Doğuş Otomotiv

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Consolidated Financial Statements
At 31 December 2008 Together With
Independent Auditor's Report

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

To the Board of Directors of Doğuş Otomotiv Servis ve Ticaret A.Ş.

We have audited the accompanying consolidated financial statements of Doğuş Otomotiv Servis ve Ticaret A.Ş. and its subsidiaries (together, the "Group") which comprise the consolidated balance sheet as of 31 December 2008 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

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

Murat Sancar, SMMM
Partner

İstanbul, 8 April 2009

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

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CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Notes	31 December 2008	31 December 2007
ASSETS			
Cash and cash equivalents	4	74,159	104,214
Due from related parties	5	12,051	21,706
Trade receivables, net	6	105,149	144,746
Inventories	7	653,817	306,960
Other current assets	8	61,880	37,459
Assets of disposal group classified as held for sale	31	18,057	-
Total current assets		**925,113**	**615,085**
Investments in associates and joint ventures	9	86,438	95,010
Available-for-sale financial assets	10	178,347	234,689
Property, plant and equipment, net	11	223,788	206,792
Intangible assets, net	12	5,428	5,825
Deferred tax assets	13	23,858	2,296
Other non-current assets	14	706	491
Total non-current assets		**518,565**	**545,103**
Total assets		**1,443,678**	**1,160,188**

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Notes	31 December 2008	31 December 2007
LIABILITIES			
Short-term bank borrowings	15	45,531	17,953
Short-term portion of long-term bank borrowings	15	98,015	25,308
Due to related parties	5	3,455	82,919
Trade payables	16	742,266	330,097
Other current liabilities	18	33,079	42,291
Liabilities of disposal group classified as held for sale	31	2,781	-
Total current liabilities		**925,127**	**498,568**
Long-term bank borrowings	15	164,629	109,209
Reserve for severance payments	19	2,119	1,789
Deferred tax liabilities	13	-	5,315
Total non-current liabilities		**166,748**	**116,313**
Equity			
Share capital	20	110,000	110,000
Adjustment to share capital	20	29,165	29,165
Share premium		1,117	1,117
Currency translation reserve		(1,030)	240
Financial assets fair value reserve		91,023	147,757
Legal reserves	20	40,028	35,829
Retained earnings		80,118	219,277
Capital and reserve attributable to equity holders of the parent company		**350,421**	**543,385**
Minority interest in equity		1,382	1,922
Total equity		**351,803**	**545,307**
Total equity and liabilities		**1,443,678**	**1,160,188**

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE YEARS ENDED 31 DECEMBER

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Notes	2008	2007
Net sales	22	2,144,139	2,552,084
Cost of sales		(1,853,052)	(2,199,519)
Gross profit		**291,087**	**352,565**
Distribution and marketing expenses	23	(117,928)	(117,855)
General and administrative expenses	24	(130,417)	(114,466)
Other operating income	26	17,310	13,247
Other operating expense	27	(40,844)	(41,697)
Operating profit		**19,208**	**91,794**
Financial income	28	12,094	17,810
Financial expense	29	(134,029)	(50,944)
Share in result of associates and joint ventures	9	(36,083)	16,067
(Loss)/profit before taxation		**(138,810)**	**74,727**
Taxes on income	17	25,838	(11,933)
Net (loss)/profit for the year		**(112,972)**	**62,794**
(Loss)/profit attributable to:			
Equity holders of Doğuş Otomotiv Servis ve Ticaret A.Ş. (the "Company")		(112,432)	63,634
Minority interest	30	(540)	(840)
Net (loss)/profit for the year		**(112,972)**	**62,794**
Weighted average number of shares with face value of 1 TRY each		**110,000,000**	**110,000,000**
(Loss)/earnings per basic and diluted share for (loss)/profit attributable to equity holders of the Company during the year (TRY Full)	**21**	**(1.0221)**	**0.5785**

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	2008	**2007**
Change in fair value of available-for-sale financial assets, net	(53,525)	1,580
Change in fair value of available-for-sale financial assets held by associates, net	(3,209)	95
Net (loss)/income recognised directly in equity	**(56,734)**	**1,675**
Net (loss)/profit for the year	(112,972)	62,794
Total recognised (loss)/income for the year	**(169,706)**	**64,469**
Attributable to :		
Equity holders of the Company	(169,166)	65,309
Minority interest	(540)	(840)
Total recognised (loss)/income for the year	**(169,706)**	**64,469**

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER
(Amounts expressed in thousands of New Turkish Lira (“TRY”) unless otherwise stated.)

	Share capital	Adjustment to share capital	Share premium	Treasury shares	Currency translation reserve	Financial assets fair value reserve	Legal reserves	Retained earnings	Capital and reserves attributable to equity holders of the Company	Minority interest in equity	Total equity
Balance at 1 January 2007	**110,000**	**29,165**	**-**	**(287)**	**-**	**146,082**	**34,122**	**162,484**	**481,566**	**4,415**	**485,981**
Transfer to legal reserves	-	-	-	-	-	-	1,707	(1,707)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(6,787)	(6,787)	-	(6,787)
Difference between the net asset acquired and the consideration paid due to acquisition of minority shares in subsidiary	-	-	-	-	-	-	-	1,653	1,653	(1,653)	-
Change in fair value of available for sale financial assets, net	-	-	-	-	-	1,580	-	-	1,580	-	1,580
Share in change in fair value of available for sale financial assets held by associates, net	-	-	-	-	-	95	-	-	95	-	95
Translation gains, net	-	-	-	-	240	-	-	-	240	-	240
Sale of treasury shares	-	-	1,117	287	-	-	-	-	1,404	-	1,404
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**63,634**	**63,634**	**(840)**	**62,794**
Balance at 31 December 2007	**110,000**	**29,165**	**1,117**	**-**	**240**	**147,757**	**35,829**	**219,277**	**543,385**	**1,922**	**545,307**
Balance at 1 January 2008	**110,000**	**29,165**	**1,117**	**-**	**240**	**147,757**	**35,829**	**219,277**	**543,385**	**1,922**	**545,307**
Transfer to legal reserves	-	-	-	-	-	-	4,199	(4,199)	-	-	-
Change in fair value of available for sale financial assets, net	-	-	-	-	-	(53,525)	-	-	(53,525)	-	(53,525)
Share in change in fair value of available for sale financial assets held by associates, net	-	-	-	-	-	(3,209)	-	-	(3,209)	-	(3,209)
Translation losses	-	-	-	-	(1,270)	-	-	-	(1,270)	-	(1,270)
Dividend paid	-	-	-	-	-	-	-	(22,528)	(22,528)	-	(22,528)
Net loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(112,432)**	**(112,432)**	**(540)**	**(112,972)**
Balance at 31 December 2008	**110,000**	**29,165**	**1,117**	**-**	**(1,030)**	**91,023**	**40,028**	**80,118**	**350,421**	**1,382**	**351,803**

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONSOLIDATED STATEMENTS OF CASH FLOWSFOR THE YEARS ENDED 31 DECEMBER
(Amounts expressed in thousands of New Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	2008	2007
Operating Activities			
Net (loss)/ profit for the year		(112,432)	63,634
Adjustments to reconcile net income to net cash provided by operating activities			
Loss/ (gain) on sales of property, plant and equipment, net	26,27	5,716	(723)
Provision for legal exposures and indemnities	24	1,718	1,704
Taxation (gain)/ charge	17	(25,838)	11,933
Depreciation and amortisation	11,12,24	19,158	18,122
Share in results of associates and joint ventures	9	36,083	(16,067)
Minority interest	30	(540)	(840)
Provision for severance payment	19	2,157	252
Provision for diminution in value of inventories	7	2,246	2,816
Provision for diminution in value of trade receivables	6	145	198
Warranty expense	27	24,744	32,849
Dividend income	28	(1,034)	(1,072)
Currency translation differences		(3,420)	485
Interest income	28	(11,060)	(5,380)
Interest expense	29	44,492	27,288
Foreign currency loss/ (gain) on bank borrowings	28,29	50,643	(11,358)
Accrued expenses		609	1,462
Net cash provided from operating activities before changes in operating assets and liabilities		**33,387**	**125,303**
Changes in operating assets and liabilities:			
Change in trade receivables		39,148	(2,061)
Changes in due from/to related parties, net		10,093	(17,485)
Changes in inventories		(359,856)	112,353
Changes in trade payables		405,763	(154,037)
Changes in other assets/liabilities, net		(38,282)	(566)
Legal penalties paid	18	(461)	(282)
Employee termination benefits paid	19	(1,827)	(637)
Warranty claims paid	18	(24,560)	(29,871)
Income taxes paid		-	(14,489)
Net cash provided by operating activities		**63,405**	**18,228**
Investing activities:			
Acquisition of property, plant and equipment		(53,872)	(113,153)
Proceeds from sales of property, plant and equipment		19,858	3,339
Acquisition of intangible assets	12	(2,264)	(2,223)
Contribution to increase in share capital of joint ventures	9	(30,831)	(31,266)
Dividend received		1,145	1,737
Net cash used in investing activities		**(65,964)**	**(141,566)**
Financing activities:			
Interest received		11,112	5,362
Interest paid		(39,668)	(26,983)
Redemption of bank borrowings		(32,623)	(19,948)
Proceeds from bank borrowings		137,680	123,481
Cash received on sale of available-for-sale assets held by subsidiaries		-	1,404
Funds received from related parties		9,996	335,000
Redemption of funds received from related parties		(89,996)	(305,000)
Dividends paid		(22,528)	(6,787)
Net cash (used in)/provided by financing activities		**(26,027)**	**106,529**
Net decrease in cash and cash equivalents		(28,586)	(16,809)
Cash and cash equivalents at the beginning of the period	4	104,214	121,023
Cash and cash equivalents at the end of the period	**4**	**75,628**	**104,214**

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

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Doğuş Otomotiv Servis ve Ticaret AŞ (the "Company") was established on 24 November 1999 as a distributor of Volkswagen AG, and its activities include importing, marketing and selling automobiles, commercial vehicles and spare parts of Volkswagen Group brands (VW, Audi, Porsche, Bentley, Lamborghini, Bugatti, Scania, Krone, Meiller and VW Marine Engines) and Thermoking climate control systems. The Company started its used car operations via its dealer network under the brand name "DOD", purchased from VDF Otomotiv Servis ve Ticaret AŞ ("VDF Otomotiv") in December 2005.

As of 31 December 2008, the Company has 4 Subsidiaries (31 December 2007: 5), 5 Associates (31 December 2007: 5) and 5 Joint Ventures (31 December 2007: 4). The Company's Subsidiaries as of 31 December 2008 are as follows:

- Doğuş Oto Pazarlama ve Ticaret AŞ ("Doğuş Oto Pazarlama") (Automobile dealer for group brands distributed by Doğuş Otomotiv, Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto") and operator of express service providers).
- Doğuş Auto Misr for Trading and Manufacturing Vehicles Joint Stock Company ("Doğuş Auto Mısır JS") has been founded in October 20th, 2006 to execute distribution and after sales services of light commercial vehicles of Volkswagen brand with initial capital amounting to Egyptian Pound 500,000 (*).
- Doğuş Automotive Limited Liability Company ("Doğuş Auto Mısır LLC") has been founded as the authorized dealer for brands distributed by Doğuş Auto Mısır JS on 20 November 2006 (*).
- D-Auto Suisse SA ("Doğuş Auto İsviçre") has been founded in Lausanne, Switzerland as authorized dealer and service provider for Porsche. The company has been established at 16 July 2007, however has not yet commenced its operations.

(*) Additional information regarding the subsidiaries classified as held for sale is provided in Note 31.

The Company and its Subsidiaries (together referred to as the "Group") operate in a single business segment. Since majority of sales and operations of the Group are performed in Turkey, no geographical segment information is considered necessary.

The Company and its subsidiary Doğuş Oto Pazarlama are registered in Turkey at the following address:

Şişli Ayazağa Maslak Mah.
G-45 Ahi Evren Polaris Cad. No.4 -İstanbul-Türkiye

Doğuş Auto Mısır JS and Doğuş Auto Mısır LLC are registered in Egypt and operate at the address below:

28 km. Cairo-Alex Road in Abou Rawash
Cairo, Egypt

Doğuş Auto İsviçre is registered in Switzerland and operates at the address below:

Avenue Gabriel-de-Rumine 37, c/o Lausanne, Switzerland

The number of blue collar employees of the Group as of 31 December 2008 is 673 (31 December 2007: 634) whereas the number of white collar employees of the Group as of 31 December 2008 is 1,332 (31 December 2007: 1,221).

