ANADOLU ISUZU OTOMOTİV
SANAYİ VE TİCARET ANONİM ŞİRKETİ

CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH REPORT OF INDEPENDENT AUDITORS
FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2014

(ORIGINALLY ISSUED IN TURKISH)

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CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2014 AND 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Notes	31 December 2014	31 December 2013
ASSETS			
Current Assets		**577.973.787**	**555.910.495**
Cash and cash equivalents	**4**	111.118.458	189.832.793
Trade receivables			
Due from related parties	**27**	1.611.811	862.968
Other trade receivables	**7**	229.092.922	209.593.481
Other receivables			
Other trade receivables	**8**	532.869	552.576
Inventories	**9**	221.883.025	148.170.807
Prepaid expenses	**16**	298.936	288.556
Other current assets	**16**	13.435.766	6.609.314
Non-current Assets		**114.663.437**	**92.098.344**
Financial assets	**5**	-	3.898
Other receivables			
Other receivables	**8**	186	2.009
Property , plant and equipment	**10**	78.011.614	65.199.149
Intangible assets	**11**	34.290.920	24.551.268
Goodwill	**12**	2.340.995	2.340.995
Prepaid expenses	**16**	19.722	1.025
TOTAL ASSETS		**692.637.224**	**648.008.839**

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

These consolidated financial statements for the period 1 January - 31 December 2014 have been approved for issue by the Board of Directors ("BOD") on 25 February 2015 and signed by Independent Audit Committee Director Ahmet Cemal DÖRDÜNCÜ and Independent Audit Committee Member Kamil Ömer BOZER , General Manager Yusuf TUĞRUL and Finance Director Bora ÖNER.

CONSOLIDATED BALANCE SHEETS
AT 31 DECEMBER 2014 AND 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Notes	31 December 2014	31 December 2013
LIABILITIES			
Current liabilities		**314.051.734**	**238.584.165**
Financial liabilities	**6**	75.804.666	85.185.677
Trade payable			
Due to related parties	**27**	142.568.720	83.558.259
Other trade payables	**7**	73.573.992	53.860.527
Other payable			
Due to related parties	**27**	9.109	9.109
Other payables	**8**	10.582.548	6.320.022
Deferred income	**16**	1.005.023	789.076
Current income tax liabilities	**25**	75.244	823.708
Provisions			
Other provisions	**14**	10.432.432	8.037.787
Non-current liabilities		**44.683.087**	**44.090.255**
Financial liabilities	**6**	28.207.000	29.365.000
Deferred income	**16**	1.683.193	1.306.521
Provisions			
Provision for employment termination benefits	**15**	12.493.579	11.114.649
Deferred tax liabilities	**25**	2.299.315	2.304.085
EQUITY	**17**	**333.902.403**	**365.334.419**
Shareholders equity		**333.902.403**	**365.313.326**
Paid-in capital		25.419.707	25.419.707
Adjustment to share capital		86.901.880	86.901.880
Other comprehensive income/expense items that will not be reclassified to profit or loss			
Remeasurements of provision for employment termination benefits		112.998	453.176
Restricted reserves		159.657.537	14.744.014
Retained earnings		27.468.021	39.048.753
Net income for the period		34.342.260	198.745.796
Non-controlling interests	**17**	**-**	**21.093**
TOTAL LIABILITIES AND EQUITY		**692.637.224**	**648.008.839**

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

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

	Notes	01.01.2014-31.12.2014	01.01.2013-31.12.2013
CONTINUING OPERATIONS			
Revenue	**18**	729.143.932	645.057.510
Cost of sales (-)	**18**	(603.856.665)	(539.981.844)
GROSS PROFIT/LOSS		**125.287.267**	**105.075.666**
General administrative expenses (-)	**19**	(29.988.064)	(23.369.189)
Marketing, selling and distribution expenses (-)	**19**	(62.478.616)	(52.977.756)
Research and development expenses (-)	**19**	(2.373.599)	(2.379.672)
Other income	**21**	10.466.427	5.309.954
Other expenses (-)	**21**	(6.095.399)	(6.128.983)
OPERATING PROFIT/LOSS		**34.818.016**	**25.530.020**
Income from investing activities	**22**	307.394	187.368.572
Expenses from investing activities (-)	**22**	(218.779)	(79.694)
OPERATING PROFIT BEFORE FINANCIAL INCOME AND EXPENSES		**34.906.631**	**212.818.898**
Financial expenses (-)	**24**	(19.172.283)	(16.204.657)
Financial income	**23**	22.955.411	14.281.654
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS		**38.689.759**	**210.895.895**
Income tax (loss)/ income from continuing operations		**(4.347.499)**	**(12.147.804)**
Taxes on income (-)	**25**	(4.267.224)	(2.238.324)
Deferred tax (loss)/ income	**25**	(80.275)	(9.909.480)
INCOME/ (LOSS) FROM CONTINUING OPERATIONS		**34.342.260**	**198.748.091**
INCOME/(LOSS) FOR THE YEAR		**34.342.260**	**198.748.091**
Attributable to:	**17**	**34.342.260**	**198.748.091**
Non-controlling interests	**17**	-	2.295
Owners of the parent	**17**	34.342.260	198.745.796
Income/ (Loss) per hundred shares	**26**	**1,3510**	**7,8186**

Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of provision for employment termination benefits	(425.223)	654.574
Tax effect related with other comprehensive income items	85.045	(130.915)
Other comprehensive income for the period, net of tax	(340.178)	523.659
Total comprehensive income for the period	**34.002.082**	**199.271.750**
Non-controlling interests	-	2.295
Owners of the parent	34.002.082	199.269.455

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

CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 31 DECEMBER 2013
(Amounts expressed in Turkish Lira ("TRY") unless otherwise indicated)

	Notes	**1 January- 31 December 2014**	**1 January- 31 December 2013**
Operating activities:			
Net income/ (loss)	**17**	**34.342.260**	**198.745.796**
Adjustments to reconcile net cash generated:			
Adjustments for amortisation	**10**	9.081.820	7.621.872
Adjustments for depreciation	**11**	7.544.574	5.077.610
Adjustments for provision for employment termination benefits	**15**	1.378.930	114.075
Adjustments for on income taxes	**25**	4.347.499	12.147.804
Adjustments for interest income	**23**	(14.867.194)	(7.893.787)
Adjustments for interest expense	**24**	7.485.021	10.428.525
Foreign exchange differences on borrowings		(1.576.000)	1.870.000
Other adjustments		4.197.494	3.809.558
Loss on sales of tangible assets	**22**	88.615	(187.288.878)
Net operating income before changes in assets and liabilities:		**52.023.019**	**44.632.575**
Changes in assets and liabilities:			
Net (increase)/decrease in trade receivables		(22.785.905)	(60.181.979)
Net decrease/ (increase) in inventories	**9**	(73.712.218)	7.551.329
Net decrease/ (increase) in other current assets	**8-16**	(6.749.557)	7.085.058
Net decrease/(increase) in other non-current assets		(249.444)	(3.138.993)
Net (increase)/decrease in trade payables	**7-27**	79.320.845	40.472.913
Net (decrease)/increase in other liabilities		4.656.365	(828.395)
Taxes paid	**25**	(4.191.980)	(1.414.616)
Employment benefits paid	**15**	(1.000.959)	(1.221.605)
Cash flows generated from/(used in) operating activities:		**27.310.166**	**32.956.287**
Investing activities:			
Proceeds on sales of tangible assets		1.226.462	194.486.188
Purchase of property, plant and equipment	**10**	(23.057.132)	(17.588.970)
Purchase of intangible assets	**11**	(17.284.226)	(11.841.898)
Cash flows used in investing activities:		**(39.114.896)**	**165.055.320**
Financing activities:			
Dividend payments		(65.328.767)	(3.000)
Interests received		14.621.937	7.421.205
Interests paid		(7.073.032)	(13.023.274)
Proceeds from borrowings		75.625.000	82.495.000
Repayments of borrowings		(85.000.000)	(102.916.668)
Net cash (used in)/generated from financing activities:		**(67.154.862)**	**(26.026.737)**
Net decrease in cash and cash equivalents		**(78.959.592)**	**171.984.870**
Cash and cash equivalents at the beginning of period	**4**	189.358.983	17.374.113
Cash and cash equivalents at the end of period	**4**	**110.399.391**	**189.358.983**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2014 AND 31 DECEMBER 2013

