Doğuş Otomotiv Servis ve Ticaret A.Ş.
Consolidated Financial Statements At 31 December 2007 Together With Independent Auditor's Report

PRICEWATERHOUSECOOPERS

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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 2007

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

1. 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 2007 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

2. 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

3. 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

4. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2007, 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, 10 March 2008

Doğuş Otomotiv Servis ve Ticaret A.Ş.

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Doğuş Otomotiv Servis ve Ticaret A.Ş.

Consolidated Balance Sheets at 31 December

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

	Notes	31 December 2007	31 December 2006
ASSETS			
Cash and cash equivalents	4	104,214	121,023
Due from related parties	5	21,706	6,058
Trade receivables, net	6	144,746	142,883
Inventories	7	306,960	422,129
Other current assets	8	37,459	33,385
Total current assets		615,085	725,478
Investments in associates and joint ventures	9	95,010	48,247
Available-for-sale financial assets	10	234,689	233,024
Property, plant and equipment-net	11	206,792	112,413
Intangible assets-net	12	5,825	5,650
Deferred tax assets	13	2,296	2,279
Other non-current assets	14	491	6,732
Total non-current assets		545,103	408,345
Total assets		1,160,188	1,133,823
LIABILITIES			
Short-term bank borrowings	15	17,953	13,207
Short-term portion of long-term bank borrowings	15	25,308	17,012
Due to related parties	5	82,919	53,684
Trade payables	16	330,097	486,402
Taxation on income	17	-	-
Other current liabilities	18	42,291	37,613
Total current liabilities		498,568	607,918
Long term bank borrowings	15	109,209	30,837
Reserve for severance payments	19	1,789	2,174
Deferred tax liabilities	13	5,315	6,913
Total non-current liabilities		116,313	39,924
Shareholders' equity and liabilities:			
Share capital	20	139,165	139,165
Treasury shares		-	(287)
Share premium		1,117	-
Currency translation reserve		240	-
Reserves		183,586	180,204
Retained earnings		219,277	162,484
Total shareholders' equity attributable to equity holders of the Company		543,385	481,566
Minority interest in equity	28	1,922	4,415
Total shareholders' equity		545,307	485,981
Total shareholders' equity and liabilities		1,160,188	1,133,823

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

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Consolidated Statements of Income for the Years Ended 31 December
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Notes	2007	2006
Net sales	22	2,552,084	2,527,865
Cost of sales		(2,199,519)	(2,237,739)
Gross profit		352,565	290,126
Distribution and marketing expenses	23	(117,855)	(116,635)
General and administrative expenses	24	(114,466)	(94,167)
Other operating income	25	14,319	14,453
Other operating expense	26	(41,697)	(28,511)
Operating profit		92,866	65,266
Financial expense, net	27	(34,206)	(43,746)
Share in result of associates and joint ventures	9	16,067	2,029
Profit before taxation		74,727	23,549
Taxes on income	17	(11,933)	(5,170)
Net profit for the year		62,794	18,379
Profit/(loss) attributable to:			
Equity holders of Doğuş Otomotiv Servis ve Ticaret A.Ş. (the "Company")		63,634	20,981
Minority interest	28	(840)	(2,602)
Net profit for the year		62,794	18,379
Weighted average number of shares with face value of 1 TRY each		110,000,000	109,774,598
Earnings per share for profit attributable to equity holders of the Company during the year (TRY Full)	21	0.5785	0.1911

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

Doğuş Otomotiv Servis ve Ticaret 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

	2007	2006
Change in fair value of available-for-sale financial assets, net	1,580	22,557
Change in fair value of available-for-sale financial assets held by associates, net	95	12,875
Net income recognised directly in equity	1,675	35,432
Net profit for the year	62,794	18,379
Total recognised income for the year	64,469	53,811
Attributable to:		
Equity holders of the Company	65,309	56,413
Minority interest	(840)	(2,602)
Total recognised income for the year	64,469	53,811

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

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Consolidated Statements of Changes in Shareholders' Equity for the Years Ended 31 December
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