The accompanying consolidated financial statements have been approved by the Board of Directors on 8 April 2009.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Accounting Standards

The Company and its affiliates maintain their books of account and prepare their statutory financial statements in New Turkish Lira ("TRY") in accordance with the Turkish Commercial Code, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance and the accounting principles promulgated by the Capital Markets Board of Turkey ("CMB"). These consolidated financial statements are based on the statutory records which are maintained under the historical costs convention, except for certain financial assets and liabilities presented at their fair value, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with International Financial Reporting Standards ("IFRS"). The preparation of the consolidated financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of the assets, liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements together with the reported amount of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

(a) Standards, amendment and interpretations effective in 2008:

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and Group companies. This interpretation does not have an impact on the group's financial statements.

IFRIC 12, 'Service concession arrangements' (effective for accounting periods beginning 1 January 2008 or later). IFRIC 12 is not relevant to the Group's operations as none of the Group's companies provide for public sector services.
IFRIC 13, 'Customer loyalty programmes' (effective for accounting periods beginning1 January 2008 or later). IFRIC 13 is not relevant to the Group's operations as none of the Group's companies operate any loyalty programmes.
IFRIC 14, 'IAS 19 The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective for accounting periods beginning 1 January 2008 or later). IFRIC 14 is not relevant to the Group's operations as the standart do not effect the calculation of employee termination benefit.
IFRIC 16, "Hedges of a Net Investment in a Foreign Operation" (effective for accounting periods beginning 1 October 2008 or later).

(b) Interpretation early adopted by the Group:

IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The Group applied IAS 23 (Revised) starting from 1 October 2007.

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

2.1 Accounting Standards (Continued)

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply IAS 1 (Revised) from 1 January 2009.It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.

IAS 27 (Revised), 'Consolidated and separate financial statements' (effective from 1 July 2009).The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.

IAS 31 (Amendment), 'Interests in joint ventures (and consequential amendments to IAS 32 and IFRS 7) (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, 'Financial instruments: Presentation' and IFRS 7 'Financial instruments: Disclosures'.

IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009).The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply IFRS 2 (Amendment) from 1 January 2009, but is not expected to have a material impact on the Group's financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
(Amounts expressed in thousands of New Turkish Lira ("TRY" unless otherwise stated.)

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

2.1 Accounting Standards (Continued)

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group (Continued):

IFRS 8, 'Operating segments' (effective from 1 January 2009). IFRS 8 replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply IFRS 8 starting from 1 January 2009. The expected impact is still being assessed by management, given the recent developments in operations. (ie. investment in Switzerland, joint venture agreement with Meiller-Doğuş Damper Sanayi Ticaret Ltd. Şti. and Krone Doğuş Treyler Sanayi ve Ticaret A.Ş.)

IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply IFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.

IFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption') (effective from 1 July 2009). The amendment is part of the IASB's annual improvements project published in May 2008. The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control, and relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met. A consequential amendment to IFRS 1 states that these amendments are applied prospectively from the date of transition to IFRSs. The Group will apply the IFRS 5 (Amendment) prospectively to all partial disposals of subsidiaries from 1 January 2010.

IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). The amendment is part of the IASB's annual improvements project published in May 2008. An investment in associate is treated as a single asset for the purposes of impairment testing and any impairment loss is not allocated to specific assets included within the investment, for example, goodwill. Reversals of impairment are recorded as an adjustment to the investment balance to the extent that the recoverable amount of the associate increases. The Group will apply the IAS 28 (Amendment) to impairment tests related to investment in subsidiaries and any related impairment losses from 1 January 2009.

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

2.1 Accounting Standards (Continued)

(d) Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods but are not relevant for the Group's operations.

IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statement of cash flows') (effective from 1 January 2009). The amendment will not have an impact on the Group's operations because none of the Group companies ordinary activities comprise renting and subsequently selling assets.

IAS 20 (Amendment), 'Accounting for government grants and disclosure of government assistance' (effective from 1 January 2009). The amendment will not have an impact on the Group's operations as there are no loans received or other grants from the government.

IAS 27 (Amendment), 'Consolidated and separate financial statements' (effective from 1 January 2009). The amendment will not have an impact on the Group's operations because it is the Group policy for an investment in subsidiary to be recorded at cost in the standalone accounts of each entity.

IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures') (effective from 1 January 2009). The amendment will not have an impact on the Group's financial statements.

IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies' (effective from 1 January 2009). The amendment will not have an impact on the group's operations, as none of the Group's subsidiaries or associates operate in hyperinflationary economies.

IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' – 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009).

IAS 38 (Amendment), 'Intangible assets', (effective from 1 January 2009). The amendment will not currently have an impact on the Group's operations as all intangible assets are amortised using the straight line method.

IAS 40 (Amendment), 'Investment property' (and consequential amendments to IAS 16) (effective from 1 January 2009). The amendment will not have an impact on the group's operations, as there are no investment properties are held by the Group.

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

2.1 Accounting Standards (Continued)

(d) Interpretations and amendments to existing standards that are not yet effective and not relevant for the Group's operations (Continued):

IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009). The amendment will not have an impact on the Group's operations as no agricultural activities are undertaken.

IFRIC 15, 'Agreements for construction of real estates' (effective from 1 January 2009). IFRIC 15 is not relevant to the Group's operations as all revenue transactions are accounted for under IAS 18 and not IAS 11.

2.2 Comparatives

The Group has prepared the consolidated balance sheet as of 31 December 2008 comparatively with the balance sheet at 31 December 2007, and consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity between 1 January and 31 December 2008 comparative to the period between 1 January and 31 December 2007.

Where necessary, comparative figures are reclassified to conform to changes in presentation in the current year so that reclassification will result in a more appropriate presentation of events or transactions.

Below provided is the summary of reclassifications to comparative financial information for financial statements as of 31 December 2008:

Financial income: Interest income amounting to TRY 3,137 thousand, interest income on credit purchases amounting to TRY 2,243 thousand and foreign exchange gains on borrowing amounting to TRY 11,358 thousand which were previously reported under "Financial expenses, net" , dividend income amounting to TRY 1,072 thousand, which were previously reporter under "Other operating income", have been reclassified to "Financial income" in the comparative consolidated financial statements as of and for the year ended 31 December 2008.

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

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

2.3 Basis of Consolidation

The consolidated financial statements include the accounts of the parent company, Doğuş Otomotiv and its Subsidiaries, Associates and Joint Ventures, on the basis set out in sections (i), (ii) and (iii) below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements.

(i) Subsidiaries

Subsidiaries are those enterprises controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of the affiliates are included in the consolidated financial statements starting from the date that control commences until the date that control ceases.

The balance sheets and statements of income of the Subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by Doğuş Otomotiv in its Subsidiaries is eliminated against the related shareholders' equity. Intercompany transactions and balances between Doğuş Otomotiv and its Subsidiaries are eliminated on consolidation. The cost of, and the dividends arising from, shares held by the Company are eliminated starting from shareholders' equity and income for the period respectively.

Where necessary, accounting policies of the Subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The table below sets out all the Subsidiaries included in the scope of consolidation and shows the Group's proportion of ownership interest at 31 December 2008 and 2007.

Name	31 December 2008	31 December 2007
Doğuş Oto Pazarlama	96.17	96.17
Doğuş Auto Mısır JS (*)	99.00	99.00
Doğuş Auto Mısır LLC (*)	98.01	98.01
D-Auto Suisse SA	99.00	99.00
Otofiks (**)	-	99.90

(*) Assets and liabilities of these subsidiaries are classified as "Disposal Group" on the consolidated balance sheet dated 31 December 2008 and they are not consolidated on a line-by-line basis (Note 31).

(**) Doğuş Oto Pazarlama and Otofiks have been merged at 4 December 2008. Express service operations are conducted under Doğuş Oto Pazarlama from that date on.

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

2.3 Basis of Consolidation (Continued)

(ii) Associates

Associates are those enterprises in which the Group has significant influence, but does not have control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognized gains and losses of Associates on an equity accounting basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the Associate, the carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the Associate.

The table below sets out all the Associates included in the scope of consolidation and shows the Group's proportion of ownership interest at 31 December 2008 and 2007.

Name	31 December 2008	31 December 2007
Yüce Auto (*)	50.00	50.00
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	42.00	42.00
VDF Holding A.Ş. ("VDF Holding")	38.22	38.22
Volkswagen Doğuş Tüketici Finansmanı A.Ş. ("VDTF")	48.00	48.00
VDF Servis Holding A.Ş. ("VDF Servis Holding")	38.22	38.22

(*) Even though the Group has 50% interest in Yüce Auto (Distributor of Skoda), the Group only exercises a significant influence rather than joint control on the operations of Yüce Auto.

(iii) Joint Ventures

Joint Ventures are companies for which an economic activity is undertaken through contractual arrangements and subject to joint control by the Group and one or more other parties. The Group exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly as a result of written agreements. The Group accounts for its interest in Joint Ventures through equity method.

The table below sets out all Joint Ventures and the Group's interest at 31 December 2008 and 31 December 2007:

Name	31 December 2008	31 December 2007
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim AŞ ("TÜVTURK Kuzey")	33.33	33.33
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim AŞ ("TÜVTURK Güney")	33.33	33.33
TÜVTURK İstanbul Taşıt Muayene İstasyonları İşletim Anonim Şirketi ("TÜVTURK İstanbul")	32.56	31.67
Meiller-Doğuş Damper Sanayi Ticaret Ltd. Şti. ("Meiller-Doğuş")	49.00	49.00
Krone Doğuş Treyler Sanayi ve Ticaret A.Ş. ("Krone-Doğuş")	48.00	-

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

2.3 Basis of Consolidation (Continued)

(iii) Joint Ventures (Continued)

The partnership established by the Group, Akfen Holding A.Ş. and TÜV - SÜD Teknik Güvenlik ve Kalite Denetim Ticaret Limited Şirketi obtained the right to render the vehicle inspection services for 20 years by offering USD 613,500,000 at the bid for "Privatization of Vehicle Inspection Stations in the 1st and 2nd Regions" led by the Privatization Administration of Turkey.

Vehicle inspection station services will be performed by TÜVTURK Kuzey and TÜVTURK Güney, which were established with a share capital of TRY 50 thousand on 21 March 2005 and TRY 50 thousand on 2 May 2005, respectively by the partnership. The partnership has also established TÜVTURK İstanbul as a business partner of TÜVTURK Kuzey as of April 6th, 2007.

The Company has signed a joint-venture agreement with Meiller Fahrzeug&Maschinenfabrik-GMBH&Co KG and co-established Meiller-Doğuş for production of Meiller branded products in Turkey as of November 16, 2007.

The Company, Krone-Doğuş, and Doğuş Holding A.Ş. ("Doğuş Holding") have signed a joint-venture agreement on 31 October 2007 with Fahrzeugwer Bernard Krone GmbH, Mr. Bernard Krone and Bernard Krone Holding GmbH&Co.KG for production of Krone branded products in Turkey as of February 6, 2008. The Company holds a 48% interest in Krone-Doğuş.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue Recognition

Revenue is recognized on an accrual basis at the time deliveries or acceptances are made, and measured at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commissions excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognized as interest income in the period on an accrual basis (Note 22).

Interest income is recognised on a time-proportion basis using the effective interest method. Rent income is recognised on an accruals basis in accordance with the substance of the relevant agreements. Dividend income is recognised when the right to receive payment is established.

3.2 Non-current Assets or Disposal Groups Held for Sale

Non-current assets or disposal groups are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use (Note 31).

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(Amounts expressed in thousands of New Turkish Lira ("TRY" unless otherwise stated.)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on specific identification basis for vehicles, moving weighted average basis for spare parts inventory and monthly weighted average basis for other inventories. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses (Note 7).

3.4 Property, Plant and Equipment and Related Depreciation

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses (see accounting policy 3.5), if any (Note 11).

Building and land costs are recorded separately even if they are acquired together.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul costs, are capitalised. Other subsequent expenditures are capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditures are recognized in the consolidated statement of income as an expense as incurred.

Property, plant and equipment are depreciated over the estimated useful lives of the related assets from the date of purchase or the date of installation, on a straight-line basis.

The estimated economic useful lives are as follows:

	Years
Buildings	25-50
Land improvements	4-50
Machinery and equipment	5-15
Office equipment	3-15
Motor vehicles	4-5

Leasehold improvements are amortised over the periods of the respective leases, also on a straight-line basis.