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

					Other Comprehensive Income And Expense that will not be reclassified to profit or loss		Retained Earnings				
Prior period	**Notes**	**Paid in capital**	**Adjustment to share capital**	**Total paid in capital**	**Gain/loss on revaluation and remeasurement**	**Restricted reserves**	**Retained earnings**	**Net profit for the period**	**Owners of the parent**	**Non-controlling interests**	**Total equity**
1 January 2013	**17**	**25.419.707**	**86.901.880**	**112.321.587**	**(70.483)**	**14.693.894**	**37.762.889**	**1.338.984**	**166.046.871**	**18.798**	**166.065.669**
Net profit for the period		-	-	-	-	-	-	198.745.796	**198.745.796**	2.295	**198.748.091**
Other comprehensive income		-	-	-	**523.659**	-	-	-	**523.659**	-	**523.659**
Total comprehensive income		-	-	-	**523.659**	-	-	**198.745.796**	**199.269.455**	**2.295**	**199.271.750**
Transfers		-	-	-	-	-	1.338.984	(1.338.984)	-	-	-
Dividend payments					-	50.120	(53.120)	-	**(3.000)**	-	(3.000)
31 December 2013	**17**	**25.419.707**	**86.901.880**	**112.321.587**	**453.176**	**14.744.014**	**39.048.753**	**198.745.796**	**365.313.326**	**21.093**	**365.334.419**
Current period											
1 January 2014	**17**	**25.419.707**	**86.901.880**	**112.321.587**	**453.176**	**14.744.014**	**39.048.753**	**198.745.796**	**365.313.326**	**21.093**	**365.334.419**
Net profit for the period		-	-	-	-	-	-	34.342.260	**34.342.260**	-	**34.342.260**
Other comprehensive income		-	-	-	**(340.178)**			-	**(340.178)**	-	**(340.178)**
Total comprehensive income		-	-	-	**(340.178)**	-	-	**34.342.260**	**34.002.082**	-	**34.002.082**
Transfers		-	-	-	-	144.917.063	53.828.733	(198.745.796)	-	-	-
Non-controling interests transections (2.1.2)		-	-	-	-	(3.540)	(80.698)	-	**(84.238)**	(21.093)	**(105.331)**
Dividend payments					-		(65.328.767)	-	**(65.328.767)**	-	**(65.328.767)**
31 December 2014	**17**	**25.419.707**	**86.901.880**	**112.321.587**	**112.998**	**159.657.537**	**27.468.021**	**34.342.260**	**333.902.403**	-	**333.902.403**

NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS

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

The Company carries out its operations as a partnership formed by Isuzu Motors Ltd., Itochu Corporation and Anadolu Group Companies. The Company runs its manufacturing operations in a factory established in Cayırova/Kocaeli. The average number of employees as of 31 December 2014 is 869 (31 December 2013: 724).

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

As of 31 December 2014 and 31 December 2013, details regarding the Company's subsidiaries, which are subject to consolidation, are as follows:

Subsidiaries	Nature of business	Capital	31 December 2014 Ownership interest(%)	31 December 2013 Ownership interest(%)
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	Trade of spare parts	716.000	100,00	99,44
Anadolu Isuzu Dış Ticaret ve San. A.Ş.	Trade	100.000	-	97,00

As of 14 February 2014, the Company's shareholding percentage of Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş. went up to 100% as a result of purchasing the shares of other shareholders. The company transferred all of its shares in Anadolu Isuzu Dış Ticaret ve San. A.Ş., another subsidiary, to another company as of 29 May 2014 (Note 2.1.2 c-d).

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

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

2.1.2 Consolidation principles

(a) Subsidiaries

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

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

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

2.1 Basis of presentation(Continued)

2.1.2 Consolidation principles(Continued)

(a) Subsidiaries (Continued)

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

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

The table below sets out the subsidiaries and their ownership interests as of 31 December 2014 and 31 December 2013.

	Proportion of effective interest (%)		Direct and indirect ownership interest held by Company	
Subsidiaries	**31 December 2014**	**31 December 2013**	**31 December 2014**	**31 December 2013**
Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş.	100,00	99,44	100,00	99,44
Anadolu Isuzu Dış Ticaret ve San. A.Ş.	-	97,00	-	97,00

(b) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests which do not result in the loss of control are accounted for as equity. These are the transactions shareholders carry out with other shareholders. The difference between the net book value of the acquired assets of the subsidiary and the consideration paid for these assets is recognized under equity. The profit or loss arising from the sale of non-controlling interests is presented under equity.

(c) Disposals of subsidiaries

If the Group loses its control over a subsidiary, the Group's interests in the subsidiary are measured at their fair value at the date of the loss of control, and the difference between the fair value and the book value is recorded as profit or loss. The fair value is the first purchase value, and the aim is for subsequent accounting for the interest in subsidiaries, joint ventures, and financial assets. In addition, the amount previously recognized in other comprehensive income relating to this company is recognized in the same manner as the Group's disposal of the related assets or liabilities. This may mean that the amounts previously recognized in other comprehensive income should be classified as profit and loss.

(d) Purchase of additional shares in subsidiaries

On 14 February 2014, the Company purchased the remaining 0.56% of the shares of Ant Sınai ve Ticari Ürünleri Pazarlama A.Ş. ("Ant") in return for 16,632TRY, and took ownership of 100% of the capital of Ant. The book value of the Group's non-controlling interest amounts to 16,632TRY. The distribution of the impact of changes in the parent entity equity of Ant on the equity owned by the parent entity throughout the year is summarized as follows.

	1 January - 31 December 2014
Acquired non-controlling interest value	**16.632**
Payment to non-controlling interests	**(16.632)**
Equity in the parent entity accounted for	**-**

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

2.1 Basis of presentation (Continued)

2.1.2 Consolidation principles(Continued)

(e) Disposals of subsidiaries

On 14 February 2014, the Company purchased 300,000 shares, which corresponds to 3% of Anadolu Isuzu Dış Ticaret ve Sanayi A.Ş. ("Dış Ticaret"), in return for 7,340TRY, and acquired 100% equity of Dış Ticaret. On 29 May 2014, the Company floated 10,000,000 shares, which corresponds to 100% of Dış Ticaret, in return for 140,750TRY. The Group received 24,123TRY in profit from the sale of Dış Ticaret (Note 22).

2.1.3 Offsetting

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

2.1.4 Comparatives and adjustment of prior periods' financial statements

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

In accordance with the decision taken in the CMB meeting numbered 20/670 held on 7 June 2013, and in compliant with the announcement related to the format of financial statements and its accompanying notes, comparative figures have been reclassified to conform to the changes in presentation in the current period.

2.1.5 Amendments in International Financial Reporting Standards

a. Standards, Amendments and IFRICs applicable to 31 December 2014 year ends

- Amendment to IAS 32,'Financial instruments: Presentation', on offsetting financial assets and financial liabilities, effective from annual periods beginning on or after 1 January 2014. This amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet

- Amendments to IAS 36, 'Impairment of assets', effective from annual periods beginning on or after 1 January 2014. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal

- Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting, effective from annual periods beginning on or after 1 January 2014. These narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.

- IFRIC 21, 'Levies', effective from annual periods beginning on or after 1 January 2014. This interpretation is on IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

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

2.1 Basis of presentation(Continued)

2.1.5 Amendments in International Financial Reporting Standards (Continued)

a. Standards, Amendments and IFRICs applicable to 31 December 2014 year ends (Continued)

- Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities, effective from annual periods beginning on or after 1 January 2014. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

b. New IFRS standards, amendments and IFRICs effective after 1 January 2015

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

    - IFRS 2, 'Share-based payment'
    - IFRS 3, 'Business Combinations'
    - IFRS 8, 'Operating segments'
    - IFRS 13, 'Fair value measurement'
    - IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets'
    - Consequential amendments to IFRS 9, 'Financial instruments', IAS 37, 'Provisions, contingent liabilities and contingent assets', and
    - IAS 39, Financial instruments - Recognition and measurement'

- Annual improvements 2013; effective from annual periods beginning on or after 1 July 2014. These amendments include changes from the 2011-12-13 cycle of the annual improvements project, that affect 4 standards:

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

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

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

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

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

2.1 Basis of presentation(Continued)

2.1.5 Amendments in International Financial Reporting Standards (Continued)

b. New IFRS standards, amendments and IFRICs effective after 1 January 2015 (Continued)

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

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

- IFRS 15 'Revenue from contracts with customers', effective from annual periods beginning on or after 1 January 2017. IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

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

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

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

- Annual improvements 2014, effective from annual periods beginning on or after 1 January 2016. These set of amendments impacts 4 standards:

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

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

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

2.1 Summary of Significant Accounting Policies

2.2.1 Cash and cash equivalents

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

2.2.2 Trade receivables and valuation allowance

Trade receivables as a result of providing goods or services by the Group directly to a debtor are carried at amortised cost. Short-term receivables with no stated interest rate are measured at the original invoice amount since the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted based on the original effective interest rate of the originated receivables at inception.
If the impairment amount decreases due to an event occurring after the write-down, the release of the provision is credited to other income in the current period.

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

2.2.3 Inventories

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

2.2.4 Property, plant and equipment

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

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

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

2.2.4 Property, plant and equipment(Continued)

Repair and maintenance expenses are charged to the statement of income as they are incurred. Repair and maintenance expenditures are capitalised if they result in an enlargement or substantial improvement of the respective asset.

2.2.5 Intangible assets

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

Amortization is calculated using the straight-line method based on their economic lives unless they exceed five years.

2.2.6 Goodwill and related amortisation

In consolidated financial statements, if goodwill and negative goodwill which are resulted from the difference of purchase price and fair value of net assets of the acquired share of the affiliate are realised from the purchases before 31 March 2004, they are amortised by using the capitalised and normal amortisation method over its useful life until end of 31 December 2004. Within the framework of 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.

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

2.2.9 Taxes on income

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

Deferred income tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will affect the future period tax charges based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilised or deferred tax liabilities will be settled, are used to determine deferred income tax.

Deferred tax liabilities are recognised for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

2.2.10 Provision for employee benefits

Provision for employee benefits represent the present value of the estimated total reserve of the future probable obligation of the Group arising from the retirement of the employees, completion of one year of service of the employees, employees’ being calling up for military service or the death of employees calculated in accordance with the Turkish Labor Law.