	Shareholders' equity attributable to equity holders of the parent company								
	Share capital	Treasury shares	Share premium	Financial assets fair value reserves	Legal reserves	Currency translation reserve	Retained earnings	Shareholders equity attributable to minority interest	Total shareholders' equity
Balance at 1 January 2006	139,165	(287)	-	110,650	24,639	-	198,871	7,017	480,055
Transfer to legal reserves	-	-	-	-	9,483	-	(9,483)	-	-
Dividends paid	-	-	-	-	-	-	(45,150)	-	(45,150)
Difference between the net asset acquired and the consideration paid due to acquisition of minority shares in subsidiary (Note 33)	-	-	-	-	-	-	(2,735)	-	(2,735)
Change in fair value of available-for-sale financial assets, net	-	-	-	22,557	-	-	-	-	22,557
Change in fair value of available-for-sale financial assets held by associates, net	-	-	-	12,875	-	-	-	-	12,875
Net profit for the year	-	-	-	-	-	-	20,981	(2,602)	18,379
Balance at 31 December 2006	139,165	(287)	-	146,082	34,122	-	162,484	4,415	485,981
Balance at 1 January 2007	139,165	(287)	-	146,082	34,122	-	162,484	4,415	485,981
Transfer to legal reserves	-	-	-	-	1,707	-	(1,707)	-	-
Dividends paid	-	-	-	-	-	-	(6,787)	-	(6,787)
Difference between the net asset acquired and the consideration paid due to acquisition of minority shares in subsidiary (Note 28)	-	-	-	-	-	-	1,653	(1,653)	-
Change in fair value of available-for-sale financial assets, net	-	-	-	1,580	-	-	-	-	1,580
Change in fair value of available-for-sale financial assets held by associates, net	-	-	-	95	-	-	-	-	95
Currency translation differences	-	-	-	-	-	240	-	-	240
Sale of treasury shares	-	287	1,117	-	-	-	-	-	1,404
Net profit for the year	-	-	-	-	-	-	63,634	(840)	62,794
Balance at 31 December 2007	139,165	-	1,117	147,757	35,829	240	219,277	1,922	545,307

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

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Consolidated Statements of Cash Flows for the Years Ended 31 December

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

	Notes	2007	2006
Operating activities:			
Net profit for the year		62,794	18,379
Adjustments to reconcile net income to net cash provided by operating activities			
Gain on sales of property, plant and equipment	25	(723)	(771)
Provision for legal matters	24	1,704	2,319
Taxation charge	17	11,933	5,170
Depreciation and amortisation	24	18,123	12,244
Share in result of associates and joint ventures	9	(16,067)	(2,029)
Provision for severance payment	19	252	86
Warranty provision-net	18	2,978	2,538
Interest income	27	(3,137)	(5,521)
Interest expense	27	25,045	20,114
Provision for diminution in value of inventories	7	2,816	-
Accrued expenses	18	1,462	3,635
Provision for doubtful receivables	6	198	251
Currency translation differences		485	-
Net cash provided from operating activities before changes in operating assets and liabilities		107,863	56,415
Changes in operating assets and liabilities:			
Change in trade receivables		(2,061)	(6,260)
Changes in due from/to related parties-net		(17,485)	(4,470)
Changes in inventories		112,353	(56,139)
Changes in trade payables		(154,037)	96,404
Changes in other assets/liabilities-net		(566)	(3,963)
Legal penalties paid	18	(282)	(445)
Employee termination benefits paid	19	(637)	(549)
Income taxes paid		(14,489)	(19,705)
Net cash provided by operating activities		30,659	61,288
Investing activities:			
Acquisition of property, plant and equipment	11	(113,153)	(22,406)
Proceeds from sales of property, plant and equipment		3,339	2,399
Acquisition of intangible assets	12	(2,223)	(507)
Acquisition of minority shares of subsidiaries	33	-	(2,735)
Contribution to share capital of joint ventures	9	(31,266)	(1,847)
Contribution to share capital of available-for –sale investments	10		(5)
Dividend received from available-for-sale financial investments		1,072	-
Dividend received from associates	9	665	-
Net cash used in investing activities		(141,566)	(25,101)
Financing activities:			
Interest received		3,119	5,487
Interest paid		(24,740)	(18,781)
Redemption of bank borrowings		(35,240)	(11,916)
Proceeds from bank borrowings		126,343	23,199
Proceeds from sale of treasury shares		1,404	-
Borrowings from related parties		335,000	65,000
Redemption of borrowings from related parties		(305,000)	(58,960)
Dividends paid	21	(6,787)	(45,150)
Cash flows provided from/(used in) financing activities		94,099	(41,121)
Net decrease in cash and cash equivalents		(16,809)	(4,934)
Cash and cash equivalents at the beginning of the year		121,023	125,957
Cash and cash equivalents at the end of the year		104,214	121,023

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

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

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, Scania, Krone, Meiller and VW Marine Engines). 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. The Company also organizes motorsport activities under the brand name "Doğuş Motor Sporları" ("DMS").

As of 31 December 2007, the Company has 5 Subsidiaries (31 December 2006: 2) 5 Associates (31 December 2006: 4) and 4 Joint Ventures (31 December 2006: 2). The Company's Subsidiaries as of 31 December 2007 are as follows:

- Doğuş Oto Pazarlama ve Ticaret AŞ ("Doğuş Oto Pazarlama") (Automobile dealer for group brands distributed by Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş. ("Yüce Auto"))
- 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 Egypt 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.
- Otofiks Ekspres Servis Hizmetleri ve Ticaret A.Ş. ("Otofix") has been founded as an operator of express service providers for all automobile brands. The company has been registered and commenced its operations on 4 May 2007.
- 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.

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 subsidiaries Doğuş Oto Pazarlama and Otofix are registered in Turkey at the following address:

Doğuş Grubu Binaları
Büyükdere Caddesi No: 65
34390 Maslak/Istanbul-Turkey

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 employees of the Group as of 31 December 2007 is 1,975 (31 December 2006: 1,762).

The accompanying consolidated financial statements are authorized for issue by the Board of Directors on 10 March 2008.