Expenditures for major renewals and improvement of property, plant and equipment are capitalised and depreciated over the remaining useful lives of the related assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with their costs and are included in the related income and expense accounts, as appropriate.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Intangible Assets

Intangible assets comprise of information systems and softwares. Information systems and software are carried at cost less accumulated amortization and impairment. Intangible assets are amortized on a straight-line basis over their estimated useful lives for a period not exceeding 5 years from the date of acquisition (Note 12).

3.6 Impairment of Assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date, to determine whether there is any indication of impairment. When an indication of impairment exists, the Group estimates the residual values of such assets. Impairment exists if the carrying value of an asset or a cash generating unit is greater than its recoverable amount which is the higher of value in use or fair value less costs to sell. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. An impairment loss is recognized immediately in income statement. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent from the cash flows generated by other assets or group of assets.

An impairment loss recognized in prior periods for an asset is reversed if there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

3.7 Financial Liabilities and Borrowing Costs

Borrowings are recognized initially at proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds and redemption value is recognized in the income statement over the period of the borrowings.

Until 1 October 2007, borrowing costs are charged to income statement when they are incurred. As of 1 October 2007, the Group early adopted IAS 23, Borrowing Costs (revised). Accordingly, the borrowing costs, that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset, until the activities to prepare the qualifying asset for its intended use or sale are complete. Borrowing costs that are not eligible for capitalization are charged to income statement in the period they are incurred. Financial liabilities are derecognised when they are paid or cancelled (Note 15).

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial Assets

(i) Classification

Financial instruments at fair value through profit or loss are either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or included in a portfolio in which a pattern of short-term profit making exists. These include investments and derivative contracts that are not designated as effective hedging instruments. Financial assets at fair value through profit or loss, initially recognized at cost and are subsequently remeasured at fair value based on quoted bid prices. All related gains and losses are included in the consolidated statement of income.

Held-to-maturity assets are financial assets with fixed or determinable payments and fixed maturity that the Group has the intent and ability to hold to maturity.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are financial assets other than the assets the entity intends to sell immediately or in near term, the financial assets designated as available-for-sale and the financial assets which may not be recovered substantially other than because of credit deterioration.

Available-for-sale assets are financial assets other than financial instruments at fair value through profit or loss, held to maturity financial assets and loans and receivables. These are included in non-current assets unless management has the intention of holding these investments for less than 12 months from the balance sheet date, or unless they will need to be sold to raise operating capital, in which case they are included under current assets. The appropriate classification is determined at the time of the purchase and evaluated by management on a regular basis. Available-for-sale instruments include equity investments.

(ii) Measurement

Financial instruments are measured initially at cost, including transaction costs. Subsequent to initial recognition, all trading instruments and all available-for-sale assets are measured at fair value, except for the instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are stated at cost, including transaction costs, less impairment losses.

All loans and receivables and held-to-maturity assets are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

(iii) Recognition

Financial assets held for trading and available-for-sale assets are recognized on the date at which the asset is purchased. Cost of purchase includes transaction costs. Subsequently any gains and losses arising from changes in fair value of the assets are recognized as explained below in paragraph (v).

Held-to-maturity instruments and loans and receivables are recognized on the day they are transferred to the Group.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Financial Assets (Continued)

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If a quoted market price is not available, the fair value of the instrument is estimated by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Accordingly, the estimates made are not necessarily indicative of the amounts that could be realised in current market exchange.

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Group would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counter parties.

(v) Gains and losses on subsequent measurement

Gains and losses arising from changes in the fair value of trading instruments are recognized in the consolidated statement of income.

Gains and losses arising from changes in the fair value of available-for-sale assets are recognized in equity unless a permanent impairment occurs.

(vi) Derecognition

A financial asset is derecognized when the control over the contractual rights that comprise that asset is lost. This occurs when the rights are realised, expire or are surrendered.

Available-for-sale assets and assets held for trading that are sold are derecognized and corresponding receivables from the buyer for the payment are recognized as of the date the Group sells the assets. The specific identification method is used to determine the gain or loss on derecognition.

Held-to-maturity instruments and loans and receivables are derecognized on the day they are transferred by the Group.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Business Combinations

All business combinations are accounted for through applying the purchase method. Excess of acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the business combination cost is accounted for as goodwill. Goodwill recognized in a business combination is tested for impairment annually or more frequently if events or changes in circumstances indicate impairment, instead of amortization.

Excess of acquirer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities over the cost of business combination, is accounted for as income in the related period.

Legal mergers arising between companies controlled by the Group are not within the scope of business combinations. Consequently, no goodwill is recognised in such transactions. Similarly the effects of all transactions between the legally merged enterprises, whether occurring before or after the legal merger, are eliminated in the preparation of consolidated financial statements.

Acquisition of minority interest in subsidiaries is not treated as a business combination. Therefore the net assets are not stepped up to fair value and any excess amount paid over the Group's share of net assets is recorded in equity.

3.10 Foreign Currency Transactions

Income and expenses arising in foreign currencies are translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into New Turkish Lira at the exchange rates prevailing at the balance sheet dates. Exchange gains or losses arising from settlement and translation of foreign currency items are included in the consolidated statement of income.

The results and financial position of all the group entities that have a functional currency different from TRY are translated into the presentation currency as follows:

a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

b) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

c) All resulting exchange differences are recognised as a separate component of equity.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Earnings Per Share

Earnings per share disclosed in the consolidated statement of income are determined by dividing net income by the weighted average number of shares outstanding during the period concerned. Parent company shares owned by the Group are not taken into consideration in the calculation of earnings per share.

In Turkey, companies can increase their share capital through pro-rata distribution of shares (''bonus shares'') to existing shareholders from retained earnings and inflation adjustment to shareholder's equity. For the purpose of earnings per share computations, the weighted average number of shares in existence during the period has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the period in which they were issued and each earlier year as if the event had occurred at the beginning of the earliest period reported.

3.12 Subsequent Events

In the case of the occurrence of subsequent events after the date of the balance sheet which require the balance sheet to be adjusted, the Group corrects its consolidated financial statements in consideration of the new events. Events which do not require adjustments are explained in the notes to the consolidated financial statements if they are material as they could affect investors' decisions.

3.13 Provisions, Commitments and Contingencies

Provisions are recognized when the Group has a present legal 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.

Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. The discount rate reflects current market assessments of the time value of money and the risks specific to the liability. The discount rate shall be a pre-tax rate and shall not reflect risks for which future cash flow estimates have been adjusted.

3.14 Changes and Errors in Accounting Policies and Estimates

Material changes in accounting policies and material errors are corrected retrospectively and the financial statements of the previous period are restated accordingly. If the estimate changes are only related with the current period such changes are reflected in the current period's consolidated financial statements; whereas if they are related with both the current and the following periods; they are reflected to the related periods.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15 Leases

Financial leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other current/non-current liabilities. The interest element of the finance cost is charged to the consolidated income statement over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term. Financial lease obligations are accounted at the acquisition cost of the related property, plant and equipment. Interest payments, which arise from leasing agreement, are accounted as expense in consolidated income statement during the rent period.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

3.16 Related Parties

For the purpose of these consolidated financial statements, the Group's ultimate parent company Doğuş Holding A.Ş. ("Doğuş Holding") and all its subsidiaries, shareholders, key management and board members, in each case together with their families and companies controlled by or affiliated with them, and subsidiaries are considered and referred to as related parties. A number of transactions are entered into with related parties in the normal course of the business. These transactions were priced predominantly at market rates.

3.17 Segment Reporting

The Group operates in a single business segment. Since, majority of sales and operations of the Group are made in Turkey, no geographical segment reporting is considered necessary.

3.18 Taxes on Income

Taxes on income for the period comprise of current tax and the change in the deferred taxes. Current taxes on income comprise tax payable calculated on the basis of expected taxable income for the period using the tax rates enacted at the balance sheet date and any adjustment in taxes payable for previous years.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 Taxes on Income (Continued)

Deferred income tax is provided, using the liability method, on all taxable temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for differences relating to goodwill not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit. Deferred tax liabilities and assets are recognized when it is probable that future economic benefits resulting from the reversal of taxable temporary differences will flow to or from the Group. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Currently enacted or substantively enacted tax rates are used to determine deferred taxes on income.

Deferred tax assets and deferred tax 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 (Note 13).

3.19 Reserve for Severance Payments and Employee Benefits

Reserve for severance payments represent the present value of the estimated future probable obligation of the Group arising from the retirement of the employees and calculated in accordance with the Turkish Labour Law taking into account actuarial information (Note 19). It is measured and recognised in the financial statements on an accrual basis as it is earned by serving employees. The computation of the liabilities is based upon the retirement pay cap announced by the Government.

An obligation under profit sharing and bonus plans result from employee service and do not form a transaction with the Company's owners. Therefore the Company recognises the cost of profit sharing and bonus plans not as a distribution of net profit but as an expense.

3.20 Repurchase and Resale Transactions

Securities purchased under agreements to resell ("reverse repurchase agreements") are classified under cash and cash equivalents in the consolidated financial statements. The difference between the purchase and resale price of these repurchase agreements is treated as interest income and accrued over the life of the reverse repurchase agreement.

3.21 Trade Receivables

Trade receivables that are created by the Group by way of providing goods or services directly to a debtor are carried at amortised cost (Note 6). Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

A credit risk provision for trade receivables is established if there is objective evidence that the Group 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 amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income.

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NOTE 3 -SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 Credit Finance Income/Charge

Credit finance income/charges represent imputed finance charges on credit sales and purchases. Such income and charges are recognized using the effective yield method over the period of credit sales and purchases, and included under financial income and expenses.

3.23 Financial Risk Management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

The risk management program is applied by the Company and its Subsidiaries, Joint-ventures and Associates in line with the policies set by the Board of Directors.

(a) Credit risk

Majority of trade receivables are due from dealers. The Group has established an effective control mechanism to follow up and limit the risk for each counter party. The Group obtains letter of guarantee from its dealers against its receivables for vehicle and spare part sales (Note 6).

(b) Liquidity risk

Liquidity risk management refers to holding adequate amount of cash and marketable securities, adequate credit lines and ability to close out market position.

Risk of funding current and potential requirements is mitigated by ensuring the availability of adequate number of creditworthy lending parties. The Group, in order to minimise liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regards, as of 31 December 2008 the Group have lines of credit amounting to TRY 412,329 thousand, equivalent of EUR 192,605 thousand (31 December 2007: TRY 245,593 thousand equivalent of EUR 143,605 thousand), TRY 372,529 thousand, equivalent of USD 246,333 thousand (31 December 2007: TRY 183,828 thousand equivalent of USD 157,833 thousand), and TRY 200,272 thousand (31 December 2007: TRY 181,272 thousand), as well as a factoring capacity of TRY 100,000 thousand (31 December 2007: TRY 100,000 thousand). The utilised portions of the aforementioned total credit lines are disclosed in Note 15 and Note 5.

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to TRY 757,470 thousand, equivalent of EUR 351 million and USD 4 million (31 December 2007: TRY 600,280 thousand equivalent of EUR 351 million), that enables the Group to perform credit purchases from Original Equipment Manufacturers with an option to pay in 12 months; of which TRY 39,676 thousand, equivalent of EUR 16,857 thousand and USD 2,373 thousand (31 December 2007: TRY 314,677 thousand, equivalent of EUR 184 million), is not utilised as of 31 December 2008. . Also, the Group can request extended terms for its purchases from OEMs.

(c) Market risk

i. Cash flow and fair value interest rate risk

The Group maintains a balance regarding the maturities of its interest bearing assets and liabilities and utilizes its idle cash in short term investments.
The interest rate risk of the Group arises from its short and long term bank loans and the Group's liabilities against OEM's.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Financial Risk Management (Continued)

(c) Market risk (Continued)

i. Cash flow and fair value interest rate risk (Continued)

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. For the year ended 31 December 2008, if market interest rates on borrowings at variable rates were higher/lower by 1% with all other variables held constant, higher interest expense on borrowings at variable rates would cause net loss for the period to be higher/lower by TRY 741 thousand (31 December 2007: income to be lower/ higher by TRY 441 thousand).

ii. Foreign currency risk

The Group is exposed to foreign exchange risk through the impact of rate changes on the translation of foreign currency denominated payables to Original Equipment Manufacturers and borrowings from financial institutions. Such risk is monitored by the Board of Directors and limited through taking positions within approved limits as well using derivative instruments where necessary.

To minimize the risk arising from foreign currency denominated balance sheet items, the Group utilizes derivative instruments as well as keeping part of its idle cash in foreign currencies. In addition, translation of cost of goods-in-transit until completion of the customs transactions, in accordance with the customs law provides a natural hedge.