2.2.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the provision amount decreases, in the case of an event occurring after the provision is accounted for, the related amount is classified as other income in the current period.

2.2.12 Research and development expenses

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

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

2.2.13 Warranty provision expenses

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

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

2.2 Summary of Significant Accounting Policies (Continued)

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 Income per share

Income 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.

2.2.17 Revenue recognition

Commercial vehicle and spare part sales

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

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

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

Service sales

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

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.

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

2.2. Summary of Significant Accounting Policies (Continued)

2.2.17 Revenue recognition(Continued)

Dividend income

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

Rent income

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

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

2.2.18 Reporting of cash flows

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

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

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

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

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

2.2.19 Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group are not included in the consolidated financial statements and treated as contingent assets or liabilities.

2.2.20 Government grants

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

2.2.21 Derivative intruments

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.

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

2.2 Summary of Significant Accounting Policies (Continued)

2.2.21 Derivative intruments(Continued)

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

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

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

2.2.22 Accounting policies, changes in accounting estimates and errors

Accounting estimates are made based on reliable information and using appropriate estimation methods. However, if new or additional information becomes available or the circumstances, which the initial estimates based on, change, then the estimates are reviewed and revised, if necessary. If the change in the accounting estimates is only related to a sole period, then only that period's financial statements are adjusted. As of 01 January - 31 December 2014, there are no changes in accounting estimates and errors in the presentation of the consolidated financial statements.

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

2.2.23 Subsequent events

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

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

NOTE 3 - SEGMENT REPORTING

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

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

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	31 December 2014	31 December 2013
Cash	74.114	62.775
Banks - Demand deposits	16.551.115	6.492.610
Banks - Time deposits (up to 3 months)	94.493.229	183.277.408
Other	-	-
Total	**111.118.458**	**189.832.793**

There are no blocked deposits as of 31 December 2014 and 31 December 2013.

Cash and cash equivalents presented in the consolidated cash flow statements as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
Cash and banks	111.118.458	189.832.793
Less: Interest Accruals (-)	(719.067)	(473.810)
Total (Excluding interest accruals)	**110.399.391**	**189.358.983**

The details of time deposits are as follows:

	31 December 2014		31 December 2013	
	Amount in TRY	Annual Interest Rate (%)	Amount in TRY	Annual Interest Rate (%)
TRY	90.992.025	6,00-10,20	176.164.120	5,75-9,81
USD	1.808.746	0,10	3.398.368	0,10-3,25
EUR	1.692.458	1,00	3.714.920	1,60-2,75
Total	**94.493.229**		**183.277.408**	

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

As of 31 December 2014, time and demand deposits amounting to TRY3.682.829 are at Alternatifbank A.Ş., a related party of the Group (31 December 2013: TRY3.855.518).

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:

	31 December 2014		31 December 2013	
Company	**Share Amount**	**Share Ratio %**	**Share Amount**	**Share Ratio %**
Efestur A.Ş.	-	-	1.621	2,50
Anadolu Otomotiv Dış Ticaret A.Ş.	-	-	2.277	2,00
Total available-for-sale financial assets	**-**		**3.898**	

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

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

NOTE 6 - FINANCIAL LIABILITIES

The details of bank loans as of 31 December 2014 and 31 December 2013 are as follows:

Short-term Bank Loans

	Annual Effective Interest Rate %		Original Currency		Amount in TRY	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Short-term Bank Loans						
EUR	2,73	-	10.000.000	-	28.637.373	-
TRY	10,37	8,66	47.000.000	85.000.000	47.167.293	85.185.677
Total					**75.804.666**	**85.185.677**

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

Period	**31 December 2014**	**31 December 2013**
Up to 1 month	32.009.272	55.012.396
Total	**32.009.272**	**55.012.396**

Long-term Bank Loans

	Annual Effective Interest Rate %		Original Currency		Amount in TRY	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Long-term Bank Loans						
EUR	3,58	3,73	10.000.000	10.000.000	28.207.000	29.365.000
Total					**28.207.000**	**29.365.000**

NOTE 7 - TRADE RECEIVABLES AND PAYABLES

Trade receivables at period ends are as follows:

Short-term trade receivables	**31 December 2014**	**31 December 2013**
Customer current accounts	231.538.036	210.961.456
Cheques recevied	93.734	97.267
Rediscount expenses (-)	(2.538.848)	(1.465.242)
Doubtful receivables	333.324	333.324
Less: Provision for doubtful receivables (-)	(333.324)	(333.324)
Total	**229.092.922**	**209.593.481**

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

NOTE 7 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movements of provision for doubtful receivables are as follows:

	2014	2013
1 January	**333.324**	**333.324**
Provisions for the period	-	-
Collections during the period	-	-
31 December	**333.324**	**333.324**

Trade payables as of period ends are as follows:

Trade Payables	**31 December 2014**	**31 December 2013**
Trade payables, net	74.100.720	54.235.213
Rediscount income (-)	(526.728)	(374.686)
Total	**73.573.992**	**53.860.527**

NOTE 8 - OTHER RECEIVABLES AND PAYABLES

Other Short-term Receivables **Other Receivables**	**31 December 2014**	**31 December 2013**
Receivables from government authorities(*)	295.841	344.433
Receivables from personnel	237.004	206.876
Deposits and guarantees given	24	1.267
Total	**532.869**	**552.576**

(*) As of 31 December 2014, the amount of Group's receivables was TRY208.000 which consists of the receivables related to the VAT refund request (31 December 2013: TRY274.855).

Other Long-term Receivables **Other Receivables**	**31 December 2014**	**31 December 2013**
Deposits and guarantees given	186	2.009
Total	**186**	**2.009**

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

NOTE 8 - OTHER RECEIVABLES AND PAYABLES (Continued)

Other Short-term Payables	**31 December 2014**	**31 December 2013**
Other Payables		
Due to personnel	816.202	634.271
Order advances received	4.954.142	2.225.337
Taxes and funds payable	3.237.296	2.258.753
Social security premiums payable	1.571.989	1.200.511
Other miscellaneous payable	2.919	1.150
Total	**10.582.548**	**6.320.022**

NOTE 9 - INVENTORIES

Inventory balances as of period ends are as follows:

	31 December 2014	**31 December 2013**
Raw materials	94.406.748	48.575.705
Semi-finished goods	4.906.815	1.117.508
Finished goods	34.594.155	17.259.901
Trade goods	14.557.831	38.807.670
Other inventories	12.735.546	6.852.175
Advances given for import and domestic purchases	62.117.483	37.367.017
	223.318.578	**149.979.976**
Less: Provisions for impairment of finished goods and trade goods	(1.435.553)	(1.809.169)
Total Inventories	**221.883.025**	**148.170.807**

Movements of Provision for Impairment on Inventories	**31 December 2014**	**31 December 2013**
Opening balance	1.809.169	1.242.014
Provision released due to sales (-)	(855.489)	(1.242.014)
Current period charge (+)	481.873	1.809.169
Closing balance	**1.435.553**	**1.809.169**

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

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

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

NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and fixtures	Other Tangible Assets	Constructions in progress and advances given	Total
As of 1 January 2013	**1.408.463**	**7.579.676**	**56.326.245**	**146.687.932**	**4.661.303**	**2.783.577**	**756.239**	**-**	**220.203.435**
Additions	-	6.600	9.273	7.416.942	2.570.452	190.586	3.602	7.391.515	**17.588.970**
Transfers from CIP	-	5.737	3.969.431	603.806	506.366	-	-	(5.085.340)	**-**
Disposals	(116.224)	-	-	(11.372)	(820.076)	(252.627)	-	-	**(1.200.299)**
As of 31 December 2013	**1.292.239**	**7.592.013**	**60.304.949**	**154.697.308**	**6.918.045**	**2.721.536**	**759.841**	**2.306.175**	**236.592.106**
Accumulated amortisation									
As of 1 January 2013	**-**	**(6.640.425)**	**(31.468.581)**	**(119.770.634)**	**(2.951.472)**	**(2.628.015)**	**(749.695)**	**-**	**(164.208.822)**
Current period amortisation	-	(116.451)	(2.012.718)	(4.658.160)	(785.025)	(47.637)	(1.881)	-	**(7.621.872)**
Disposals	-	-	-	10.217	199.305	228.215	-	-	**437.737**
As of 31 December 2013	**-**	**(6.756.876)**	**(33.481.299)**	**(124.418.577)**	**(3.537.192)**	**(2.447.437)**	**(751.576)**	**-**	**(171.392.957)**
Net Book Value									
1 January 2013	**1.408.463**	**939.251**	**24.857.664**	**26.917.298**	**1.709.831**	**155.562**	**6.544**	**-**	**55.994.613**
31 December 2013	**1.292.239**	**835.137**	**26.823.650**	**30.278.731**	**3.380.853**	**274.099**	**8.265**	**2.306.175**	**65.199.149**

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

NOTE 11 - INTANGIBLE ASSETS

1 January -
31 December 2014

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

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

NOTE 11 - INTANGIBLE ASSETS (Continued)