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
(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 2007

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's financial instruments.

IFRIC 8, 'Scope of IFRS 2', requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of IFRS 2.This standard does not have any impact on the Group's financial statements.

IFRIC 10, 'Interim financial reporting and impairment', prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This standard does not have any impact on the group's financial statements.

(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.

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

IFRIC 11, 'IFRS 2 – Group and treasury share transactions', (effective starting from the annual period beginning after 1 March 2007). IFRIC 11 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. The Group is going to apply this interpretation starting from 1 January 2008, but it is not expected to have any impact on the Group's accounts.

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. start of business in Egypt, investment in Switzerland, joint venture agreement with Meiller-Doğuş Damper Sanayi Ticaret Ltd. Şti. and Krone Doğuş Treyler Sanayi ve Ticaret A.Ş.)

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

IFRIC 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction' (effective from 1 January 2008). IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. The Group will apply IFRIC 14 from 1 January 2008, but it is not expected to have any impact on the Group's accounts.

2.2 Comparatives

The Group has prepared the consolidated balance sheet as of 31 December 2007 comparatively with the balance sheet at 31 December 2006, and consolidated income statement, consolidated cash flow statement and consolidated statement of change in shareholders' equity comparative to the period between 1 January and 31 December 2006.

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 2007:

General and administrative expenses – "Donations" amounting to TRY 670 thousand and "Rent expenses" amounting to TRY 1,173 thousand, which were previously reported under "Distribution and marketing expenses" and "Provision for legal matters" amounting to TRY 2,319 thousand, which was previously reported under "Other operating expense" have been reclassified to "General and administrative expenses" in the consolidated statement of income for the year ended 31 December 2006.

Net sales - "Contributions from OEM's" amounting to TRY 665 thousand which were previously reported under "Other operating income" have been reclassified to "Net sales" in the consolidated statement of income for the year ended 31 December 2006.

Other current assets - "Price difference accruals" amounting to TRY 2,425 thousand which were previously recognized in "Trade payables" have been reclassified to "Other current assets" in the consolidated balance sheet as at 31 December 2006.

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.

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

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 2007 and 31 December 2006.

Name	31 December 2007	31 December 2006
Doğuş Oto Pazarlama	96.17	86.94
Katalonya Oto Servis ve Ticaret A.Ş. ("Katalonya")	-	100.00
Doğuş Auto Mısır JS	99.00	99.00
Doğuş Auto Mısır LLC	98.01	-
Otofix	99.90	-
D-Auto Suisse SA	100.00	-

The Company and Katalonya have merged legally at 28 September 2007. Therefore, activities in relation to Seat brand are conducted under the Company since that date.

(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 2007 and 31 December 2006.

Name	31 December 2007	31 December 2006
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")	38.00	-

(*) 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.

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

(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 2007 and 31 December 2006:

Name	31 December 2007	31 December 2006
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")	31.67	-
Meiller-Doğuş Damper Sanayi Ticaret Ltd. Şti. ("Meiller-Doğuş")	49.00	-

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 partnership holds 95% of shares in TÜVTURK İstanbul.

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

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).

Doğuş Otomotiv Servis ve Ticaret A.Ş.

Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
(Amounts expressed in thousands of New Turkish Lira ("TRY") unless otherwise stated.)

3.2 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).

3.3 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).

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.

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3.4 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).

Goodwill represents the difference between the acquisition price and the fair value of the assets acquired. Goodwill arising on a purchase transaction before 31 March 2004 was capitalized and amortized on a straight-line basis over its estimated useful life which was determined as 5 years until 31 December 2004. With the amendment in accounting standards effective from 1 January 2005, amortization of goodwill was halted; net book value of goodwill is subject to annual examinations and adjusted for impairment, if any.

3.5 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.

3.6 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).

3.7 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.

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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) 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.

(iii) 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.

(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.

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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.

3.8 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.

3.9 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.

3.10 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.

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3.11 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.

3.12 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.

3.13 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.

3.14 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.

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3.15 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.

3.16 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.

3.17 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.

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).

3.18 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.

3.19 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.

3.20 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 16). Short duration receivables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest is significant.

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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.

3.21 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.

3.22 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 2007, the Group have lines of credit amounting to TRY 245,593 thousand, equivalent of EUR 143,605 thousand (31 December 2006: TRY 278,690 thousand equivalent of EUR 150,521 thousand), TRY 183,828 thousand, equivalent of USD 157,833 thousand (31 December 2006: TRY 108,699 thousand equivalent of USD 77,333 thousand), and TRY 181,272 thousand (31 December 2006: TRY 145,722 thousand), as well as a factoring capacity of TRY 100,000 thousand (31 December 2006: 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 600 million, equivalent of EUR 351 million (31 December 2006: TRY 648 million equivalent of EUR 350 million), that enables the Group to perform credit purchases from Original Equipment Manufacturers with an option to pay in 12 months; of which TRY 315 million, equivalent of EUR 184 million (31 December 2006: TRY 184 million equivalent of EUR 99 million), is not utilised as of 31 December 2007.