At 31 December 2008, if Euro had strengthened/weakened by 10% against TRY with all other variables held constant, net loss for the period would have been higher/ lower by TRY 39,926 thousand (31 December 2007: income to be lower/higher by TRY 8,401 thousand), as a result of foreign exchange losses/gains on the translation of Euro denominated assets and liabilities. Due to the increase in the Group's EUR denominated bank borrowing and trade payables in comparison to 2007, the financial position of the Group is more sensitive to any volatility in EUR/TRY rates.

At 31 December 2008, if USD had strengthened/weakened by 10% against TRY with all other variables held constant, net loss for the period would have been higher/lower by TRY 10,219 thousand (31 December 2007:income to be lower/higher by TRY 6,504 thousand), as a result of foreign exchange losses/gains on the translation of USD denominated assets and liabilities. Due to the increase in the Group's USD denominated bank borrowings in comparison to 2007, the financial position of the Group is more sensitive to any volatility in USD/TRY rates.

(Amounts expressed in thousands of New Turkish Lira ("TRY" unless otherwise stated.)

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.23 Financial Risk Management (Continued)

(c) Market risk (Continued)

iii. Price risk

The Group's equity securities that are classified as available-for-sale financial assets expose the Group to price risk. The Group is not exposed to commodity price risk.

Türkiye Garanti Bankası A.Ş. and Doğuş Otomotiv shares, which are traded in Istanbul Stock Exchange affect the fair value of the Doğuş Holding A.Ş. equity securities held by the Group. The table below presents the impact of a change by 5% in the values used for aforementioned entities in determining the fair value of Doğuş Holding shares held by the Group, holding all other variables constant.

	Impact on net assets	
Equity securities of:	**31 December 2008**	**31 December 2007**
Garanti Bankası	7,218	8,724
Doğuş Otomotiv	1,905	1,012
Total	**9,123**	**9,736**

3.24 Accounting for Derivative Financial Instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and subsequently measured at their fair value. The derivative instruments of the Group consist of foreign exchange forward and option contracts. The difference between the fair value and the initial cost of the derivative financial instrument is recognized in the consolidated statement of income as appropriate.

3.25 Fair Value Information

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

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

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

- The fair values of balances denominated in foreign currencies, which are translated at period-end exchange rates, are considered to approximate their carrying value.
- The fair values of cash, amounts due from banks and other monetary assets are considered to approximate their respective carrying values due to their short-term nature.
- The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to approximate their fair values due to their short term nature.
- The fair values of funds borrowed and other monetary liabilities are considered to approximate their respective carrying values due to being subject to variable interest rates.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 Fair Value Information (Continued)

- Trading liabilities have been estimated at their fair values as they represent the amount required for settlement at the date of balance sheet.
- Long-term borrowings, which are denominated in foreign currencies and subject to variable rates, are translated at period-end exchange rates and accordingly their fair values approximate their carrying values.

3.26 Warranties

The warranties on automobiles sold by the Group are issued by the producers (Volkswagen, Audi, Porsche, Seat, Scania, Krone) where the Group acts as an intermediary between the customers and the producer. The claims of customers from the Group are recognized as warranty expense. The Group recognises the amount claimed from the producers as warranty income and offset against warranty expense. The Group incurs the cost that is not paid by the manufactures. Accordingly, the Group recognises the estimated liability for the difference between possible warranty claims of customers and possible warranty claims from the producers based on historical service statistics.

3.27 Offsetting

Financial assets and liabilities are offset and the net amount reported in the accompanying consolidated balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.28 Capital Increases and Dividends

Pro-rata capital increases to existing shareholders are accounted for at par value as approved. Dividend receivables from companies, except for Subsidiaries and Joint Ventures are recognized as income in the period they are declared. Dividends are recognised as a liability as a result of profit distribution in the period they are declared.

3.29 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances on hand, deposits at banks and short-term highly liquid investments with maturities of three months or less when purchased.

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NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	31 December 2008	31 December 2007
Cash on hand	17	38
Cash at banks	74,142	104,176
-time deposits	58,360	84,442
-demand deposits	5,623	9,815
-credit card receivables	10,159	9,919
Total	**74,159**	**104,214**

There are no escrow bank accounts as at 31 December 2008 (31 December 2007:None).

As of 31 December 2008 and 2007, effective interest rates on time deposits were as follows:

	31 December 2008	31 December 2007
TRY	%15.85	18.30%
USD	%2.75	4.30%
EURO	%3.12	3.71%

Cash and cash equivalents included in the consolidated statements of cash flows for the years ended 31 December 2008 and 2007 are as follows:

	2008	2007
Cash and cash equivalents	74,159	104,214
Cash and cash equivalents of disposal group (Note 31)	1,469	-
	75,628	**104,214**

NOTE 5 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

5.1 Cash and Cash Equivalents

The amounts due from Türkiye Garanti Bankası A.Ş. ("Garanti Bankası") presented under cash and cash equivalents are as follows:

	31 December 2008	31 December 2007
Deposits	36,182	64,388
Credit card receivables	5,077	5,555
Total	**41,259**	**69,943**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 5 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

5.1 Cash and Cash Equivalents (Continued)

As of 31 December 2008, interest rate regarding TRY time deposits due from Garanti Bank is 15% per annum (31 December 2007: 18.00%). Interest rates for USD and Euro denominated time deposits are 2.75% and 3.00%, respectively (31 December 2007: 4.30% and 3.80%).

5.2 Due from Related Parties

Amounts due from related parties are as follows:

5.2.1 Due from associates

	31 December 2008	31 December 2007
Vdf Otomotiv Servis ve Ticaret A.Ş.	7,386	20,651
Volkswagen Doğuş Tüketici Finansmani A.Ş	168	21
Total	**7,554**	**20,672**

5.2.2 Due from joint ventures

	31 December 2008	31 December 2007
TÜVTURK Kuzey	846	86
TÜVTURK Güney	221	12
TÜVTURK İstanbul	74	-
Total	**1,141**	**98**

5.2.3 Due from other related parties

	31 December 2008	31 December 2007
Garanti Filo Yönetimi Hizmetleri A.Ş.	3,017	149
Vdf Sigorta Aracılık Hizmetleri A.Ş.	108	216
Diğer	231	571
Total	**3,356**	**936**

As of 31 December 2008, the Group charges 4% monthly interest to trade receivables from related parties regarding over due receivables (31 December 2007: 4%).

As of 31 December 2008, there are no overdue receivables due from related parties.

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NOTE 5 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

5.3 Due to Related Parties

Amounts due to related parties are as follows:

5.3.1 Due to associates

	31 December 2008	31 December 2007
Yüce Auto	173	469
Doğuş Sigorta	7	6
Total	**180**	**475**

5.3.2 Due to joint-ventures

	31 December 2008	31 December 2007
Meiller-Doğuş	1,198	-
Total	**1,198**	**-**

5.3.3 Due to other related parties

	31 December 2008	31 December 2007
Eureko Sigorta A.Ş.	744	1,479
Garanti Bilişim Teknolojisi ve Ticaret Türk A.Ş.	653	-
Doğuş Holding	316	660
Doğuş Grubu İletişim Yayıncılık ve Ticaret A.Ş.	138	166
Antur Turizm A.Ş.	95	15
Garanti Faktoring Hizmetleri A.Ş.(*)	-	80,000
Diğer	131	124
Total	**2,077**	**82,444**

(*) As of 31 December 2007, payables to Garanti Faktoring Hizmetleri A.Ş. amounting to TRY 80,000 thousand is related with the factoring arrangements that the Group entered into.

As of 31 December 2007, interest rate on factoring liabilities to Garanti Faktoring Hizmetleri A.Ş. were 17.60% per annum.

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 5 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

5.4 Transactions Entered Into with Related Parties

For the years ended 31 December, the total amounts of transactions entered into with related parties are as follows:

5.4.1 Associates

	2008	2007
Sales and other income generating transactions:		
Product sales and returns, net	21,944	40,805
Service sales, net	906	1,523
Other income	3,249	1,901
Total	**26,099**	**44,229**
Purchases and other expense generating transactions:		
Incentives for consumer loans	6,390	9,698
Services rendered	5,676	5,192
Inventory purchases	2,721	62
Fixed asset purchases	217	-
Other purchases	1,071	1,122
Total	**16,075**	**16,074**

5.4.2 Joint Ventures

	2008	2007
Sales and other income generating transactions:		
Financial income	1,154	27
Product sales and returns, net	11	-
Other income	11	94
Total	**1,176**	**121**
Purchases and other expense generating transactions:		
Inventory purchases	6,347	-
Services rendered	104	5
Financial expenses	62	-
Total	**6,513**	**5**

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NOTE 5 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

5.4 Transactions Entered Into with Related Parties

5.4.3 Other related parties

	2008	2007
Sales and other income generating transactions:		
Product sales and returns, net	20,882	14,230
Fixed asset sales	16,875	-
Financial income	2,805	3,135
Service sales, net	415	320
Other income	5,436	2,746
Total	**46,413**	**20,431**
Purchases and other expense generating transactions:		
Services rendered	32,494	27,698
Fixed asset purchases	10,337	4,109
Financial expenses	504	2,643
Inventory purchases	129	3,418
Other purchases	16	-
Total	**43,480**	**37,868**

5.5 Benefits Provided to Key Management Personnel

	2008	2007
Salaries and other short-term employee benefits	13,794	11,825
Employment termination benefits	97	79
Total	**13,891**	**11,904**

The Group classifies the brand general managers, members of the Board of Directors and Executive Committee since they are responsible for the planning, management and control of the Group's operations.

Remuneration of board of directors and executive management for the years ended 31 December 2008 and 2007 includes salaries, incentive premiums, health insurance and employer shares of Social Security Institution.

5.6 Donations to Related Institutions and Foundations

For the year ended 31 December 2008, total donations made to Ayhan Şahenk Vakfı amount to TRY 32 thousand. (31 December 2007: TRY 20 thousand).

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 6 - TRADE RECEIVABLES, NET

	31 December 2008	31 December 2007
Trade receivables	105,601	145,235
Less: allowance for doubtful receivables	(452)	(489)
Trade receivables, net	**105,149**	**144,746**

As of 31 December 2008, the Group charges 4% monthly interest to the dealers regarding over due receivables (31 December 2007: 4%).

Guarantees received for trade receivables

The Group requests letters of guarantee for vehicle and spare parts sales to authorized dealers. TRY 76,533 of total trade receivables are covered via letters of guarantee (31 December 2007: TRY 96,645).

As of 31 December 2008, overdue trade receivables that are not impaired amount to TRY 14,809 (31 December 2007: TRY 2,827). Aging schedule of overdue receivables which are not provided for, is as follows. TRY 12,808 thousand of such overdue receivables are covered via guarantee letters. (31 December 2007: TRY 1,659 thousand). The Group management does not estimate a collection risk for receivables that are not covered via guarantee letter as these receivables are due from dealers with whom business is conducted regularly.

	31 December 2008	31 December 2007
Up to 1 month	1,345	417
1 to 3 month	976	-
3 to 12 month	12,488	2,410
	14,809	**2,827**

The movement of individually impaired receivables is as follows;

	2008	2007
Balance as of 1 January	489	291
Additions	145	198
Collections	(182)	-
Balance as of 31 December	**452**	**489**

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NOTE 7 - INVENTORIES

As of 31 December 2008 and 2007, inventories comprise of the following:

	31 December 2008	31 December 2007
Goods in transit (*)	458,255	197,557
Merchandise stocks - vehicles	150,715	72,885
Merchandise stocks - spare parts	47,247	37,519
Advances given	585	1,815
Total inventories	**656,802**	**309,776**
Provision for diminution in the value of inventories	(2,985)	(2,816)
Inventories, net	**653,817**	**306,960**

(*) Goods in transit comprise of vehicles and spare parts, customs transactions of which have not been completed yet, but risk and rewards of which have been transferred to the Group.

The cost of inventories recognised as expense and included in 'cost of sales' amounted to TRY 1,817,589 thousand (2007: TRY 2,170,577 thousand).

The Group has provided for damaged and slow-moving items in inventories. The movement of provision for diminution in the carrying value of inventories is provided below:

	2008	2007
Balance as of 1 January	2,816	-
Additions during the period	2,246	2,816
Utilized provisions during the period	(2,077)	-
Balance as of 31 December	**2,985**	**2,816**

As of 31 December 2008, total carrying value of the damaged and slow moving inventories measured at net realisable value is TRY 273 thousand (31 December 2007: TRY 3,110 thousand).