1 January -
31 December 2013

Cost	Rights	Development costs	Other intangible assets	Constructions in progress and advances given	Total
As of 01 January 2013	**113.154**	**21.098.848**	**3.492.687**	**2.783.062**	**27.487.751**
Additions	29.230	-	383.962	11.428.706	**11.841.898**
Transfers	16.278	10.558.641	2.041.801	(12.616.720)	-
As of 31 December 2013	**158.662**	**31.657.489**	**5.918.450**	**1.595.048**	**39.329.649**
Accumulated depreciation					
As of 01 January 2013	**(25.589)**	**(7.818.912)**	**(1.856.270)**	**-**	**(9.700.771)**
Current year depreciation	(9.107)	(4.353.734)	(714.769)	-	**(5.077.610)**
As of 31 December 2013	**(34.696)**	**(12.172.646)**	**(2.571.039)**	**-**	**(14.778.381)**
Net Book Value					
01 January 2013	**87.565**	**13.279.936**	**1.636.417**	**2.783.062**	**17.786.980**
31 December 2013	**123.966**	**19.484.843**	**3.347.411**	**1.595.048**	**24.551.268**

NOTE 12 - GOODWILL

31 December 2014

	Net Book Value
As of 1 January 2014	**2.340.995**
Additions	-
Provision for impairment	-
As of 31 December 2014	**2.340.995**

31 December 2013

	Net Book Value
As of 1 January 2013	**2.340.995**
Additions	-
Provision for impairment	-
As of 31 December 2013	**2.340.995**

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

NOTE 13 - GOVERNMENT GRANTS

In 2014, TRY776.116 is collected cash support amount related to R&D activities provided by TUBITAK. In 2013, cash support amounting to TRY993.700 related to R&D activities provided by TUBITAK was collected.

Due to the Group's expenses for R&D deduction corresponding to TRY15.057.685. As of 31 December 2014, As per amendment made in Article 35 of the Law on Supporting Research and Development No. 5746 which became effective on 1 April 2008, R&D deduction rate from which will be benefited for the expenses of R&D has been increased from 40% to 100% (As of 31 December 2013, carried forward R&D deduction amount is TRY35.011.808).

In order to benefit from the incentives and exemptions provided in line with the Law No. 5746, the Group has made R&D centre application and following the inspection of Ministry of Industry and Commerce, the Group has been provided with the certificate of R&D centre which is effective since 3 June 2009.

Regarding the TRY29.206.159 spent as of 31 December 2014 in accordance with Incentive Certificate No. 5487 dated 26 February 2010: the Group has started to benefit from the 20% investment incentive and 50% discounted corporate income tax incentive within the framework of Article 32/A of the Corporate Income Tax Law in proportion to the effect of the investment on generated income.

NOTE 14 - PROVISIONS, CONTINGENT ASSTES AND LIABILITIES

Provisions for expenses and liabilities (Short-term)	**31 December 2014**	**31 December 2013**
Warranty provisions	8.390.952	7.226.702
Provision for lawsuits	687.176	520.099
Provision for employee benefits	427.623	290.986
Provision for wage differences resulting from the collective labour agreement	926,681	-
Total	**10.432.432**	**8.037.787**

Movements of provisions during the period are as follows:

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

	Warranty Provisions	**Provision for lawsuits**	**Provision for employee benefits**	**Total**
As of 1 January 2013	4.860.139	196.783	690.962	**5.747.884**
Additions during the period	10.264.846	348.315	290.986	**10.904.147**
Less: Paid during the period	(7.898.283)	(24.999)	(690.962)	**(8.614.244)**
Reversal of provision (-)	-	-	-	**-**
As of 31 December 2013	**7.226.702**	**520.099**	**290.986**	**8.037.787**

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

NOTE 14 - PROVISIONS, CONTINGENT ASSTES AND LIABILITIES (Continued)

Lawsuits against the Group:

Amount of provisions allocated for the lawsuits which were filed against the Group as of 31 December 2014 and have not ended as of the balance sheet date equals TRY687.176 (31 December 2013: TRY520,099).

Mortgages and Guarantees on Assets:

There are not any mortgages and guarantees on assets.

Total Insurance Coverage on Assets:

Total insurance coverage on assets is TRY399.734.646 as of 31 December 2014 (31 December 2013: TRY436.930.333).

Contingent liabilities as of 31 December 2014 and 31 December 2013 are as follows:

Type	31 December 2014	31 December 2013
Letters of Guarantee	22.184.021	15.814.739
Total	**22.184.021**	**15.814.739**

Collaterals, pledges and mortgages "CPM" given by the Company as of 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	31 December 2013
A. CPM's given in the name of its own legal personality	**22.184.021**	**15.814.739**
i. Guarantee letter	22.184.021	15.814.739
ii. Mortgage	-	-
B. CPM's given on behalf of the fully consolidated companies	-	-
C. CPM's given on behalf of third parties	-	-
for ordinary course of business	-	-
D. Total amount of other CPM's given	-	-
i. Total amount of CPM's given on behalf of the majority shareholder	-	-
ii. Total amount of CPM's given on behalf of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPM's given on behalf of third parties which are not in scope of C	-	-
Total	**22.184.021**	**15.814.739**

Percentage of CPM's given by the Company to the Company's equities is 0,00% as of 31 December 2014 (0,00% as of 31 December 2013).

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

NOTE 15 - PROVISION FOR EMPLOYEE BENEFITS

	31 December 2014	31 December 2013
Provision for employment termination benefit	**12.493.579**	**11.114.649**

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

NOTE 15 - PROVISION FOR EMPLOYEE BENEFITS(Continued)

Within the framework of current laws in Turkey, it is obligatory to make the severance pay of each employee who has completed one year service period, has been paid off regardless of any related reason, has been called-up for military service along with men who have completed 25-year service period, women who have completed 20-year service period or those who have completed age of retirement (58 for women, 60 for men).
Because there is not any funding obligation for the severance pay provision in Turkey, any special fund is not allocated in the financial statements.

The severance payments are calculated over 30-days gross salary for each service year. Primary assumption is that ceiling liability set for each service year increases in proportion to inflation. In parallel with this, real discount rate which is cleared of the potential inflation impacts is considered at the implementation stage. The severance pay cap is revised in every six months, the ceiling amount of TRY3.541,37 (31 December 2013: TRY3.438,22) applicable as of 01 January 2015 has been regarded for the calculation of the Group's provision of severance pay.
Moreover, the severance payments are not made for those who leave the job with his/her wish; estimated rate related to these severance pay amounts that will remain in the Group's account is considered.

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

	31 December 2014	31 December 2013
Net Discount Rate %	3,18	3,94
Turnover rate to estimate the probability of retirement (%)	2,62	2,46

The provision calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees is recognised to the consolidated financial statements.
Movements of the provision for employee termination benefit during the period are as follows:

	31 December 2014	31 December 2013
Opening balance	**11.114.649**	**11.000.574**
Interest cost	1.041.964	1.131.471
Remeasurements	425.223	(654.574)
Less: Paid during the period	(1.000.959)	(1.221.605)
Current period service cost	912.702	858.783
Ending balance	**12.493.579**	**11.114.649**

NOTE 16 - OTHER ASSETS AND LIABILITIES

Prepaid Expenses	31 December 2014	31 December 2013
Prepaid insurance expenses	126.067	186.092
Prepaid subscription expenses	17.094	14.835
Prepaid advertisement expenses	46.708	14.684
Prepaid other expenses	109.067	72.945
Total	**298.936**	**288.556**

Other current assets

	31 December 2014	31 December 2013
Deferred VAT	12.957.387	5.708.086
Derivative transactions income provisions (Note 29)	67.568	715.764
Other current assets	410.811	185.464
Total	**13.435.766**	**6.609.314**

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

NOTE 16 - OTHER ASSETS AND LIABILITIES(Continued)

Prepaid expenses	**31 December 2014**	**31 December 2013**
Long-term prepaid expenses, other	19.722	1.025
Total	**19.722**	**1.025**

Deferred income (short term)	**31 December 2014**	**31 December 2013**
Short term deferred income(*)	1.005.023	789.076
Total	**1.005.023**	**789.076**

(*) The amount of cash incentives received for the company's R&D activities, and which should be transferred to the income statement for upcoming months as of 31 December 2014, is TRY814.693 (31 December 2013: TRY789.076).

Deferred income (long term)	**31 December 2014**	**31 December 2013**
Long term deferred income(*)	1.683.193	1.306.521
Total	**1.683.193**	**1.306.521**

(*) The amount which will be transferred to the consolidated income statement related to the upcoming years from the cash support received for R&D activities of the Company as of 31 December 2014 is TRY1.112.720 (31 December 2013: TRY1.306.521).

NOTE 17 - EQUITY

Capital / Elimination Adjustments

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

31 December 2014

NAME	**GROUP A**	**GROUP B**	**GROUP C**	**SHARE AMOUNT**	**SHARE %**
YAZICILAR HOLDİNG A.Ş.	9.073.187	-	4.478	9.077.665	**35,71**
ÖZİLHAN SINAİ YATIRIM A.Ş.	4.269.734	-	2.108	4.271.842	**16,81**
ANADOLU ENDÜSTRİ HOLDİNG A.Ş.	227.805	-	38.835	266.640	**1,05**
ISUZU MOTORS LTD.	-	4.319.991	-	4.319.991	**16,99**
ITOCHU CORPORATION	-	3.239.964	-	3.239.964	**12,75**
BEARER TO SHARES PUBLICLY OWNED	-	-	3.811.860	3.811.860	**15,00**
BEARER SHARES	93.318	-	338.427	431.745	**1,69**
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 17 - EQUITY (Continued)

31 December 2013

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 TO SHARES PUBLICLY OWNED	-	-	3.811.860	3.811.860	**15,00**
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 fourteen members of the Board of Directors elected among shareholders by General Assembly in accordance with the regulations of Turkish Commercial Code.