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(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.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk. For the year ended 31 December 2007, 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 income for the period to be lower/higher by TRY 1,163 thousand (31 December 2006: TRY 534 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 2007, if Euro had strengthened/weakened by 10% against TRY with all other variables held constant, net profit for the period would have been lower/higher by TRY 14,420 thousand (31 December 2006: TRY 12,276 thousand), as a result of foreign exchange losses/gains on the translation of Euro denominated assets and liabilities. Due to the decrease in the Group's EUR denominated liabilities in comparison to 2006, the financial position of the Group is more sensitive to any volatility in EUR/TRY rates.

At 31 December 2007, if USD had strengthened/weakened by 10% against TRY with all other variables held constant, net profit for the period would have been lower/higher by TRY 6,504 thousand (31 December 2006: TRY 87 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 liabilities in comparison to 2006, the financial position of the Group is more sensitive to any volatility in USD/TRY rates.

At 31 December 2007, if Egyptian Pound ("EGP") had strengthened/weakened by 10% against TRY with all other variables held constant, net profit for the period would have been lower/higher by TRY 128 thousand (31 December 2006: none), as a result of foreign exchange losses/gains on the translation of EGP denominated assets and liabilities.

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.

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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.

Equity securities of:	Impact on net assets	
	31 December 2007	31 December 2006
Garanti Bankası	8,724	4,966
Doğuş Otomotiv	1,012	869
Total	9,736	5,835

3.23 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.

3.24 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.
- 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.

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3.25 Warranties

The warranties on automobiles sold by the Group are issued by the producer<s (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.

3.26 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.

3.27 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.

3.28 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.

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following:

	31 December 2007		31 December 2006	
Cash on hand		38		37
Cash at banks		104,176		120,986
-time deposits	84,442		99,942	
-demand deposits	9,815		14,158	
-credit card receivables	9,919		6,886	
Total		104,214		121,023

There are no escrow bank accounts as at 31 December 2007 (31 December 2006: TRY 28 thousand).

As of 31 December 2007 and 31 December 2006, effective interest rates on time deposits were as follows:

	31 December 2007	31 December 2006
TRY	18.30%	18.00%
USD	4.30%	5.00%
EURO	3.71%	3.67%

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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 2007	31 December 2006
Deposits	64,388	33,110
Credit card receivables	5,555	3,171
Total	69,943	36,281

As of 31 December 2007, interest rate regarding TRY time deposits due from Garanti Bank is 18.00% per annum (31 December 2006: 18.00%). Interest rates for USD and Euro denominated time deposits are 4.30% and 3.80%, respectively (31 December 2006: 5.00% and 3.00%).

5.2 Due from related parties

Amounts due from related parties are as follows:

	31 December 2007	31 December 2006
VDF Otomotiv Servis ve Tic. A.Ş.	20,651	5,483
VDF Sigorta Aracılık Hizmetleri A.Ş.	216	184
Doğuş Yayın Grubu A.Ş.	126	-
Other	713	391
Total	21,706	6,058

As of 31 December 2007, there are no overdue receivables due from related parties.

5.3 Due to related parties

Amounts due to related parties are as follows:

	31 December 2007	31 December 2006
Garanti Faktoring Hizmetleri A.Ş. [1]	180,000	50,000
Eureko Sigorta A.Ş. [2]	1,479	2,376
Doğuş Holding	660	594
Yüce Auto	469	246
Other	311	468
Total	82,919	53,684

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[1] As of 31 December 2007, payables to Garanti Faktoring Hizmetleri A.Ş. amounting to TRY 80,000 thousand (31 December 2006: TRY 50,000 thousand) are related with the factoring arrangements the Group entered into.

[2] Legal title of Garanti Sigorta A.Ş. has been changed to Eureko Sigorta A.Ş. in 2007.

As of 31 December 2007, interest rate on factoring liabilities to Garanti Faktoring Hizmetleri A.Ş. are 17.60% per annum (31 December 2006: 21.00% per annum). Factoring liabilities are due within 1 month (2006: 1 month).

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:

Sales and other income generating transactions:

	2007	2006
Product sales, net	55,035	36,208
Service income	3,076	2,863
Financial income	1,843	4,232
Other sales	4,827	3,191
Total	64,781	46,494

Purchases and other expense generating transactions:

	2007	2006
Services received	32,896	27,134
Incentives for consumer loans	9,698	16,446
Financial expenses	2,643	563
Other expenses	1,107	532
Total	46,344	44,675

5.5 Key management personnel employee benefits

For the year ended 31 December 2007, total benefits granted to key management personnel amount to TRY 11,904 thousand (31 December 2006: TRY 9,754 thousand). No profit shares have been granted to key management personnel in 2007 (31 December 2006: TRY 1,211 thousand).