NOTE 8 - OTHER CURRENT ASSETS

Other current assets comprise of the following:

	31 December 2008	31 December 2007
Value added tax (VAT) receivable	19,927	4,345
Warranty claims (*)	19,747	11,545
Price difference accruals	8,525	8,644
Prepaid expenses	5,315	7,208
Receivables due to insurance claims	3,866	2,129
Prepaid tax (Note 17)	2,185	858
Other	2,315	2,730
Total	**61,880**	**37,459**

(*) Warranty claims comprise of the amounts to be paid by the suppliers in regards to the portion of warranty expenses of the vehicles imported by the Group, OEMs are responsible for.

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 9 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

At 31 December 2008 and 2007, investments in associates and joint ventures and the Group's ownership interest are as follows:

	31 December 2008		31 December 2007	
	Amount	**Share (%)**	**Amount**	**Share (%)**
Investment in associates:				
VDTF	17,781	48.00	24,922	48.00
Doğuş Sigorta	11,625	42.00	15,065	42.00
Yüce Auto	3,467	50.00	5,367	50.00
VDF Servis Holding	765	38.22	539	38.22
VDF Holding	-	38.22	3,185	38.22
Total	**33,638**		**49,078**	
Joint ventures:				
Krone-Doğuş	25,458	48.00	-	-
TÜVTURK Kuzey	14,647	33.33	18,886	33.33
TÜVTURK Güney	12,695	33.33	16,358	33.33
TÜVTURK İstanbul	-	32.56	8,216	31.67
Meiller-Doğuş	-	49.00	1,612	49.00
Total	**52,800**		**45,072**	
Capital advances given	-		860	
Total	**86,438**		**95,010**	

Since the Group's share of losses in the associate and joint ventures exceeds its interest in the associate and joint ventures, further losses of TRY 10,142 thousand has not been recognized in the consolidated financial statements as of 31 December 2008.

As of 31 December 2008, the Group has capital commitment to Krone-Doğuş, joint venture of the Group, amounting TRY 2,909 thousand.

The movements in investments in associates and jointly controlled entities during the years ended 31 December are as follows:

	2008	**2007**
Balance at 1 January	95,010	48,247
Share in results of associates and joint ventures	(36,083)	16,067
Change in fair value of available-for-sale financial assets held by associates	(3,378)	100
Dividend income from associates	(111)	(665)
Deferred tax in relation to change in fair value of Available - for-sale financial assets held by associates	169	(5)
Capital advances given	-	860
Contribution to increase in share capital of joint ventures	30,831	30,406
Balance at 31 December	**86,438**	**95,010**

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NOTE 9 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (Continued)

Assets, liabilities of associates and joint-ventures of the Group as of 31 December 2008 and 31 December 2007 and their net results for the year then ended are presented below:

Investments in associates

	31 December 2008			
	Assets	Liabilities	Net (loss)/income for the year	Direct rates (%)
VDTF	1,387,578	1,350,534	(14,877)	48.00
Doğuş Sigorta	31,373	3,693	1,302	42.00
Yüce Auto	43,302	36,369	(3,709)	50.00
VDF Servis Holding	6,623	4,621	591	38.22
VDF Holding	278,001	297,944	(21,998)	38.22

	31 December 2007			
	Assets	Liabilities	Net (loss)/income for the year	Direct rates (%)
VDTF	1,561,119	1,509,198	13,720	48.00
Doğuş Sigorta	42,485	6,616	309	42.00
Yüce Auto	39,745	29,095	(1)	50.00
VDF Servis Holding	7,654	6,243	889	38.22
VDF Holding	267,491	259,143	(3,338)	38.22

Joint Ventures

	31 December 2008			
	Assets	Liabilities	Net loss for the year	Direct rates (%)
Krone-Doğuş	53,401	363	(902)	48.00
TÜVTURK Kuzey	641,787	597,991	(12,722)	33.33
TÜVTURK Güney	584,863	546,774	(10,990)	33.33
TÜVTURK İstanbul	370,909	373,635	(47,261)	32.56
Meiller-Doğuş	29,482	32,814	(6,620)	49.00

	31 December 2007			
	Assets	Liabilities	Net loss for the year	Direct rates (%)
TÜVTURK Kuzey	401,337	344,117	(2,508)	33.33
TÜVTURK Güney	437,630	388,061	24,085	33.33
TÜVTURK İstanbul	266,176	240,232	10,216	31.67
Meiller-Doğuş	3,350	61	(111)	49.00

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 10 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

At 31 December 2008 and 2007, available-for-sale investments comprise of the following:

	31 December 2008		31 December 2007	
	Amount	**Share (%)**	**Amount**	**Share (%)**
Doğuş Holding	178,340	3.86	234,683	3.86
Garanti Yatırım Ortaklığı A.Ş.	7	0.03	6	0.03
Total	**178,347**		**234,689**	

Fair value of Doğuş Holding shares, which do not have a quoted market price, is estimated by the Group using available market information and appropriate valuation methodologies. Since Garanti GYO is quoted in the stock exchange, fair value of the company is calculated by considering the closing price at the balance sheet date.

The movements in available-for-sale investments within the year are as follows:

	2008	**2007**
Balance at 1 January	234,689	233,024
Change in fair value of available-for-sale financial assets	(56,342)	1,665
Balance at 31 December	**178,347**	**234,689**

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT, NET

The movements in property, plant and equipment and related accumulated depreciation during the year ended 31 December 2008 are as follows:

	1 January 2008	Additions	Disposals	Transfers	Foreign currency translations differences	Transfers to assets held for sale	31 December 2008
Cost							
Land (*)	40,724	2,242	(1,629)	49,653	729	-	91,719
Land improvements	10,333	24	(438)	305	-	-	10,224
Buildings	106,261	-	(1,842)	(38,677)	-	-	65,742
Machinery and equipment	13,041	5,151	(1,223)	-	199	(877)	16,291
Motor vehicles	18,609	8,034	(3,726)	-	91	(450)	22,558
Furniture and fixtures	34,351	3,046	(11,858)	-	13	(329)	25,223
Leasehold improvements	62,826	820	(21,631)	5,677	468	(2,252)	45,908
Constructions in progress	887	38,647	-	(16,958)	977	-	23,553
Advances given	-	1,748	-	-	-	-	1,748
	287,032	**59,712**	**(42,347)**	**-**	**2,477**	**(3,908)**	**302,966**
Accumulated depreciation							
Land improvements	(9,334)	(218)	414	-	-	-	(9,138)
Buildings	(18,288)	(1,090)	860	-	-	-	(18,518)
Machinery and equipment	(6,101)	(1,844)	1,177	-	(37)	249	(6,556)
Motor vehicles	(7,366)	(4,029)	1,692	-	(14)	95	(9,622)
Furniture and fixtures	(21,637)	(3,407)	8,293	-	(12)	77	(16,686)
Leasehold improvements	(17,514)	(5,965)	4,360	-	(287)	748	(18,658)
	(80,240)	**(16,553)**	**16,796**	**-**	**(350)**	**1,169**	**(79,178)**
Net book value	**206,792**						**223,788**

(*) Transfers to lands are related to classification of land portion from buildings.

Total depreciation expense amounting to TRY 16,553 thousand (2007: TRY 16,077 thousand) in the consolidated statement of income for the year ended 31 December 2008 has been allocated to general and administrative expenses.

As of 31 December 2008, there is a lien on property owned by the Group amounting to TRY 43,101 thousand, equivalent of USD 28,500 thousand, in regards to the borrowings obtained from financial institutions (31 December 2007: TRY 33,194 thousand, equivalent of USD 28,500 thousand).

Disposals from leasehold improvements and furniture and fixtures comprise of transfer of relevant leasehold improvements and furniture and fixtures in Doğuş OtoMotion to Doğuş Eğlence Pazarlama ve Kültür A.Ş. in relation to subleting of 4,830 square meters of Doğuş OtoMotion, the "experimental marketing center" of the Group with a total area of 7,527 square meters designed for marketing activities of all brands distributed by the Group.

Constructions in progress comprise of expenditures incurred for the showrooms in Bursa and Geneva, Switzerland.

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NOTE 11 - PROPERTY, PLANT AND EQUIPMENT, NET(Continued)

The movements in property, plant and equipment and related accumulated depreciation during the year ended 31 December 2007 are as follows:

	1 January 2007	Additions	Disposals	Transfers	Foreign currency translations differences	31 December 2007
Cost						
Land	37,421	3,303	-	-	-	40,724
Land improvements	10,327	6	-	-	-	10,333
Buildings	42,520	63,741	-	-	-	106,261
Machinery and equipment	8,345	4,837	(86)	-	(55)	13,041
Motor vehicles	14,829	7,293	(3,492)	-	(21)	18,609
Furniture and fixtures	29,129	6,804	(1,563)	-	(19)	34,351
Leasehold improvements	36,450	2,692	(1,093)	24,928	(151)	62,826
Construction in progress	45	19,921	-	(19,076)	(3)	887
Advances given	1,138	4,714	-	(5,852)	-	-
	180,204	**113,311**	**(6,234)**	**-**	**(249)**	**287,032**
Accumulated depreciation						
Land improvements	(9,116)	(218)	-	-	-	(9,334)
Buildings	(16,263)	(2,025)	-	-	-	(18,288)
Machinery and equipment	(4,849)	(1,296)	41	-	3	(6,101)
Motor vehicles	(6,562)	(2,895)	2,090	-	1	(7,366)
Furniture and fixtures	(19,282)	(3,507)	1,152	-	-	(21,637)
Leasehold improvements	(11,719)	(6,136)	338	-	3	(17,514)
	(67,791)	**(16,077)**	**3,621**	**-**	**7**	**(80,240)**
Net book value	**112,413**					**206,792**

Additions to buildings in 2007 mainly comprise of properties acquired in Ankara and Istanbul.

Additions to leasehold improvements in 2007 mainly comprise of expenditures made for Doğuş OtoMotion showroom in Maslak, Istanbul.

Constructions in progress comprise of expenditures in 2007 made for the showroom in Bursa.

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NOTE 12 - INTANGIBLE ASSETS, NET

The movements in intangible assets and related accumulated amortisation during the year ended 31 December 2008 are as follows:

	1 January 2008	Additions	Disposals	Foreign currency translations differences	Transfers to assets held for sales	31 December 2008
Cost						
Rights and other intangibles	11,862	2,264	(168)	34	(94)	13,898
	11,862	**2,264**	**(168)**	**34**	**(94)**	**13,898**
Accumulated amortisation						
Rights and other intangibles	(6,037)	(2,605)	148	(4)	28	(8,470)
	(6,037)	**(2,605)**	**148**	**(4)**	**28**	**(8,470)**
Net book value	**5,825**					**5,428**

Total amortisation expense amounting to TRY 2,605 thousand (2007: TRY 2,045 thousand) in the consolidated statement of income for the year ended 31 December 2008 has been allocated to general and administrative expenses.

The movements in intangible assets and related accumulated amortisation during the year ended 31 December 2007 are as follows:

	1 January 2007	Additions	Currency translation differences	31 December 2007
Cost				
Rights and other intangibles	9,642	2,223	(3)	11,862
	9,642	**2,223**	**(3)**	**11,862**
Accumulated amortisation				
Rights and other intangibles	(3,992)	(2,045)	-	(6,037)
	(3,992)	**(2,045)**	**-**	**(6,037)**
Net book value	**5,650**			**5,825**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 13 - DEFERRED TAX ASSETS/LIABILITIES

As of 31 December 2008 and 2007, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	31 December 2008			31 December 2007		
		Deferred tax			Deferred tax	
	Temporary Differences	Assets	Liabilities	Temporary Differences	Assets	Liabilities
Differences between carrying value and tax bases of land	47,337	-	(2,367)	(2,228)	111	-
Fair value of available-for-sale investments	48,229	-	(2,411)	104,586	-	(5,229)
Carry forward tax losses	(94,185)	18,837	-	(19,028)	3,806	-
Differences between carrying value and tax bases of other property, plant and equipment and intangible assets	(30,003)	6,001	-	31,267	-	(6,253)
Warranty provision, net	(10,355)	2,071	-	(10,171)	2,034	-
Provision for legal exposure	(3,834)	767	-	(6,616)	1,323	-
Provision for diminution in value of inventories	(2,985)	597	-	(2,816)	563	-
Severance pay liability	(2,119)	424	-	(1,789)	358	-
Other	305		(61)	(1,342)	268	-
Total deferred tax assets/(liabilities)		28,697	(4,839)		8,463	(11,482)
Liabilities offset against assets		(4,839)	4,839		(6,167)	6,167
Total deferred tax assets/(liabilities)		**23,858**	**-**		**2,296**	**(5,315)**

The movements in deferred taxes during the years ended 31 December are as follows:

	2008	2007
Deferred tax liabilities at the beginning of the year	(3,019)	(4,634)
Deferred tax recognised in equity due to change in fair value of available-for-sale financial assets	2,817	(83)
Current year deferred tax income (Note 17)	25,838	1,698
Deferred tax asset of disposal group (Note 31)	(1,778)	-
Net deferred tax asset/ (liability) at the end of the year	**23,858**	**(3,019)**

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is considered highly probable by the Group management.