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

31 December 2014

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

31 December 2013

Paid-in share capital	25.419.707
Adjustment to share capital	86.901.880
Restricted reserves	14.744.014
Retained earnings	39.048.753
Gain/(loss) on revalution and remeasurement	453.176
Net profit for the year	198.745.796
Shareholders' equity attributable to equity holders of the Group	**365.313.326**
Non-controlling shares	**21.093**
Total shareholders' equity	**365.334.419**

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

NOTE 17 - EQUITY (Continued)

Restricted reserves

Restricted reserves are comprised of legal reserves and other reserves.

	31 December 2014	31 December 2013
Legal reserves	19.770.898	13.294.623
Real estate sale profit exemption	138,437,248	-
Profit reserves from sale of affiliates	1.449.390	1.449.390
Profit on cancelled shares certificates	1	1
Total	**159.657.537**	**14.744.014**

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"), The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital, Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital. In addition, the Group's profit on the sale of real estate, which is considered to be within the scope of Article 5/e of Corporate Income Tax Law No. 5520, is classified under this accounting category as a "Real estate sale profit exemption". As of 31 December 2014, the Group's total restricted reserves are TRY159.657.537 (31 December 2013: TRY14.744.014).

Retained earnings

Retained earnings is comprised of extraordinary reserves, miscellaneous inflation differences and other prior years income.

The Company's prior years' income details as of period ends are as follows:

	31 December 2014	31 December 2013
Extraordinary reserves	2.386.169	12.681.037
Inflation difference of legal reserves	25.081.046	25.081.046
Inflation difference of cancelled shares certificates	806	806
Retained earnings	-	1.285.864
Total	**27.468.021**	**39.048.753**

Quoted companies make profit distributions as follows:

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

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

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

NOTE 17 - EQUITY (Continued)

Group's retained earnings is TRY27.468.021 based on the consolidated financial statements prepared in according with CMB Financial Reporting Standard for the period ended 31 December 2014.

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 18 - SALES AND COST OF SALES

Sales	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Domestic sales	660.676.015	586.918.664
Foreign sales	119.392.771	104.015.426
Other sales	8.077.122	4.751.997
Sales Total (Gross)	**788.145.908**	**695.686.087**
Less: Discounts	(59.001.976)	(50.628.577)
Sales (Net)	**729.143.932**	**645.057.510**
Cost of sales	**(603.856.665)**	**(539.981.844)**
Gross operating profit/loss	**125.287.267**	**105.075.666**

Cost of sales are summarised as follows;

Cost of Sales	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Direct raw material costs	470.013.403	333.064.324
Direct labor costs	32.378.029	22.814.278
Depreciation and amortisation expenses	12.041.145	10.019.851
Manufacturing overhead costs	11.497.622	8.352.227
Total cost of production	**525.930.199**	**374.250.680**
Change in semi-finished and finish goods inventory	(12.540.965)	21.031.381
Cost of trade goods sold	87.803.953	143.813.081
Other cost of sales	2.663.478	886.702
Total cost of sales	**603.856.665**	**539.981.844**

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

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

a) Research and development expenses	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Personnel expenses	(583.502)	(660.050)
Project costs	(297.516)	(242.274)
Depreciation and amortisation expenses	(170.588)	(99.093)
Other	(1.321.993)	(1.378.255)
Total Research and Development Expenses	**(2.373.599)**	**(2.379.672)**
b) Marketing, selling and distribution expenses		
Domestic sales expenses	(7.297.435)	(6.335.245)
Export expenses	(11.612.551)	(9.339.632)
Personnel expenses	(8.437.329)	(7.233.097)
Advertising expenses	(7.475.542)	(4.489.972)
Warranty expenses	(9.175.455)	(10.264.847)
Depreciation and amortisation expenses	(1.512.836)	(998.060)
Other	(16.967.468)	(14.316.903)
Total Marketing, Selling and Distribution Expenses	**(62.478.616)**	**(52.977.756)**
c) General and administrative expenses		
Personnel expenses	(11.351.606)	(9.430.958)
Provisions for employee termination benefits	(912.702)	(858.783)
Service and work expenses	(9.988.907)	(8.568.662)
Depreciation and amortisation expenses	(999.039)	(736.284)
Insurance expenses	(1.090.205)	(1.160.080)
Other	(5.645.605)	(2.614.422)
Total General and Administrative Expenses	**(29.988.064)**	**(23.369.189)**

NOTE 20 - EXPENSES BY NATURE

	1 January 2014 - 31 December 2014	**1 January 2013 - 31 December 2013**
Direct material costs	470.013.403	333.064.324
Cost of trade goods sold	87.803.953	143.813.081
Cost of other goods sold	2.663.478	886.702
Change in goods inventory	(12.540.965)	21.031.381
Other operational expenses	70.872.677	58.710.292
Personnel expenses	53.663.169	40.997.166
Depreciation and amortisation expenses	14.723.608	11.853.288
Other production expenses	11.497.621	8.352.227
Total expenses	**698.696.944**	**618.708.461**

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

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

NOTE 21 - OTHER OPERATING INCOME/EXPENSES

Other operating income:	**1 January 2014 31 December 2014**	**1 January 2013 31 December 2013**
Foreign Exchange Income on Trade Receivable and Payables	5.415.203	1.604.721
Rediscount Income on Trade Payables	2.142.431	1.276.405
Rent income	86.583	1.149.576
Service income	376.099	37.820
Tubitak R&D incentive	944.300	789.076
Export support and price stabilization fund income	140.957	88.836
Stock count surpluses	59.365	50.930
Insurance indemnity income	27.214	25.151
Other income	1.274.275	287.439
Total	**10.466.427**	**5.309.954**

Other operating expenses:		
Foreign Exchange Expenses on Trade Receivable and Payables	(1.819.800)	(3.463.529)
Rediscount Expenses on Trade Receivables	(3.035.347)	(1.741.280)
Contribution expense	(1.114.700)	(840.525)
Other expense	(125.552)	(83.649)
Total	**(6.095.399)**	**(6.128.983)**

NOTE 22 - INCOME AND EXPENSES FROM INVESTING ACTIVITIES

Income from investing activities	**1 January 2014 31 December 2014**	**1 January 2013 31 December 2013**
Gain on sale of Land and Buildings	-	187.099.463
Gain on sale of Machinery and Equipment	282.169	269.109
Gain on sale of subsidiary shares	25.225	-
Total	**307.394**	**187.368.572**

Expenses from investing activities	**1 January 2014 31 December 2014**	**1 January 2013 31 December 2013**
Loss on sale of Machinery and Equipment	(218.779)	(79.694)
Total	**(218.779)**	**(79.694)**

NOTE 23 - FINANCIAL INCOME

Financial income:	**1 January 2014 31 December 2014**	**1 January 2013 31 December 2013**
Interest income	13.264.315	6.441.027
Credit finance income	1.602.879	1.452.760
Foreign exchange gains	8.088.217	6.387.867
Total	**22.955.411**	**14.281.654**

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

NOTE 24 - FINANCIAL EXPENSES

Financial expenses	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Interest expenses	(7.485.021)	(10.428.525)
Foreign exchange losses	(8.631.669)	(3.350.426)
Credit finance expenses	(1.486.602)	(818.799)
Other financial expenses	(1.568.991)	(1.606.907)
Total	**(19.172.283)**	**(16.204.657)**

NOTE 25 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

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

Account name	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Corporate tax provision	(4.267.224)	(2.238.324)
Deferred tax (expense) / income	(80.275)	(9.909.480)
Total tax (expense) / income	**(4.347.499)**	**(12.147.804)**
Tax income / (exprense) - Comprehesive Income Statements	85.045	(130.915)
Total tax (expense) / income	**(4.262.454)**	**(12.278.719)**

	31 December 2014	**31 December 2013**
Current period corporate tax	4.267.224	2.238.324
Prepaid taxes	(4.191.980)	(1.414.616)
Taxes payable	**75.244**	**823.708**

i) Provision for Current Period Tax

The Group is subject to Corporate Tax in Turkey. Necessary provisions in supplementary financial statements have been made for estimated tax liabilities regarding Group's operations in the current period.

The corporate tax to be accrued over the taxable profit is calculated by adding non-deductible expenses to the accounting profit ; deducting investment and research and development allowances , income not subject to taxation and the dividends received, from companies located in Turkey, from the accounting profit.

Effective Corporate Tax Rates:

The corporate tax rate was determined as 20% by the Corporate Tax Law No.5520 after publishing at Official Gazette on 21 September 2006 including the earnings in the fiscal year 2006.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

According to Corporate Tax Law's 24th article, the corporate tax is imposed by the taxpayer's tax returns. There is not an exact mutual agreement procedure with Tax Authorities in Turkey. Annual corporate tax returns are submitted to the relating tax offices until the 25th of April in the following year. Tax authorities have the right to audit tax declarations and accounting records for 5 years, and may issue re-assessment based on their findings.