5.6 Donations to related institutions and foundations

For the year ended 31 December 2007, total donations made to Ayhan Şahenk Vakfı amount to TRY 20 thousand. (31 December 2006: TRY 34 thousand)

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NOTE 6 - TRADE RECEIVABLES, NET

	31 December 2007	31 December 2006
Trade receivables	145,235	143,169
Notes receivable	-	5
Total trade receivables	**145,235**	**143,174**
Less: Allowance for doubtful receivables	(489)	(291)
Trade receivables, net	**144,746**	**142,883**

As of 31 December 2007, the Group charges 4% monthly interest to the dealers regarding over due receivables (31 December 2006: 4%).

Guarantees received for trade receivables

The Group requests letters of guarantee for vehicle and spare parts sales to authorized dealers. TRY 96,645 of total trade receivables are covered via letters of guarantee (31 December 2006: TRY 98,242).

As of 31 December 2007, overdue trade receivables that are not impaired amount to TRY 2,224 (31 December 2006: TRY 1,097). Overdue receivables, which are not provided for, are not aged more than 3 months. Such overdue receivables are covered via guarantee letters.

The movement of individually impaired receivables is as follows;

	2007	2006
Balance at 1 January	291	40
Unutilised provisions	198	251
Charge to the consolidated statement of income	-	-
Balance at 31 December	489	291

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NOTE 7 - INVENTORIES

As of 31 December 2007 and 31 December 2006, inventories comprise of the following:

	31 December 2007	31 December 2006
Goods in transit*	197,557	291,759
Merchandise stocks – vehicles	72,885	85,075
Merchandise stocks – spare parts	37,519	43,115
Advances given	1,815	2,180
Total inventories	309,776	422,129
Provision for diminution in the value of inventories	(2,816)	-
Inventories, net	306,960	422,129

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

	2007
Balance as of 1 January	-
Provided during the year	2,816
Balance as of 31 December	2,816

As of 31 December 2007, total carrying value of the inventories measured at net realisable value is TRY 3,110 thousand (31 December 2006: None).

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NOTE 8 - OTHER CURRENT ASSETS

Other current assets comprise of the following:

	31 December 2007	31 December 2006
Warranty claims *	11,545	9,820
Price difference accruals	8,644	2,597
Prepaid expenses	7,208	8,929
Value added tax (VAT) receivable	4,345	4,971
Receivables due to insurance claims	2,155	2,756
Prepaid tax (Note 17)	858	2,705
Other	2,704	1,607
Total	37,459	33,385

* Warranty claims are the receivables that will be paid by the suppliers due to the portion of warranty expenses of the vehicles imported by the group.

NOTE 9 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

At 31 December 2007 and 31 December 2006, investments in associates and joint ventures and the Group’s ownership interest are as follows:

	31 December 2007		31 December 2006	
	Amount	Share (%)	Amount	Share (%)
Investment in associates:				
VDTF	24,922	48.00	18,337	48.00
Doğuş Sigorta	15,065	42.00	14,841	42.00
Yüce Auto	5,367	50.00	5,388	50.00
VDF Holding	3,185	38.22	5,388	38.22
VDF Servis Holding	539	38.22	-	-
	49,078		43,954	
Joint ventures:				
TÜVTURK Kuzey	18,886	33.33	3,876	33.33
TÜVTURK Güney	16,358	33.00	417	33.33
TÜVTURK Istanbul	8,216	31.67	-	
Meiller-Doğuş	1,612	49.00	-	
	45,072			4,293
Capital advances given	860		-	
Total	95,010		48,247	

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

	2007	2006
Balance at the beginning of the year	48,247	31,496
Change in fair value of available-for-sale financial assets held by associates, net	100	13,553
Deferred tax effect of available-for-sale financial assets held by associates	(5)	(678)
Contribution to increase in share capital of joint ventures	30,406	1,847
Capital advances given	860	-
Dividend distributed by associates	(665)	-
Share in results of associates and joint ventures	16,067	2,029
Balance at the end of the year	95,010	48,247

Assets, liabilities and net results of associates and joint-ventures of the Group as of 31 December 2007 and 2006 and for the years then ended are presented below:

i) Investments in associates

	31 December 2007			
	Assets	Liabilities	Net income/(loss) for the year	Effective rates (%)
VDTF	1,561,119	1,509,198	13,720	48
Doğuş Sigorta	42,485	6,616	309	42
Yüce Auto	39,745	29,095	(1)	50
VDF Holding	267,491	259,143	(3,338)	38
VDF Servis Holding	7,654	6,243	889	38
	1,918,494	1,810,295	11,579	

	31 December 2006			
	Assets	Liabilities	Net income/(loss) for the year	Effective rates (%)
VDTF	1,570,721	1,532,519	16,225	48
Doğuş Sigorta	9,375	5,681	696	42
Yüce Auto	36,493	25,760	(8)	50
VDF Holding	230,108	215,987	(12,771)	38
VDF Servis Holding	-	-	-	-
	1,846,697	1,779,947	4,142	

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ii) Joint ventures

	31 December 2007			
	Assets	Liabilities	Net income/(loss) for the year	Effective rates (%)
TÜVTURK Kuzey	401,337	344,117	(2,508)	33
TÜVTURK Güney	437,630	388,061	24,085	33
TÜVTURK İstanbul	266,176	240,232	10,216	32
Meiller-Doğuş	3,350	61	(111)	49
	1,108,493	972,471	31,682	