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NOTE 13 - DEFERRED TAX ASSETS/LIABILITIES (Continued)

Deferred tax assets

	31 December 2008	31 December 2007
Deferred tax asset to be recovered after more than 12 months	20,888	4,275
Deferred tax asset to be recovered within 12 months	7,809	4,188
	28,697	**8,463**

Deferred tax liabilities:

Deferred tax liability to be recovered after more than 12 months	(4,778)	(11,482)
Deferred tax liability to be recovered within 12 months	(61)	-
	(4,839)	**(11,482)**
Deferred tax assets/(liabilities), net	**23,858**	**(3,019)**

NOTE 14 - OTHER NON-CURRENT ASSETS

As of 31 December 2008 and 2007, other non-current assets comprise of the following:

	31 December 2008	31 December 2007
Prepaid expenses	582	161
Deposits given and other non- current assets	124	330
Total	**706**	**491**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 15 - BANK BORROWINGS

As of 31 December 2008 and 2007, bank borrowings comprise of the following:

	31 December 2008		31 December 2007	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term borrowings:				
TRY borrowings (*)	-	20,568	-	17,953
EURO borrowings	%6.25	24,963	-	-
Short-term portion of long-term borrowings:				
Foreign currency denominated borrowings (EURO)	EURIBOR+ %0.13-0.35	76,079	EURIBOR+ %0.28-0.35	20,994
Foreign currency denominated borrowings (USD)	LIBOR+ %1.75-1.95	21,936	LIBOR+ %1.75-1.95	4,314
Total short-term borrowings		**143,546**		**43,261**
Long-term borrowings:				
Foreign currency denominated borrowings (EURO)	EURIBOR+ %0.13-0.275	- 80,571	EURIBOR+ %0.28-0.35	49,891
Foreign currency denominated borrowings (USD)	LIBOR+ %1.75-1.95	- 84,058	LIBOR+ %1.75-1.95	59,318
Total long-term borrowings		**164,629**		**109,209**

(*) As of 31 December 2008, Group has non interest bearing TRY denominated loans from various financial institutions amounting to TRY thousand 20,568, has been obtained to pay value added taxes, custom taxes and special consumption taxes (31 December 2007: TRY thousand 17,953).

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NOTE 15 - BANK BORROWINGS (Continued)

As of 31 December 2008, the redemption schedule of long-term bank borrowings including their short-term portions is as follows:

Payment period	Original amount (thousand USD)	Original amount (thousand Euro)	TRY equivalent (thousand)
2009	14,505	35,538	98,014
2010	18,218	15,021	59,709
2011	13,883	11,148	44,861
2012 and later	23,481	11,467	60,060
Total	**70,087**	**73,174**	**262,644**

As of 31 December 2007, the redemption schedule of long-term bank borrowings including their short-term portions is as follows:

Payment period	Original amount (thousand USD)	Original amount (thousand Euro)	TRY equivalent (thousand)
2008	3,703	12,276	25,308
2009	8,200	10,901	28,194
2010	11,771	9,669	30,246
2011	10,368	6,571	23,314
2012 and later	20,591	2,031	27,455
Total	**54,633**	**41,448**	**134,517**

The carrying amounts of the borrowings of the Group which were classified in terms of periods remaining to contract termination dates for fixed rate borrowings and contractual repricing dates for floating rate borrowings are as follows:

	Up to 3 months	3 months to 1 year	Total
31 December 2008:			
Borrowings with fixed rates	16,746	8,217	24,963
Borrowings with floating rates	140,836	121,808	262,644
Total	**157,582**	**130,025**	**287,607**
31 December 2007:			
Borrowings with floating rates	100,928	33,589	134,517
Total	**100,928**	**33,589**	**134,517**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 16 - TRADE PAYABLES

As of 31 December 2008 and 2007, trade payables comprise of the following:

	31 December 2008	31 December 2007
Volkswagen AG	572,873	235,374
Audi AG	123,240	29,950
Seat SA	19,176	6,519
Krone GmbH	425	2,144
Scania CV AB	359	12,704
F.X. Meiller	18	2,274
Other	26,175	41,132
Total	**742,266**	**330,097**

Original Equipment Manufactures ("OEM"s) provide a credit option to the Group up to one year which is free from interest for 10 days. The OEM's charge the Group an annual interest of 4.50% for trade payables not settled within 10 days (31 December 2007: 5.50%).

NOTE 17 - TAXES ON INCOME

Turkish tax legislation does not allow for the submission of tax returns over consolidated financial statements prepared by the parent company, which include its subsidiaries and affiliates. Accordingly tax considerations reflected in these consolidated financial statements have been calculated separately for each of the companies in the scope of the consolidation.

The Corporate Tax Law was amended by Law No.5520 dated 13 June 2006. Most of the articles of the new Corporate Tax Law in question, No.5520, has come into force effective from 1 January 2006. Corporation tax is payable at a rate of 20% (31 December 2007: 20%) on the total income of the Company and its Subsidiaries registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19.8%, calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

As of 31 December 2008, enacted corporation tax rate is 20% for the subsidiaries registered in Egypt according to local tax law (31 December 2007: 20%).

As of 31 December 2008, enacted corporation tax rate is 22,8% for the subsidiary registered in Switzerland according to local tax law (31 December 2007: 22,8%).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains an amount for advance tax amount paid, it may be refunded or offset against other liabilities to the government.

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NOTE 17 - TAXES ON INCOME (Continued)

In accordance with Tax Law No.5024 “Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law” published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004 income and corporate taxpayers are required to prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira.

In accordance with the Law in question, the cumulative inflation rate for the last 36 months and the inflation rate for the last 12 months must exceed 100% and 10% respectively (TUIK WPI increase rate). Since these conditions in question were not fulfilled since 1 January 2005, no inflation adjustments were performed.

There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends.

In tax reviews authorized bodies can review the accounting records for the past five years and if errors are detected, tax amounts may change due to tax assessment.

According to Turkish tax legislation, financial losses on the returns can be offset against period income for up to 5 years. However, financial losses cannot be offset against previous years’ profits.

There are many exemptions in Corporate Tax Law regarding corporations. Those concerning the Group are explained as follows:

Property, investment equity, preferential rights, usufruct shares, founding shares, sales exemption:

75% of the gains derived from the sale of preferential rights, usufruct shares and founding shares from investment equity and real property which has remained in assets for more than two full years are exempt from corporate tax. To be entitled to the exemption, the relevant gain is required to be held in a fund account and it must not be withdrawn from the entity for a period of 5 years. The cost of the sale has to be collected up until the end of the second calendar year following the year the sale was realized.

For the years ended 31 December taxation income/ (charge) comprise of the following:

	31 December 2008	**31 December 2007**
Current tax charge	-	(13,631)
Deferred tax income	25,838	1,698
Total	**25,838**	**(11,933)**

The prepaid taxes as of 31 December are as follows:

	31 December 2008	**31 December 2007**
Current tax charge	-	(13,854)
Less: Prepaid tax asset	2,185	14,712
Total	**2,185**	**858**

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NOTE 17 - TAXES ON INCOME (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	31 December 2008	31 December 2007
(Loss)/ Profit before taxation	(138,810)	74,727
Statutory tax rate	20%	20%
Taxes calculated at statutory tax rate	27,762	(14,945)
Effects of :		
Income exempt from taxation and disallowable expenses	(8,907)	2,872
Deferred tax on land being calculated at 5%	7,494	-
Other	(511)	140
Total	**25,838**	**(11,933)**

NOTE 18 - OTHER CURRENT LIABILITIES

As of 31 December 2008 and 2007 other current liabilities comprise of the following:

	31 December 2008	31 December 2007
Warranty provision	10,355	10,171
Provision for legal exposure	7,873	6,616
VAT payable	5,865	12,557
Social security and withholding taxes payable	3,855	4,424
Advances from customers	2,688	4,177
Deferred revenue	632	671
Accrued expenses	609	1,462
Due to personnel	488	1,152
Other	714	1,061
Total	**33,079**	**42,291**

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NOTE 18 - OTHER CURRENT LIABILITIES (Continued)

The movements in provision for warranties during the years ended 31 December are as follows:

	2008	2007
Balance at the beginning of the year	10,171	7,193
Additions	24,744	32,849
Paid during the year	(24,560)	(29,871)
Balance at the end of the year	**10,355**	**10,171**

The movements in provision for legal exposure during the years ended 31 December are as follows:

	2008	2007
Balance at the beginning of the year	6,616	5,194
Additions	1,718	1,704
Paid during the year	(461)	(282)
Balance at the end of the year	**7,873**	**6,616**

NOTE 19 - RESERVE FOR SEVERANCE PAYMENTS

There are no agreements for pension commitments other than the legal requirement explained below.

Under the Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 23 May 2002 there are certain transitional provisions relating to the length of service prior to retirement.

The amount payable consists of one month's salary limited to a maximum of TRY 2,173 for each year of service as of 31 December 2008 (31 December 2007: TRY 2,030).

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

IFRS require actuarial valuation methods to be developed to estimate enterprises' obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31 December 2008	31 December 2007
Discount rate (%)	6.26	5.71
Turnover rate to estimate the probability of retirement (%)	8.70	7.95

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 19 - RESERVE FOR SEVERANCE PAYMENTS (Continued)

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Since the liability cap is determined every six months, the maximum amount of TRY 2,260 which is effective from 1 January 2008 (1 January 2007: TRY 2,088) has been taken into consideration in calculating the provision.

The movements in the provision for employment termination benefits for the years ended 31 December 2008 and 2007 are as follows:

	2008	2007
Balance at the beginning of the year	1,789	2,174
Current service cost	358	425
Interest cost	112	124
Actuarial losses/ (gains)	1,687	(297)
Paid during the year	(1,827)	(637)
Balance at the end of the year	**2,119**	**1,789**

NOTE 20 - SHARE CAPITAL AND RESERVES

20.1 Share Capital

The paid-in share capital of the Company comprises of 110.000.000 units of registered shares with a nominal value of TRY 1 each. There is no different type of share and no privilege given to specific shareholders.

At 31 December 2008 and 2007, the composition of the Company's shareholding structure is as follows:

	31 December 2008		31 December 2007	
	TRY	Shareholding (%)	TRY	Ortaklık Payı (%)
Doğuş Holding	38,731	35.21	38,731	35.21
Publicly traded	37,950	34.50	37,950	34.50
Doğuş Araş. Geliş. ve Müşv. A.Ş.	33,319	30.29	33,319	30.29
Share Capital	**110,000**	**100.00**	**110,000**	**100.00**
Inflation adjustment difference	29,165		29,165	
Total	**139,165**		**139,165**	

(Amounts expressed in thousands of New Turkish Lira ("TRY" unless otherwise stated.)

NOTE 20 - SHARE CAPITAL AND RESERVES (Continued)

20.2 Legal Reserves

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital. As of 31 December 2008, legal reserves amount to TRY 40,028 thousand (31 December 2007: TRY 35,829 thousand).

NOTE 21 - EARNINGS PER SHARE AND DIVIDEND PAID OUT

21.1 Earnings Per Share

Earnings per share, is calculated by dividing net income attributable to equity holders of the Company for the year by the weighted average number of shares of the Company during the year. For the years ended 31 December, earnings per share is calculated as follows:

	2008	**2007**
Net (loss)/ profit attributable to the equity holders of the Company	(112,432)	63,634
Number of basic and diluted shares taken into account in calculation of earnings per share	110,000,000	110,000,000
Basic and diluted (loss)/earnings per share	**(1.0221)**	**0.5785**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 21 - EARNINGS PER SHARE AND DIVIDEND PAID OUT (Continued)

21.2 Dividend Payout

In accordance with the Capital Markets Board Decision dated 9 January 2009, concerning allocation basis of profit from operations of 2008, minimum profit distribution shall be applied as 20% (31 December 2007: 20%). According to the Board's decision and Communiqué No: IV-27 issued by CMB regarding allocation basis of profit of publicly owned companies, the distribution of the relevant amount may be realized as cash or as bonus shares or partly as cash and bonus shares; and in the event that the first dividend amount to be specified is less than 5% of the paid-up capital, the relevant amount can be retained within the Company. However, companies that made capital increases before distributing dividends related to the prior period and whose shares are therefore classified as "old" and "new" and that will distribute dividends from the profit made from 2008 operations are required to distribute the first dividend in cash.