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

NOTE 25 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

Income Withholding Tax:

In addition to corporate tax, companies should also calculate income withholding tax on any dividends and income distributed, except for resident companies in Turkey receiving dividends from resident companies in Turkey and Turkish branches of foreign companies. The rate of withholding tax has been increased from 10% to 15% upon the Cabinet decision No: 2006/10731, which was published in Official Gazette on July 23, 2006.

ii) Deferred Tax:

The deferred tax asset and tax liability are based on the temporary differences, which arise between the financial statements prepared according to 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.

	31 December 2014		**31 December 2013**	
	Cumulative Temporary Differences	**Deferred Tax Assets/(Liabilities)**	**Cumulative Temporary Differences**	**Deferred Tax Assets/(Liabilities)**
Inventories	1.769.506	353.901	1.738.656	347.731
Non-current assets	(37.184.966)	(7.436.993)	(32.661.674)	(6.532.335)
Provision for employee termination benefits	12.493.579	2.498.716	11.114.649	2.222.930
Guarantee provisions	8.390.952	1.678.190	7.226.702	1.445.340
Provision for employee benefits	427.623	85.525	290.986	58.197
Rediscount expenses/income (Net)	1.860.432	372.086	965.923	193.185
Law suit provisions	687.176	137.435	520.099	104.020
Other (Net)	59.125	11.825	(715.764)	(143.153)
Total		**(2.299.315)**		**(2.304.085)**

Movements of deferred income tax:	**1 January 2014- 31 December 2014**	**1 January 2013- 31 December 2013**
Opening	(2.304.085)	7.736.310
Deferred tax income on income statements	(80.275)	(9.909.480)
Deferred tax income on comprehensive income statements	85.045	(130.915)
Total	**(2.299.315)**	**(2.304.085)**

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

NOTE 25 - TAXATION ON INCOME (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (Continued)

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

Reconciliation of tax provision:	**1 January 2014 - 31 December 2014**	**1 January 2013 - 31 December 2013**
Income/ (Loss) from continuing operations	**38.689.759**	**210.895.895**
Corporate tax rate 20%	(7.737.952)	(42.179.179)
Taxation effect:		
- R&D deductions	3.011.537	2.119.262
- Income on R&D subsidies	188.860	157.815
- Non-deductible expenses for tax purposes	(10.858)	(15.319)
- Tax-free income	210.758	27.687.449
- Other deductions	(9.844)	82.168
(Loss)/income tax provision on statements of income	**(4.347.499)**	**(12.147.804)**

NOTE 26 - INCOME/(LOSS) PER SHARE

	1 January 2014- 31 December 2014	**1 January 2013- 31 December 2013**
Net income/ (loss) for the period (TRY)	34.342.260	198.745.796
Weighted average number of shares with nominal value of Kr 1 each	2.541.970.654	2.541.970.654
Income / (loss) per 100 share with nominal value of TRY1 each	**1,3510**	**7,8186**

NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

a) Related party balances:

Group's receivables from related parties are mainly due to trade goods, service sales and rent income. Group's payables to related parties are mainly due to raw material, service purchases and rent expenses.

31 December 2014

	Receivables		**Payables**	
1) Related Parties	**Trade**	**Other**	**Trade**	**Other**
Payables to shareholders (*)	-	-	-	9.109
Anadolu Endüstri Holding A.Ş.	50.325	-	-	-
Itochu Corporation Tokyo	-	-	117.039.076	-
Isuzu Motors International Operation Thailand	390.713	-	21.007.658	-
Isuzu Motors Ltd. Tokyo	750.768	-	3.159.958	-
Çelik Motor Ticaret A.Ş.	415.195	-	-	-
Efestur Turizm İşletmeleri A.Ş.	-	-	62.226	-
Anadolu Bilişim Hizmetleri A.Ş.	-	-	1.277.004	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	-	-	424	-
Adel Kalemcilik Tic. ve San. A.Ş.	4.720	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	22.374	-
Anadolu Otomotiv Dış Ticaret A.Ş.	90	-	-	-
Total	**1.611.811**	**-**	**142.568.720**	**9.109**

(*) Payables to shareholders balance is classified under other payables in the consolidated balance sheet.

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

NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

31 December 2013

	Receivables		Payables	
1) Related Parties	**Trade**	**Other**	**Trade**	**Other**
Payables to shareholders (*)	-	-	-	9.109
Anadolu Endüstri Holding A.Ş.	-	-	648.650	-
Itochu Corporation Tokyo	-	-	72.503.071	-
Isuzu Motors International Operation Thailand	616.237	-	7.381.519	-
Isuzu Motors Ltd. Tokyo	110.673	-	2.385.472	-
Çelik Motor Ticaret A.Ş.	-	-	24.875	-
Anadolu Motor Üretim ve Paz. A.Ş.	133.698	-	-	-
Efestur Turizm İşletmeleri A.Ş.	-	-	137.790	-
Anadolu Bilişim Hizmetleri A.Ş.	-	-	263.177	-
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	-	-	424	-
Adel Kalemcilik Tic. ve San. A.Ş.	2.360	-	-	-
AEH Sigorta Acenteliği A.Ş.	-	-	8.087	-
Anadolu Araçlar Ticaret A.Ş.	-	-	116.220	-
Anadolu Sağlık Merkezi İktisadi İşletmesi	-	-	350	-
Oyex Handels GmbH	-	-	88.624	-
Total	**862.968**	**-**	**83.558.259**	**9.109**

(*) Payables to shareholders balance is classified under other payables in the consolidated balance sheet.

b) Related party transactions:

1 January - 31 December 2014

Sales to related parties	**Goods and Service sales**	**Sales of Fixed assets**	**Rent income**	**Total revenues / Sales**
Isuzu Motors International Operation Thailand	1.357.087	-	-	**1.357.087**
Isuzu Motors Ltd. Tokyo	2.074.908	-	-	**2.074.908**
Çelik Motor Ticaret A.Ş.	1.104.021	-	-	**1.104.021**
Anadolu Endüstri Holding A.Ş.	43.693	-	-	**43.693**
Adel Kalemcilik Tic. ve San. A.Ş.	-	-	24.000	**24.000**
Anadolu Bilişim Hizmetleri A.Ş.	55.578	-	-	**55.578**
Anadolu Motor Üretim ve Paz. A.Ş.	539.477	-	12.000	**551.477**
Anadolu Otomotiv Dış Ticaret A.Ş.	-	140.750	-	**140.750**
Anadolu Sağlık Merkezi İktisadi İşletmesi	20.129	-	-	**20.129**
Total	**5.194.893**	**140.750**	**36.000**	**5.371.643**

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

NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

1 January -31 December 2013

Sales to related parties	Goods and Service sales	Sales of Fixed assets	Rent income	Total revenues / Sales
Efes Pazarlama Dağıtım ve Tic. A.Ş.	520	-	636.266	**636.786**
Isuzu Motors International Operation Thailand	1.202.249	-	-	**1.202.249**
Isuzu Motors Ltd. Tokyo	3.507.238	-	-	**3.507.238**
Çelik Motor Ticaret A.Ş.	680.840	-	-	**680.840**
Anadolu Endüstri Holding A.Ş.	6.338	-	-	**6.338**
Alternatif Yatırım A.Ş.	-	-	6.862	**6.862**
Adel Kalemcilik Tic. ve San. A.Ş.	495	-	332.244	**332.739**
Anadolu Motor Üretim ve Paz. A.Ş.	339.252	12.000	14.250	**365.502**
Alternatif Finansal Kiralama A.Ş.	124	-	82.855	**82.979**
Alternatifbank A.Ş.	119	-	80.224	**80.343**
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	10.933	-	-	**10.933**
Anadolu Sağlık Merkezi İktisadi İşletmesi	124	-	-	**124**
Total	**5.748.232**	**12.000**	**1.152.701**	**6.912.933**

1 January-31 December 2014

Purchases from related parties	Goods and Service purchases	Fixed asset purchases	Rent Expense	Total expense/ Purchases
Çelik Motor Ticaret A.Ş.	14.760	-	711.768	**726.528**
Anadolu Endüstri Holding A.Ş.	4.176.293	1.060	4.673	**4.182.026**
Itochu Corporation Tokyo	173.686.867	-	-	**173.686.867**
Isuzu Motors International Operation Thailand	103.718.899	-	-	**103.718.899**
Isuzu Motors Ltd. Tokyo	9.695.088	-	-	**9.695.088**
Isuzu Motors Ltd. Europe	19.625	-	-	**19.625**
Efestur Turizm İşletmeleri A.Ş.	2.771.424	-	-	**2.771.424**
Anadolu Bilişim Hizmetleri A.Ş.	1.965.482	2.928.238	-	**4.893.720**
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	9.140	-	-	**9.140**
Anadolu Sağlık Merkezi İktisadi İşletmesi	23.889	-	-	**23.889**
AEH Sigorta Acenteliği A.Ş.	948.871	-	-	**948.871**
Anadolu Araçlar Ticaret A.Ş.	140	-	-	**140**
Total	**297.030.478**	**2.929.298**	**716.441**	**300.676.217**