	31 December 2006			
	Assets	Liabilities	Net income/(loss) for the year	Effective rates (%)
TÜVTURK Kuzey	11,873	126	(3,637)	33
TÜVTURK Güney	1,274	10	(317)	33
	13,147	136	(3,954)	

NOTE 10 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

At 31 December 2007 and 31 December 2006, available-for-sale investments comprise of the following:

	31 December 2007		31 December 2006	
	Amount	Share (%)	Amount	Share (%)
Doğuş Holding	234,683	3.86	233,019	3.86
Garanti Yatırım Ortaklığı A.Ş. (" Garanti GYO")	6	0.03	5	0.03
Total	234,689		233,024	

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 to stock exchange, fair value of the company is calculated by considering the closing price at the balance sheet date.

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

	2007	2006
Balance at 1 January	233,024	205,316
Change in fair value of available-for-sale financial assets	1,665	27,703
Contribution to share capital of available-for-sale investments	-	5
Balance at 31 December	234,689	233,024

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT, NET

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

Cost	1 January 2007	Additions	Disposals	Transfers	Currency Translation Differences	31 December 2007
Land and land improvements	47,748	3,309	-	-	-	51,057
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 mainly comprise of properties acquired in Ankara and Istanbul.

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

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

As of 31 December 2007, there is a lien on property owned by the Group amounting to TRY 33,200 thousand, equivalent of USD 28,500 thousand, for the borrowings obtained from financial institutions (31 December 2006: None).

The movements in property, plant and equipment and related accumulated depreciation during the year ended 31 December 2006 are as follows:

Cost	1 January 2006	Additions	Disposals	Transfers	31 December 2006
Land and land improvements	47,568	180	-	-	47,748
Buildings	42,501	19	-	-	42,520
Machinery and equipment	7,231	1,304	(190)	-	8,345
Motor vehicles	13,610	5,246	(4,027)	-	14,829
Furniture and fixtures	26,951	2,222	(44)	-	29,129
Leasehold improvements	23,531	635	(107)	12,391	36,450
Construction in progress	53	12,383	-	(12,391)	45
Advances given	-	1,138	-	-	1,138
	161,445	23,127	(4,368)	-	180,204
Accumulated depreciation					
Land improvements	(8,908)	(208)	-	-	(9,116)
Buildings	(14,926)	(1,337)	-	-	(16,263)
Machinery and equipment	(4,142)	(769)	62	-	(4,849)
Motor vehicles	(6,819)	(2,369)	2,626	-	(6,562)
Furniture and fixtures	(16,534)	(2,762)	14	-	(19,282)
Leasehold improvements	(8,584)	(3,145)	10	-	(11,719)
	(59,913)	(10,590)	2,712	-	(67,791)
Net book value	101,532				112,413

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NOTE 12 - INTANGIBLE ASSETS, NET

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

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

The movements in intangible assets and related accumulated amortisation during the year ended 31 December 2006 are as follows:

Cost	1 January 2006	Additions	Currency translation differences	31 December 2006
Other intangibles	9,135	507	-	9,642
	9,135	507	-	9,642
Accumulated amortisation				
Other intangibles	(2,338)	(1,654)	-	(3,992)
	(2,338)	(1,654)	-	(3,992)
Net book value	6,797			5,650

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NOTE 13 - DEFERRED TAX ASSETS/LIABILITIES

As of 31 December 2007 and 31 December 2006, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	31 December 2007			31 December 2006		
	Temporary	Deferred tax		Temporary	Deferred tax	
	differences	Assets	Liabilities	differences	Assets	Liabilities
Fair value of available-for-sale investments	104,586	-	(5,229)	25,729	-	(5,144)
Differences between carrying value and tax bases of property, plant and equipment and intangible assets	29,039	-	(6,142)	27,668	-	(5,626)
Carry forward tax losses	(19,028)	3,806	-	(16,203)	3,241	-
Warranty provision, net	(10,171)	2,034	-	(7,193)	1,439	-
Provision for legal exposure	(6,616)	1,323	-	(1,274)	1,039	-
Provision for diminution in value of inventories	(2,816)	563	-	-	-	-
Severance pay liability	(1,789)	358	-	(2,174)	434	-
Other assets	(1,340)	268	-	85	-	(17)
Total deferred tax assets/(liabilities)		8,352	(11,371)		6,153	(10,787)
Liabilities and assets netted off		(6,056)	6,056		(3,874)	3,874
Total deferred tax assets/(liabilities)		2,296	(5,315)		2,279	(6,913)

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

	2007	2006
Net deferred tax liability at the beginning of the year	4,634	2,599
Deferred tax recognised in equity due to change in fair value of available-for-sale financial assets	83	5,144
Current year deferred tax income (Note 17)	(1,698)	(3,109)
Net deferred tax liability at the end of the year	3,019	4,634

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NOTE 14 - OTHER NON-CURRENT ASSETS

As of 31 December 2007 and 31 December 2006, other non-current assets comprise of the following:

	31 December 2007	31 December 2006
Prepaid expenses	161	3,199
Advances given	-	3,453
Deposits given and other non- current assets	330	80
Total	491	6,732

The Group had made an advance payment to Doğuş Holding amounting to TRY 3,453 thousand (31 December 2006: TRY 3,453 thousand) for the purchase of land owned by Doğuş Holding in Gebze. In 2007, Doğuş Holding redeemed the advance, with interest, back to the Group.

