509.420)	-	-	-
Derivative financial liabilities	**38.418**	**38.418**	**38.418**	**-**	**-**	**-**

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

NOTE 26 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

31 December 2010

Non-derivative financial instruments

Due to contractual dates:	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Bank borrowing	76.812.537	80.167.490	31.135.670	49.031.820	-	-
Corporate bonds issued	-	-	-	-	-	-
Financial Lease Obligations	-	-	-	-	-	-
Trade Payables	74.803.531	75.000.648	51.996.172	23.004.476	-	-
Other Liabilities	3.221.748	3.221.748	3.221.748	-	-	-
Non-derivative financial liabilities	**154.837.816**	**158.389.886**	**86.353.590**	**72.036.296**	**-**	**-**

Non-derivative financial instruments

Contractual dates:	Carrying value	Total contractual cash outflow	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years
Derivative cash inflow	5.621.146	5.621.146	5.621.146		-	-
Derivative cash outflow	(5.556.801)	(5.556.801)	(5.556.801)		-	-
Derivative financial liabilities	**64.345**	**64.345**	**64.345**		**-**	**-**

NOTE 27 - 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.

	30 September 2011		31 December 2010	
	Contractual Amount (TRY)	Current Value	Contractual Amount (TRY)	Current Value
Derivative foreign exchange financial instruments - Assets				
Forward foreign exchange sales transactions	-	-	3.147.315	(370.841)
Forward foreign exchange purchase transactions	1.547.838	34.193	2.839.950	427.055
		34.193		**56.213**

NOTE 27 - FINANCIAL INSTRUMENTS (Continued)

In order to hedge these risks, the Group uses forward foreign currency transaction agreements as a financial instrument at times.

As of 30 September 2011, the Group has forward foreign exchange sales agreements that have total value of USD838.800 against EUR600.000. With regard to this contract, an income accrual of TRY34.193 is recognized in financial statements.

As of 31 December 2010, the Group has forward foreign exchange purchase agreements that have total value of TRY303.000 against EUR150.000 and JPY100.000.000 against EUR786.164 and has forward foreign exchange sales agreements that have total value of EUR799.424 against JPY100.000.000. Also, the Group has option contracts that enable to buy JPY50.000.000 for EUR389.712 and has option contracts to sell JPY50.000.000 for EUR409.836. With regard to these contracts, an income accrual of TRY56.213 is recognized in financial statements.

NOTE 28 - DISCLOSURES OF OTHER MATTERS

Group has won the bid of Ministry of Justice regarding the 86 patrol wagons which are going to be delivered within 2011.