In addition, according to the aforementioned Board decision, the restrictions on the distributions of the profit derived from the subsidiaries, joint ventures and associates of entities who are required to prepare consolidated financial statements where no profit distribution decision is taken in the general assemblies of such subsidiaries joint ventures and associates is abolished. It is decided that as long as the entities can provide the necessary amount from their statutory reserves, the distributable profit can be calculated based on the net income declared at the publicly announced consolidated financial statements in the accordance with Communiqué XI No:29.

Accordingly, if the amount of dividend 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 shall be distributed. If it exceeds the statutory net distributable profit, the total amount of the statutory net distributable profit shall be distributed. It is stated that dividend distributions should not be made if there is a loss in either the consolidated financial statements prepared in accordance with CMB regulations or in the statutory financial statements.

According to article 24 of Articles of Association of the Company, the Company should distribute 50% of its profit as a minimum during the 5 years starting from 2004.

According to the Resolution of the General Assembly held on 11 April 2008, the Company distributed dividends amounting to TRY 22,258 thousand to shareholders out of the net profit for the year 2007, in accordance with the Article 24 in the Articles of Association.

According to the Resolution of the General Assembly held on 29 March 2007, the Company distributed dividends amounting to TRY 6,787 thousand to shareholders out of the net profit for the year 2006, in accordance with the Article 24 in the Articles of Association.

NOTE 22 - NET SALES

For the years ended 31 December, net sales comprise of the following:

	2008	2007
Vehicle and spare part sales	2,261,552	2,724,358
Sales return (-)	(14,044)	(11,764)
Sales discounts (-)	(103,369)	(160,510)
Net sales	**2,144,139**	**2,552,084**

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NOTE 23 - DISTRIBUTION AND MARKETING EXPENSES

For the years ended 31 December, distribution and marketing expenses comprise of the following:

	2008	2007
Advertising and promotion expenses	51,570	55,963
Personnel expenses	26,044	20,493
Distribution expenses	24,193	24,628
Rent expenses	9,975	9,386
Other	6,146	7,385
Total	**117,928**	**117,855**

NOTE 24 - GENERAL ADMINISTRATIVE EXPENSES

For the years ended 31 December, general administrative expenses comprise of the following:

	2008	2007
Personnel expenses	65,720	52,375
Depreciation and amortisation expenses	19,158	18,122
Vehicle expenses	8,209	7,780
Utility expenses	6,447	6,283
Consultancy expenses	6,017	5,819
Travel expenses	3,092	3,070
Communication expenses	2,942	2,473
Rent expenses	2,838	2,295
Repair and maintenance expenses	2,779	2,526
Severance pay expenses	2,157	252
Insurance expenses	1,998	2,893
Taxes and duties	1,752	2,417
Provision for legal matters	1,718	1,704
Corporate governance expense	1,536	830
Other	4,054	5,627
Total	**130,417**	**114,466**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 25 - EXPENSES BY NATURE

Expenses by nature for the years ended 31 December 2008 and 2007 are as follows:

	2008	**2007**
Cost of trade goods	1,817,589	2,170,755
Personnel expenses	119,936	95,085
Advertisement and promotion expenses	51,570	55,963
Insurance expenses	24,744	32,849
Distribution costs	24,193	24,628
Depreciation and amortisation expenses	19,158	18,123
Rent expenses	12,813	11,681
Vehicle expenses	8,209	7,780
Utility expenses	6,447	6,283
Consultancy expenses	6,017	5,819
Customer relationship expenses	4,074	4,321
Travel expenses	3,092	3,070
Other	28,300	28,336
Total	**2,126,142**	**2,464,693**

NOTE 26 - OTHER OPERATING INCOME

For the years ended 31 December, other operating income comprise of the following:

	2008	**2007**
Net commission income	7,630	7,741
Service income	2,490	1,482
Income from contributions	2,212	1,816
Rent income	1,720	317
Insurance compensation income	953	1,058
Gain on sales of tangible assets	-	723
Other	2,305	110
Total	**17,310**	**13,247**

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NOTE 27 - OTHER OPERATING EXPENSES

For the years ended 31 December, other operating expenses comprise of the following:

	2008	2007
Warranty expenses, net	24,744	32,849
After sales services expense	7,080	5,644
Loss on sales of tangible assets	5,716	-
Service expense	1,182	1,069
Other	2,122	2,135
Total	**40,844**	**41,697**

NOTE 28 - FINANCIAL INCOME

For the years ended 31 December, financial income and expenses comprise of the following:

	2008	2007
Interest income on debt securities and bank deposits	9,568	3,137
Dividend income	1,034	1,072
Interest income charge on credit sales	1,492	2,243
Foreign exchange gains on borrowing, net	-	11,358
Total	**12,094**	**17,810**

NOTE 29 - FINANCIAL EXPENSES

For the years ended 31 December, financial income and expenses comprise of the following:

	2008	2007
Foreign exchange losses on borrowings, net	50,643	-
Interest charge on credit purchases	30,244	17,529
Other foreign exchange losses, net	29,141	10,516
Interest on borrowings	14,248	9,759
Commission on letters of guarantee	7,377	10,090
Other financial expenses, net	2,376	3,050
Total	**134,029**	**50,944**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 30 - MINORITY INTEREST

For the years ended 31 December, changes in minority interest are as follows:

	2008	2007
Balance at the beginning of the year	1,922	4,415
Difference between the net asset acquired and the consideration paid due to acquisition of minority shares in subsidiary	-	(1,653)
Losses attributable to minority interest	(540)	(840)
Balance at 31 December	**1,382**	**1,922**

NOTE 31 - ASSETS HELD FOR SALE

In accordance with the Board of Directors assembly held on 29 December 2008, considering the economic conditions in the region, limited competition opportunities and potential effects of the global economic crisis on the region, the management has decided to take the necessary measures, including the transfer of shares of Doğuş Oto Mısr For Trading and Manufacturing Vehicles Joint Stock Company and Doğuş Auto Mısır LLC, Egypt to potential local or foreign buyers. Group management expects the sales transaction of these subsidiaries to be completed in 2009.

The assets and liabilities directly associated with these subsidiaries are classified as assets held for sale in the balance sheet as of 31 December 2008 as the operations of Doğuş Auto Mısır are ready for sale and sale is highly probable and are not consolidated through line by line consolidation method. A summary of information regarding assets and liabilities of the disposal group are as follows:

a) Assets and liabilities of disposal group classified as held for sale

	31 December 2008
Current assets	
Cash and cash equivalents	1,469
Trade receivables	443
Other current assets	844
Inventory	10,718
Property, plant and equipment, net	2,739
Intangible assets, net	66
Deferred tax assets	1,778
Assets of disposal group held for sale	**18,057**

	31 December 2008
Current liabilities	
Trade payables	2,138
Other current liabilities	643
Liabilities of disposal group held for sale	**2,781**
Net liabilities of disposal group held for sale	**15,276**

The companies classified under the disposal group, have liabilities against other Group companies amounting to TRY 24,284 thousand that have been eliminated in the scope of consolidation.

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NOTE 31 - ASSETS HELD FOR SALE (Continued)

b) Cumulative income or expense recognised directly in equity relating to disposal group classified as held for sale

	31 December 2008
Sustained losses	7,824
Currency translation reserve	1,619
Total	**9,443**

NOTE 32 - FOREIGN CURRENCY POSITION

At 31 December 2008 and 2007, monetary assets and liabilities denominated in foreign currencies held by the Group were as follows:

	31 December 2008				
		Original balances			
	Total TRY Equivalent	USD	EURO	CHF	Other
Assets:					
Trade receivables, net	820	-	383,117	-	-
Cash and cash equivalents	35,639	1,431,472	15,601,497	25,507	193,207
Other assets	29,158	3,034	13,608,112	14,508	-
Assets of disposal group classified as held for sale	539	355,358	975	-	-
Current assets	**66,156**	**1,789,864**	**29,593,701**	**40,015**	**193,207**
Total assets	**66,156**	**1,789,864**	**29,593,701**	**40,015**	**193,207**
Trade payables	718,197	1,605	335,472,498	-	85,000
Bank borrowings	122,977	14,505,059	47,198,285	-	-
Other liabilities	10,914	-	5,097,931	-	-
Liabilities of disposal group classified as held for sale	2,461	1,618,444	6,310	-	-
Current liabilities	**854,549**	**16,125,108**	**387,775,024**	**-**	**85,000**
Bank borrowings	164,630	55,582,887	37,635,889	-	-
Non-current liabilities	**164,630**	**55,582,887**	**37,635,889**	**-**	**-**
Total liabilities	**1,019,179**	**71,707,995**	**425,410,913**	**-**	**85,000**
Net (liability)/ asset position	**(953,023)**	**(69,918,131)**	**(395,817,212)**	**40,015**	**108,207**
Commitment and contingencies					
Sureties and letters of guarantee taken	205,702	4,066,500	93,213,912	-	-
Sureties and letters of guarantee given	1,033,808	143,166,667	381,771,787	-	

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 32- FOREIGN CURRENCY POSITION (Continued)

	31 December 2007				
		Original balances			
	Total TRY equivalent	USD	EURO	CHF	Other
Assets:					
Trade receivables, net	3,100	843,490	1,238,660	-	-
Cash and cash equivalents	7,815	1,199,166	3,149,572	1,394	9,907
Other assets	20,717	21,301	12,012,773	143,852	-
Current assets	**31,632**	**2,063,957**	**16,401,005**	**145,246**	**9,907**
Total assets	**31,632**	**2,063,957**	**16,401,005**	**145,246**	**9,907**
Trade payables	292,028	3,276,027	168,521,389	6,631	
Bank borrowings	25,308	3,703,914	12,275,509	-	-
Other liabilities	10,381	732	6,068,809	-	506
Current liabilities	**327,717**	**6,980,673**	**186,865,707**	**6,631**	**506**
Bank borrowings	109,209	50,929,247	29,172,023	-	-
Non- current liabilities	**109,209**	**50,929,247**	**29,172,023**	**-**	**-**
Total liabilities	**436,926**	**57,909,920**	**216,037,730**	**6,631**	**506**
Net (liability)/ asset position	**(405,294)**	**(55,845,963)**	**(199,636,725)**	**138,615**	**9,401**
Commitment and contingencies					
Sureties and letters of guarantee taken	174,022	7,462,031	96,673,626	-	-
Sureties and letters of guarantee given	939,538	250,666,500	378,661,787	-	-

As of 31 December 2008, goods in transit of the Group amount to TRY 451,649 thousand, (31 December 2007: TRY 197,557 thousand), equivalent of EUR 209,315 thousand and USD 2,345 thousand (31 December 2007: EUR 115,517 thousand).

(Amounts expressed in thousands of New Turkish Lira ("TRY" unless otherwise stated.)

NOTE 33 - COMMITMENTS AND CONTINGINCIES

33.1 Letters of Guarantee and Sureties Given

As of 31 December 2008 and 2007, letters of guarantee and sureties given comprised of the following:

Letters of guarantee given	**31 December 2008**	**31 December 2007**
Volkswagen AG & Audi AG	723,217	577,576
Bayerische Hypo-und Vereinsbank AG	90,738	58,235
Skoda AG	38,534	26,508
Seat SA	32,112	25,653
Customs	7,578	7,305
Bentley Motors Limited	2,141	1,710
Other	7,849	6,803
Total	**902,169**	**703,790**

Letters of guarantee are given for import of spare parts and automobiles.
Letter of guarantee amounting to a total of TRY 90,738 thousand, equivalent of USD 60,000 thousand given to Bayerische Hypo-und Vereinsbank AG are in relation to TÜVTURK Kuzey, TÜVTURK Güney and TÜVTURK İstanbul (31 December 2007:TRY 58,235 thousand equivalent of USD 50,000 thousand).

Sureties given	**31 December 2008**	**31 December 2007**
TÜVTURK İstanbul	100,820	77,647
Yüce Auto	31,658	41,174
Meiller-Doğuş	14,686	-
TÜVTURK Güney	-	109,424
TÜVTURK Kuzey	-	27,235
Total	**147,164**	**255,480**

As of 31 December 2008 and 2007, all of the sureties were given on behalf of the related parties.