NOTE 15 - BANK BORROWINGS

As of 31 December 2007 and 31 December 2006, bank borrowings comprise of the following:

	31 December 2007		31 December 2006	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Short-term borrowings:				
TRY borrowings	-	17,953	-	13,207
Short-term portion of long-term borrowings:				
Foreign currency denominated borrowings (EUR)	EURIBOR+ %0.28-0.35	20,994	EURIBOR+ %0.28-0.35	17,012
Foreign currency denominated borrowings (USD)	LIBOR+ %1.75-1.95	4,314		-
Total short-term borrowings		43,261		30,219
Long-term borrowings:				
Foreign currency denominated borrowings (EUR)	EURIBOR+ %0.28-0.35	49,891	EURIBOR+ %0.28-0.85	30,837
Foreign currency denominated borrowings (USD)	LIBOR+ %1.75-1.95	59,318		-
Total long-term borrowings		109,209		30,837

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

Redemption 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	20,591	2,031	27,455
Total	54,633	41,448	134,517

As of 31 December 2006, the redemption schedule of long-term bank borrowings is as follows:

Redemption period	Original Amount (thousand Euro)	TRY equivalent (thousand)
2007	9,188	17,012
2008	5,370	9,943
2009	4,858	8,994
2010	4,393	8,134
2011	2,034	3,766
Total	25,843	47,849

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

	Up to 3 months	3 months to 1 year	Total
31 December 2007:			
Borrowings with floating rates	100,928	33,589	134,517
Total	100,928	33,589	134,517
31 December 2006:			
Borrowings with floating rates	47,849	-	47,849
Total	47,849	-	47,849

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NOTE 16 - TRADE PAYABLES

As of 31 December 2007 and 31 December 2006, trade payables comprise of the following:

	31 December 2007	31 December 2006
Volkswagen AG	235,374	426,290
Audi AG	29,950	16,775
Seat SA	12,704	10,079
Krone GmbH	6,519	4,871
F.X.Meiller	2,274	-
Scania CV AB	2,144	8,380
Other	41,132	20,007
Total	330,097	486,402

Original Equipment Manufactures recognizes a payment option to the Group till 1 year which is free from interest for 20 days for the exportation liabilities. The Group is charged to interest payments that are calculated by the interest rates 5.50%-5.91 (annually) for the trade payables having maturity more than 20 days. (31 December 2006: 3.67%-4.50)

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 2006: 30%) 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).

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.

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.

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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 in 2005 and 2006, 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 year ended 31 December 2007 taxation charge comprise of the following:

	31 December 2007	31 December 2006
Current tax charge	(13,631)	(8,279)
Deferred tax income	1,698	3,109
Total	(11,933)	(5,170)

The prepaid taxes/tax liabilities as of 31 December are as follows:

	2007	2006
Current tax charge	(13,631)	(8,279)
Less: Prepaid tax asset	14,489	10,984
Prepaid taxes (Note 8)	858	2,705

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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 2007	31 December 2006
Profit before taxation	76,530	23,549
Statutory tax rate	20%	20%
Taxes calculated at statutory tax rate	15,306	4,710
Effect of :		
Amendments to the tax legislation	-	(922)
Share in results of associates and joint ventures	(3,441)	(406)
Income exempt from taxation	(522)	(276)
Disallowable expenses	730	1,522
Other	(140)	542
Taxes on income	11,933	5,170

NOTE 18 - OTHER CURRENT LIABILITIES

As of 31 December 2007 and 31 December 2006, other current liabilities comprise of the following:

	31 December 2007	31 December 2006
VAT payable	12,557	11,438
Warranty provision	10,171	7,193
Provision for legal exposure	6,616	5,194
Social security and withholding taxes payable	4,424	4,805
Advances from customers	4,177	3,513
Accrued expenses *	1,462	3,635
Due to personnel	1,152	748
Deferred revenue	671	692
Other	1,061	395
Total	42,291	37,613

* As of 31 December 2007 a portion of expense accruals amounting to TRY 247 is composed of the fair values of barrier option contracts that have not been matured by the end of fiscal year. The contracts are carried out by their fair values as of 31 December 2007. These contracts and similar derivative instruments are preferred by the Group in order to maintain the inventory costs that are subject to the fluctuations of exchange rates.

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

	2007	2006
Balance at the beginning of the year	7,193	4,655
Additions	32,849	21,251
Paid during the year	(29,871)	(18,713)
Balance at the end of the year	10,171	7,193

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

	2007	2006
Balance at the beginning of the year	5,194	2,875
Additions	1,704	2,764
Paid during the year	(282)	(445)
Balance at the end of the year	6,616	5,194

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 2,030 for each year of service as of 31 December 2007 (31 December 2006: TRY 1,857).