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

NOTE 27 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

1 January -31 December 2013

Purchases from related parties	**Goods and Service purchases**	**Fixed asset purchases**	**Rent Expense**	**Total expense/ Purchases**
Anadolu Motor Üretim ve Paz. A.Ş.	100.574	-	-	**100.574**
Çelik Motor Ticaret A.Ş.	954	-	441.832	**442.786**
Anadolu Endüstri Holding A.Ş.	3.735.284	1.615	1.060	**3.737.959**
Itochu Corporation Tokyo	129.303.245	-	-	**129.303.245**
Isuzu Motors International Operation Thailand	110.408.407	-	-	**110.408.407**
Isuzu Motors Ltd. Tokyo	7.708.984	-	-	**7.708.984**
Isuzu Motors Ltd. Europe	10.406	-	-	**10.406**
Isuzu Techno Co.,Ltd	46.130	-	-	**46.130**
Efestur Turizm İşletmeleri A.Ş.	2.283.488	-	-	**2.283.488**
Efes Pazarlama Dağıtım ve Tic. A.Ş.	20.215	39.700	-	**59.915**
Anadolu Bilişim Hizmetleri A.Ş.	2.506.178	2.161.125	-	**4.667.303**
Adel Kalemcilik Tic. ve San. A.Ş.	6.808	-	-	**6.808**
Anadolu Efes Biracılık ve Malt Sanayi A.Ş.	7.001	-	-	**7.001**
Anadolu Sağlık Merkezi İktisadi İşletmesi	324	-	-	**324**
Anadolu Araçlar Ticaret A.Ş.	343.928	-	-	**343.928**
Oyex Handels GmbH	162.660	-	-	**162.660**
Total	**256.644.586**	**2.202.440**	**442.892**	**259.289.918**

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. TRY1.100.000 donation was made to Anadolu Eğitim ve Sosyal Yardım Vakfı in the current year. (31 December 2013: TRY800.000 donation was made).

d) Key management compensation:

	1 January 2014 - 31 December 2014	**1 January2013 - 31 December 2013**
Salaries and other short-term benefits	3.621.766	1.881.531
Total	**3.621.766**	**1.881.531**

The benefits provided to top management (automotive group chairman, general manager and directors) included salaries, bonuses, premiums, and the employer's share of social security.

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

NOTE 28 - FINANCIAL RISK MANAGEMENT

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing its profit and market value through the optimization of the debt and equity balance.

The Group's equity comprised of cash and cash equivalents (Note 4) and respectively share capital, capital reserves, profit reserves and retained earnings items (Note 17).

Risks, associated with each capital class, and the capital cost are evaluated by the top management. It is aimed that the capital structure will be set in balance by means of new borrowings or repaying the existing debts as well as dividend payments and new share issuances based on the top management evaluations.

The Group monitors capital by using debt to total capital ratio. This ratio is calculated by dividing the net debt by total capital. The net debt is calculated by excluding the cash and cash equivalent amounts from the total debt amount (including credits, leasing and commercial debts as indicated in the balance sheet). Total capital is calculated by adding net debt to shareholders' equity as indicated in the balance sheet.

	31 December 2014	31 December 2013
Financial Liabilities	209.035.920	62.136.670
Total Shareholders' Equity	333.902.403	365.334.419
Debt/Total equity	**0,63**	**0,17**

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 28 - FINANCIAL RISK MANAGEMENT(Continued)

Sensitivity analysis of foreign exchange

31 December 2014

	Profit/Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
If USD$ appreciated/(depreciated) against TRY by 10%;		
1- USD currency net asset/liability	(1.881.559)	1.881.559
2- Hedged items (-)	-	-
3- Net effect of USD (1+2)	**(1.881.559)**	**1.881.559**
If EUR appreciated/(depreciated) against TRY by 10%;		
7- EUR currency net asset/liability	(2.623.390)	2.623.390
5- Avro Riskinden Korunan Kısım (-)	-	-
6- Net effect of EUR(4+5)	**(2.623.390)**	**2.623.390**
If Other appreciated/(depreciated) against TRY by 10%;		
7- Other currency net asset/liability	(12.342.365)	12.342.365
8- Hedged items (-)	-	-
9- Net effect of Other (7+8)	**(12.342.365)**	**12.342.365**
TOTAL (3+6+9)	**(16.847.314)**	**16.847.314**

Sensitivity analysis of foreign exchange

31 December 2013

	Profit/Loss	
	Appreciation of foreign currency	**Depreciation of foreign currency**
If US$ appreciated/(depreciated) against TRY by 10%;		
1- USD currency net asset/liability	(809.726)	809.726
5- Hedged items (-)	-	-
3- Net effect of USD (1+2)	**(809.726)**	**809.726**
If EUR appreciated/(depreciated) against TRY by 10%;		
4- EUR currency net asset/liability	190.873	(190.873)
5- Hedged items (-)	-	-
6- Net effect of EUR(4+5)	**190.873**	**(190.873)**
If Other appreciated/(depreciated) against TRY by 10%;		
7- Other currency net asset/liability	(7.467.865)	7.467.865
8- Hedged items (-)	-	-
9- Net effect of Other (7+8)	**(7.467.865)**	**7.467.865**
TOTAL (3+6+9)	**(8.086.718)**	**8.086.718**

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

NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)

Foreign currency position table

	31 December 2014					31 December 2013				
	TRY Amount	**USD**	**EUR**	**JPY**	**Other**	**TRY Amount**	**USD**	**EUR**	**JPY**	**Other**
1. Trade receivables	20.270.331	311.491	6.930.200	-	-	29.159.169	1.838.870	8.593.383	-	-
2a. Monetary financial assets	19.091.992	786.688	5.098.489	148.972.711	1.184	14.244.465	1.629.370	2.246.633	205.833.631	1.550
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
3. Other	123.038	-	-	6.359.532	-	-	-	-	-	-
4. Total current assets (1+2+3)	**39.485.361**	**1.098.179**	**12.028.689**	**155.332.243**	**1.184**	**43.403.634**	**3.468.240**	**10.840.016**	**205.833.631**	**1.550**
5. Trade receivables	-	-	-	-	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-	-	-	-	-
7. Other	-	-	-	-	-	1.823	854	-	-	-
8. Total non-current assets (5+6+7)	**-**	**-**	**-**	**-**	**-**	**1.823**	**854**	**-**	**-**	**-**
9. Total assets(4+8)	**39.485.361**	**1.098.179**	**12.028.689**	**155.332.243**	**1.184**	**43.405.457**	**3.469.094**	**10.840.016**	**205.833.631**	**1.550**
10. Trade payables	146.138.447	9.065.166	2.048.215	6.168.240.300	803	83.909.061	3.481.083	743.417	3.672.400.862	-
11. Financial liabilities	28.637.373	-	10.152.577	-	-	88.280	-	30.063	-	-
12a. Other monetary liabilities	4.934.141	147.027	1.628.390	-	-	2.205.336	6.156	746.534	-	-
12b. Other non-monetary liabilities.	-	-	-	-	-	-	-	-	-	-
13. Total current liabilities (10+11+12)	**179.709.961**	**9.212.193**	**13.829.182**	**6.168.240.300**	**803**	**86.202.677**	**3.487.239**	**1.520.014**	**3.672.400.862**	**-**
14. Trade payables	-	-	-	-	-	-	-	-	-	-
15. Financial liabilities	28.207.000	-	10.000.000	-	-	29.365.000	-	10.000.000	-	-
16a. Other monetary liabilities	-	-	-	-	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-	-	-	-	-
17. Total non-current liabilities (14+15+16)	**28.207.000**	**-**	**10.000.000**	**-**	**-**	**29.365.000**	**-**	**10.000.000**	**-**	**-**
18. Total liabilities (13+17)	**207.916.961**	**9.212.193**	**23.829.182**	**6.168.240.300**	**803**	**115.567.677**	**3.487.239**	**11.520.014**	**3.672.400.862**	**-**
19. Off-balance sheet derivative instruments net position (19a-19b)	**41.537**	**-**	**(2.500.000)**	**366.635.000**	**-**	**8.703.999**	**3.775.275**	**(1.330.000)**	**225.000.000**	**-**
19a. Total Amount of Hedged Assets	7.093.287	-	-	366.635.000	-	12.609.544	3.775.275	-	225.000.000	-
19b. Total Amount of Hedged Liabilities	7.051.750	-	2.500.000	-	-	3.905.545	-	1.330.000	-	-
20. Net Foreign Exchange Asset / (Liability) Position (9-18+19)	**(168.390.063)**	**(8.114.014)**	**(14.300.493)**	**(5.646.273.057)**	**381**	**(63.463.664)**	**3.757.130**	**(2.009.998)**	**(3.241.567.231)**	**1.550**
21. Monetary Items Net Foreign Exchange Asset / (liability) Position (1+2a+5+6a-10-11-12a-14-15-16a)	**(168.554.638)**	**(8.114.014)**	**(11.800.493)**	**(6.019.267.589)**	**381**	**(72.169.486)**	**(18.999)**	**(679.998)**	**(3.466.567.231)**	**1.550**
22. Total Fair Value of Financial Instruments Used for the Foreign Exchange Hedge	**-**					**-**				
23. The Amount of Hedged part of Foreign Exchange Assets	**(7.051.750)**					**(3.905.545)**				
23. The Amount of Hedged part of Foreign Exchange Liabilities	**7.093.287**					**12.609.544**				
23. Export	**119.392.771**					**104.015.426**				
24. Import	**329.644.134**					**271.731.225**				

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

NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)

(e) Interest rate risk

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

Interest rate position table

	31 December 2014	31 December 2013
Financial assets with fixed rates		
Financial assets		
Cash and cash equivalents	94.493.229	183.277.408
Financial liabilities	(43.714.139)	(59.538.281)
Financial liabilities with variable rates		
Financial liabilities	(60.297.527)	(55.012.396)

As of 31 December 2014, if the market interest rate had increased/decreased by 1% with all other variables held constant, income before taxes for the period would have been higher/lower by TRY602.975 (31 December 2013: TRY550.124).