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 33 - COMMITMENTS AND CONTINGINCIES (Continued)

33.2 Letters of Guarantee and Sureties Obtained

Letters of guarantee obtained	31 December 2008	31 December 2007
Letters of guarantee obtained from dealers	141,764	168,068
Total	**141,764**	**168,068**

In addition, the Group has obtained guarantee letters from its suppliers amounting to TRY 16,028 thousand, in relation to commitments on construction services (31 December 2007: TRY 10,736 thousand).

As of 31 December 2008, TRY 20,316 thousand (31 December 2007: TRY 56,708 thousand) of the total amount of the letters of guarantee taken from independent dealers were given by a related party, Garanti Bankası.

Sureties obtained	31 December 2008	31 December 2007
Doğuş Holding	251,472	212,137
Total	**251,472**	**212,137**

33.3 Loans Obtained by TÜVTURK Kuzey, TÜVTURK Güney and TÜVTURK Istanbul and Commitments Regarding the Concession Agreement

Following the signing of concession agreement regarding the privatization of vehicle inspection services between TÜVTURK Kuzey, TÜVTURK Güney and Privatization Administration on 15 August 2007, TÜVTURK Kuzey and TÜVTURK Güney have commenced their operations. The companies have committed to the state authorities to elicit the start-up of 189 sedentary and 38 mobile EU-compliant service stations within 18 months following the date of sign-off.

On 8 April 2005, an agreement was signed between TÜVTURK Kuzey, TÜVTURK Güney, TÜVTURK İstanbul, ABN Amro Bank NV and Bayerische Hypo-und Vereinsbank AG regarding the financing of a structured loan amounting to USD 552 million, for which the Company is the guarantor for 33.3% of the principal, interest and other financial obligations thereof. Following the clarification of the legal status of the concession agreement with Privatization Administration regarding the construction and operation of the service stations, the aforementioned financing agreement has been signed on 10 August 2007. With respect to this arrangement, out of the total loan obtained, an amount of USD 70,150 thousand has been utilised by TÜVTURK Kuzey, USD 281,850 thousand has been utilised by TÜVTURK Güney while the remaining USD 200,000 thousand has been utilised by TÜVTURK İstanbul. As of 31 December 2008, loan amounted to USD 352 million utilized by TÜVTURK Kuzey and TÜVTURK Güney has been paid to related financial institution.

Doğuş Otomotiv, as a guarantor, along with other shareholders in TÜVTURK Kuzey, TÜVTURK Güney, and TÜVTURK İstanbul, has pledged its equity holdings in TÜVTURK Kuzey, TÜVTURK Güney, and TÜVTURK İstanbul to the forementioned financial institutions.

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NOTE 33 - COMMITMENTS AND CONTINGINCIES (Continued)

33.4 Operating Leases

Future lease payments under operating leases (with initial or remaining lease terms in excess of one year) as of 31 December 2008 and 2007 are as follows:

	31 December 2008	31 December 2007
2008	-	9,912
2009	8,064	5,992
2010	7,028	5,318
2011	6,331	4,780
2012 and later years	8,665	1,632
Total	**30,088**	**27,634**

TRY 12,589 thousand of future operating lease obligations is originally denominated in USD and equivalent of USD 8,324 thousand (31 December 2007: TRY 15,373 thousand, equivalent of USD 13,200 thousand).

TRY 18, 512 thousand (equivalent of USD 12,241 thousand) of operating leases are related to lease of Doğuş Otomotion. The Group has future operating lease receivables amounting to TRY 3,744 thousand (equivalent of USD 2,476) in relation to subleting a part of Doğuş Otomotion (Note 11).

33.5 Guarantee Notes Given

	31 December 2008	31 December 2007
Yüce Auto	400	400
Total	**400**	**400**

33.6 Guarantee Mortgages Given

	31 December 2008	31 December 2007
Fortisbank	43,101	33,194
Total	**43,101**	**33,194**

NOTE 34 - SUBSEQUENT EVENTS

Removal of “New” used in the “New Turkish Lira” and the “New Kuruş”

In accordance with the Article 1 of the Law numbered 5083 concerning the “Currency of the Republic of Turkey” and according to the Decision of The Council of Ministers dated April 4, 2007 and No: 2007/11963, the prefix “New” used in the “New Turkish Lira” and the “New Kuruş” will be removed as of January 1, 2009. When the prior currency, New Turkish lira (“TRY”), values are converted into TL and Kr, one TRY (TRY1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. Consequently, effective from 1 January 2009, the TL replaces the TRY as a unit of account in keeping and presenting of books, accounts and financial statements.

Capital increase of VDF Servis Holding A.Ş.

At the Board of Directors assembly held on 17 February 2009, the Company has decided to contribute to the capital increase of VDF Servis Holding A.Ş by TRY 5,000,000 to TRY 5,100,000 and maintain its share in VDF Servis Holding A.Ş.’s capital.

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NOTE 35 - RISK MANAGEMENT DISCLOSURES

As of 31 December 2008, the maturity profile of monetary assets and liabilities is as follows:

		31 December 2008				
Contractual terms	**Book value**	**Total contractual cash inflows**	**Up to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Non- derivative monetary assets						
Cash and cash equivalents	74,159	74,159	74,159	-	-	-
Due from related parties	12,051	12,051	12,051	-	-	-
Trade receivables	105,149	105,149	104,984	165	-	-
Other current assets	34,453	34,453	34,321	132	-	-
Assets of disposal group classified as held for sale	1,912	1,912	-	1,912	-	-
Total non- derivative monetary assets	**227,724**	**227,724**	**225,515**	**2,209**	**-**	**-**

		31 December 2008				
Contractual terms	**Book value**	**Total contractual cash outflows**	**Up to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Non- derivative monetary liabilities						
Bank borrowings	308,175	346,253	57,083	93,527	174,936	20,707
Due to related parties	3,455	3,455	3,455	-	-	-
Trade payables	742,266	742,266	92,427	649,839	-	-
Provisions	18,837	18,837	7,134	11,703	-	-
Other current liabilities	10,922	10,922	10,922	-	-	-
Reserve for severance payments	2,119	2,119	-	-	2,119	-
Liabilities of disposal group classifies as held for sales	2,781	2,781	-	2,781	-	-
Total non- derivative financial liabilities	**1,088,555**	**1,126,633**	**171,021**	**757,850**	**177,055**	**20,707**

There is no outstanding derivative financial instrument as of 31 December 2008.

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 35 - RISK MANAGEMENT DISCLOSURES (Continued)

As of 31 December 2007, the maturity profile of monetary assets and liabilities is as follows:

		31 December 2007				
Contractual terms	**Book value**	**Total contractual cash inflows**	**Up to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Non- derivative monetary assets						
Cash and cash equivalents	104,214	104,214	104,214	-	-	-
Due from related parties	21,706	21,706	21,706	-	-	-
Trade receivables	144,746	144,746	144,549	197	-	-
Other current assets	25,048	25,048	24,797	251	-	-
Total non-derivative monetary assets	**295,714**	**295,714**	**295,266**	**448**	**-**	**-**

		31 December 2007				
Contractual terms	**Book value**	**Total contractual cash outflows**	**Up to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**
Non-derivative monetary liabilities						
Bank borrowings	152,470	182,230	30,047	13,758	116,371	22,054
Factoring liabilities	80,000	80,000	80,000			
Due to related parties	2,919	2,919	2,919	-	-	-
Trade payables	330,097	330,097	197,932	132,165	-	-
Provisions	18,249	18,249	7,313	10,936	-	-
Other current liabilities	18,947	18,947	18,947	-	-	-
Reserve for severance payments	1,789	1,789	-	-	1,789	-
Total non- derivative monetary liabilities	**604,471**	**634,231**	**337,158**	**156,859**	**118,160**	**22,054**

Contractual terms	**Book value**	**Total contractual cash inflows/(outflows)**	**Up to 3 months**	**3 to12 months**	**1 to 5 years**	**Over 5 years**
Derivative financial assets/liabilities:						
Derivative cash inflows	59,311	59,311	59,311	-	-	-
Derivative cash outflows	(59,558)	(59,558)	(59,558)	-	-	-
Derivative financial liabilities, net	**(247)**	**(247)**	**(247)**	**-**	**-**	**-**

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NOTE 36 - CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS

US Dollar ("USD") amounts shown in the consolidated statement of income and consolidated balance sheet on the following pages have been included solely for the convenience of the reader.

US Dollar amounts in the consolidated statement of income for the year ended 31 December 2008, are translated from TRY using the average TRY exchange rate of 1.2929 USD/TRY for the year ended 31 December 2008. For the consolidate balance sheet at 31 December 2008, US Dollar amounts are translated from TRY using the official exchange rate of 1.5123 USD/TRY prevailing on 31 December 2008.

US Dollar amounts in the consolidated statement of income for year ended 31 December 2007, are translated from TRY using the average TRY exchange rate of 1.2893 USD/TRY for the year ended 31 December 2007. For the consolidated balance sheet at 31 December 2007, US Dollar amounts are translated from TRY using the official TRY exchange rate of 1.1647 USD/TRY prevailing on 31 December 2007.

Such translation should not be construed as a representation that the TRY amounts have been converted into USD pursuant to the requirements of IFRS or Generally Accepted Accounting Principles in the United States of America or in any other country.

	Notes	31 December 2008 USD '000	31 December 2007 USD '000
ASSETS			
Cash and cash equivalents	4	49,037	89,477
Due from related parties	5	7,969	18,637
Trade receivables, net	6	69,529	124,277
Inventories	7	432,333	263,553
Other current assets	8	40,918	32,162
Assets of disposal group classified as held for sale	31	11,940	-
Total current assets		**611,726**	**528,106**
Investments in associates and joint ventures	9	57,157	81,575
Available-for-sale financial assets	10	117,931	201,502
Property, plant and equipment-net	11	147,979	177,550
Intangible assets-net	12	3,589	5,001
Deferred tax assets	13	15,776	1,971
Other non-current assets	14	466	421
Total non-current assets		**342,898**	**468,020**
Total assets		**954,624**	**996,126**

(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

NOTE 36 - CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS (Continued)

	Notes	31 December 2008 USD '000	31 December 2007 USD '000
LIABILITIES			
Short-term bank borrowings	15	30,107	15,414
Short-term portion of long-term bank borrowings	15	64,812	21,729
Due to related parties	5	2,285	71,193
Trade payables	16	490,819	283,418
Other current liabilities	18	21,873	36,312
Liabilities of disposal group classified as held for sale	31	1,839	-
Total current liabilities		**611,735**	**428,066**
Long term bank borrowings	15	108,860	93,766
Reserve for severance payments	19	1,401	1,536
Deferred tax liabilities	13	-	4,563
Total non-current liabilities		**110,261**	**99,865**
Equity and liabilities:			
Share capital	20	92,022	119,486
Share premium		739	959
Currency translation reserves		(681)	206
Financial assets fair value reserve		60,188	126,863
Legal reserves		26,468	30,762
Retained earnings		52,978	188,269
Capital and reserve attributable to equity holders of the parent company		**231,714**	**466,545**
Equity attributable to minority interest		914	1,650
Total equity		**232,628**	**468,195**
Total equity and liabilities		**954,624**	**996,126**

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NOTE 36 - CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS (Continued)

	Notes	**1 January - 31 December 2008** **USD '000**	**1 January - 31 December 2007** **USD '000**
Net sales	22	1,658,385	1,979,434
Cost of sales		(1,433,244)	(1,705,983)
Gross profit		**225,141**	**273,451**
Distribution and marketing expenses	23	(91,211)	(91,409)
General and administrative expenses	24	(100,871)	(88,780)
Other operating income	26	13,388	10,275
Other operating expense	27	(31,591)	(32,340)
Operating profit		**14,856**	**71,197**
Financial income	28	9,354	13,814
Financial expenses	29	(103,665)	(39,513)
Share in result of associates and joint ventures	9	(27,908)	12,462
(Loss)/profit before taxation		**(107,363)**	**57,960**
Taxes on income	17	19,984	(9,255)
Net (loss)/profit for the year		**(87,379)**	**48,705**
(Loss)/ profit attributable to:			
Equity holders of the parent company		(86,961)	49,356
Minority interest	30	(418)	(651)
Net (loss)/profit for the year		**(87,379)**	**48,705**
Weighted average number of of basic and diluted shares with face value of 1 TRY each		110,000,000	110,000,000
(Losses)/earnings per share (USD Full)	21	(0.7906)	0.4487

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