(f) Funding risk

The ability to fund the existing and prospective debt requirements is managed as necessary by obtaining adequate committed funding lines from high quality lenders.

(g) Credit risk management

The risk of a financial loss for the Group due to failing of one of the parties of the contract to meet its obligations is defined as credit risk. The Group's credit risk is basically related to its receivables. The balance shown in the balance sheet is formed by the net amount after deducting the doubtful receivables arisen from the Group management's forecasts based on its previous experience and current economical conditions (Note 7).

Most of trade receivables are comprised of receivables from costumers who has given an adequate amount of guarantees. An effective control system was established to collect the receivables. Credit risk arising from transactions is followed and these risks are taken into account when assessing each debtor. Because there are so many costumers, The Group's credit risk is dispersed and there is no important credit risk concentration. Receivables from foreign customers as of 31 December 2014 are TRY19.625.858 and there is no geographical concentration (31 December 2013: TRY29.159.169).

31 December 2014	Receivables				Notes	Deposits in Banks	Notes
	Trade Receivables		Other Receivables				
	Related	Other	Related	Other			
Maximum credit risk exposed as of the date of reporting (A+B+C+D+E)	**1.611.811**	**229.092.922**	**-**	**533.055**		**111.044.344**	
- The part of maximum risk secured by guarantee etc	-	229.092.922	-	-	**7**	-	
A. Net book value of financial assets which are undue or which is not impaired	**1.611.811**	**205.949.319**	**-**	**533.055**	**7-8-27**	**111.044.344**	**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	**-**	**23.143.603**	**-**	**-**	**-**	**-**	
- Secured by guarantee and etc.	-	23.143.603	-	-		-	
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 28 - FINANCIAL RISK MANAGEMENT(Continued)

31 December 2013	Receivables				Other	Deposits in Banks	Notes
	Trade Receivables		Other Receivables				
	Related	Other	Related	Other			
Maximum credit risk exposed as of the date of reporting (A+B+C+D+E)	**862.968**	**209.593.481**	**-**	**554.585**		**189.770.018**	
- The part of maximum risk secured by guarantee etc.	-	209.593.481	-	-	**7**	-	
A. Net book value of financial assets which are undue or which is not impaired	**862.968**	**200.286.481**	**-**	**554.585**	**7-8-27**	**189.770.018**	**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	**-**	**9.307.000**	**-**	**-**	**-**	**-**	
- Secured by guarantee and etc.	-	9.307.000	-	-		-	
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	**-**	**-**	**-**	**-**		**-**	

The ageing of trade receivables, overdue but not impaired, is as follows;

31 December 2014	Receivable: Trade Receivable	Receivable: Other Receivable	Bank Deposit	Derivative Instruments	Other
1-30 days overdue	20.829.243	-	-	-	-
1-3 months overdue	2.314.360	-	-	-	-
3-12 months overdue	-	-	-	-	-
1-5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
Assets covered portion with guarantee letter etc.	**23.143.603**	**-**	**-**	**-**	**-**

31 December 2013	Receivable: Trade Receivable	Receivable: Other Receivable	Bank Deposit	Derivative Instruments	Other
1-30 days overdue	8.376.300	-	-	-	-
1-3 months overdue	930.700	-	-	-	-
3-12 months overdue	-	-	-	-	-
1-5 years overdue	-	-	-	-	-
More than 5 years overdue	-	-	-	-	-
Assets covered portion with guarantee letter etc.	**9.307.000**	**-**	**-**	**-**	**-**

Impeirment analysis on trade receivables is made over the ageing table and though assessing the management's best estimates.

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

NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)

(h) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity Risk Tables

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and having the availability and flexibility of funding through an adequate amount of (committed) credit facilities.

The risk of meeting existing and probable future liabilities is managed only by means of having access to sufficient number of trustable creditors.

The table below indicates derivative and non-derivative financial liabilities of the Group in terms of TRY and maturity term.

31 December 2014

Non-derivative financial liabilities

Contractual maturities:	**Carrying value**	**Total contractual cash outflow**	**Up to 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Over 5 years**
Bank borrowings	104.011.666	107.833.161	32.009.272	46.574.584	29.249.305	-
Corporate bonds issued	-	-	-	-	-	-
Financial Lease	-	-	-	-	-	-
Trade Payables	216.142.712	216.819.901	121.236.201	95.583.700	-	-
Other Liabilities	10.591.657	10.591.657	10.591.657	-	-	-
Non-derivative financial liabilities	**330.746.035**	**335.244.719**	**163.837.130**	**142.158.284**	**29.249.305**	**-**

Derivative financial liabilities

Contractual maturities:	**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 received	7.093.287	7.093.287	2.838.011	4.255.276	-	-
Derivative cash outflow	(7.051.750)	(7.025.719)	(2.811.538)	(4.214.181)	-	-
Derivative financial liabilities	**41.537**	**67.568**	**26.473**	**41.095**	**-**	**-**

31 December 2013

Non-derivative financial liabilities

Contractual maturities:	**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	114.550.677	120.331.656	55.656.979	33.066.123	31.608.554	-
Corporate bonds issued	-	-	-	-	-	-
Financial Lease	-	-	-	-	-	-
Trade Payables	137.418.786	137.915.285	79.479.863	58.435.422		-
Other Liabilities	6.329.131	6.329.131	6.329.131	-	-	-
Non-derivative financial liabilities	**258.298.594**	**264.576.072**	**141.465.973**	**91.501.545**	**31.608.554**	**-**

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

NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)

Derivative Financial Liabilities

Contractual maturities:	**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 received	12.610.505	13.392.329	10.886.020	2.506.309	-	-
Derivative cash outflow	(12.622.795)	(12.676.565)	(10.092.445)	(2.584.120)	-	-
Derivative financial liabilities	**(12.290)**	**715.764**	**793.575**	**(77.811)**	**-**	**-**

NOTE 29 - FINANCIAL INSTRUMENTS
(Fair value and hedging disclosures)

The Group believes that registered values of financial instruments reflect their fair values.

Objectives of Financial Risk Management

Finding access to financial markets and managing financial risks arisen from operational activities of the Group fall under the responsibility of the Group's finance department. Aforementioned risks include market risk (foreign exchange risk, interest rate risk and price risk) Financial risk covers market risk (exchange rate risk, fair value of interest risk and price risk), credit risk liquidity risk and cash flow risk.

Determination of the fair value of financial assets and liabilities are explained below;

Level 1: Valuation of the financial assets and liabilities over the stock exchange prices of similar assets and liabilities resulting from the transactions in active markets.
Level 2: Valuation of the financial assets and liabilities over the price calculated on the basis of the data that is directly or indirectly observable in the market other than the stock exchange price of the relevant asset or liability determined on the first level.

Level 3: Valuation of the financial assets and liabilities carried out in the absence of observable data in the market for determining the fair value of the reelvant asset or liability.

Derivative financial instruments

In order to hedge these risks, the Group enters into forward foreign currency transaction agreements as a financial instrument where necessary.

31 December 2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets	-	7.093.287	-	**7.093.287**
Liability	-	(7.025.719)	-	**(7.025.719)**
Net	-	**67.568**	**-**	**67.568**

31 December 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
Asset	-	13.392.329	-	**13.392.329**
Liability	-	(12.676.565)	-	**(12.676.565)**
Net	-	**715.764**	**-**	**715.764**

The Group has a Forward Foreign Currency Purchase Agreement (EUR2.500.000 in return for JPY366.635.000) as of 31 December 2014. An expense accrual of TRY67.568 regarding this agreement is reflected in the financial statements.

NOTE 28 - FINANCIAL RISK MANAGEMENT(Continued)

Derivative Financial Liabilities (Continued)

The Group has a Forward Foreign Currency Purchase Agreement (EUR1.330.000 in return for USD1.775.725, TRY4.526.250 in return for JPY225.000.000, TRY4.191.000 in return for USD2.000.000) as of 31 December 2014. An income accrual of TRY715.764 regarding this agreement is reflected in the financial statements.

NOTE 30 - SUBSEQUENT EVENTS

Under the context of the on going Group Collective Labor Agreement between Turkish Metal Industrialists Union ("TMIU") and the United Metal Workers Syndicate covering the 1 September 2014 - 31 August 2016 period, due to nonconcurrence in the statutory period, on 14 January 2015 it was decided by the United Metal Workers Syndicate to go on strike and the decision text declaring the strike will be held on 29 January was announced on 15 January 2015.

As a result of the strike decision, the TMIU Board of Directors, decided to lockout at the member workplaces that decided to go on strike and under this context including the Company workplace at the address of Şekerpınar Mahallesi Otomotiv Caddesi No:2 Çayırova – KOCAELİ, in accordence with the clauses of the Law No: 6356, and the application date to be determined seperately according to the requirement of lockout application date on 22 January 2015.

Besides it has been decided to delay the strike, being applied by the United Metal Workers Syndicate with the Deceision of Council of Ministers on 29 January 2015, No: 2015/7521 and published on the Official Gazette on 30 January 2015 No: 29252, 60 days in accordance with the Article 63 of the Law No: 6356 and dated 18 October 2012.

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