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 2007	31 December 2006
Discount rate (%)	5.71%	5.71%
Turnover rate to estimate the probability of retirement (%)	7.95%	6.99%

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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 2,088 which is effective from 1 January 2008 (1 January 2007: TRY 1,961) has been taken into consideration in calculating the provision.

The movements in the provision for employment termination benefits for the years ended 31 December 2007 and 2006 are as follows:

	2007	2006
Balance at the beginning of the year	2,174	2,637
Provision for the year	252	86
Paid during the year	(637)	(549)
Balance at the end of the year	1,789	2,174

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 2007 and 31 December 2006, the composition of the Company’s shareholding structure is as follows:

	31 December 2007		31 December 2006	
	Shareholding (%)	Number of shares	Shareholding (%)	Number of shares
Doğuş Holding	35.210	38,730,609	35.005	38,505,226
Publicly traded	34.500	37,950,000	34.500	37,950,000
Doğuş Araş. Geliş. ve Müşv. A.Ş.	30.290	33,319,043	-	-
Doğuş İnşaat A.Ş. (“Doğuş İnşaat”)	-	-	30.290	33,319,041
Katalonya *	-	-	0.205	225,402
Other	0.000	348	0.000	331
Total	100.00	110,000,000	100.00	110,000,000

* Katalonya a subsidiary of the group until 29 September 2007, which was included in the consolidation, a shareholder of the company with 0.205 shares as of 31 December 2006, sold its 225,402 shares of the Group as of 29 March 2007. Accordingly, carrying value of 225 TRY, restated value of 274 TRY subsidiary in share capital was disposed in the consolidated financial statements as of 31 December 2006.

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.

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Notes to Consolidated Financial Statements for the Year Ended 31 December 2007
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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:

	2007	2006
Net profit attributable to the equity holders of the Company	63,634	20,981
Weighted average number of shares	110,000,000	110,000,000
Less: Number of treasury shares owned by the Group	-	(225,402)
Number of shares taken into account in calculation of earnings per share	110,000,000	109,774,598
Earnings per share (TRY full amount)	0.5785	0.1911

21.2 Dividend payout

In accordance with the declaration of CMB dated 25 February 2005 and numbered 7/242, the companies which are subject to CMB regulations should distribute their profit stated in their financial statements prepared in accordance with CMB regulations at the minimum level set by the CMB if such minimum distributable profit is covered by the profit in the statutory financial statements. If the minimum distributable profit is not covered by the profit in the statutory financial statements, all profit in the statutory financial statements should be distributed. If the net result for the year in either of the financial statements prepared in accordance with CMB regulations or the statutory financial statements is loss, no profit distribution should be made.

According to the same legislation, the profits of the affiliates, the financial statements of which are consolidated in accordance with Communique Serial: XI No:25, should be considered during profit distribution of the parent company if dividend distribution is approved in the general assembly of such affiliates. The maximum amount of profits of affiliates that may be subject to profit distribution is the profit amount included in the consolidated financial statements of the parent company.

In accordance with the announcement of CMB dated 8 January 2008 and numbered 4/138, effective from 1 January 2008, minimum profit distribution rate is 20% for companies publicly traded in stock exchange. (31 December 2006: 20%). In accordance with the resolutions of the general assemblies of the companies, this profit distribution can be made as cash or non-cash (stock dividend) or partially cash and partially stock dividends. If the "first dividend" is less than 5% of the paid in capital, such amount would be held within enterprise. However, corporations who have utilized prior year profit in increasing share capital and have "new" and "old" shares in issue, and who have distributable profit in 2007 have to distribute the "first dividend" in cash.

According to the 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 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.

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According to the Resolution of the General Assembly held on 7 March 2006, the Company distributed dividends amounting to TRY 45,150 thousand to shareholders out of the net profit for the year 2005.

NOTE 22 - NET SALES

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

	2007	2006
Domestic sales	2,713,745	2,643,789
Export sales	10,613	6,323
Sales return (-)	(11,764)	(10,309)
Sales discounts (-)	(160,510)	(111,938)
Net sales	2,552,084	2,527,865

NOTE 23 - DISTRIBUTION AND MARKETING EXPENSES

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

	2007	2006
Advertising and promotion expenses	55,963	66,031
Distribution expenses	24,628	23,130
Personnel expenses	20,493	15,471
Rent expenses	9,386	5,384
Other	7,385	6,619
Total	117,855	116,635

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NOTE 24 - GENERAL ADMINISTRATIVE EXPENSES

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

	2007	2006
Personnel expenses	52,375	42,048
Depreciation and amortisation expenses	18,123	12,244
Vehicle expenses	7,780	7,069
Utility expenses	6,283	5,776
Consultancy expenses	5,819	4,962
Travel expenses	3,070	2,476
Insurance expense	2,893	2,084
Repair and maintenance expenses	2,526	1,467
Communication expenses	2,473	2,764
Taxes and duties	2,417	2,119
Rent expenses	2,295	2,647
Provision for legal matters	1,704	2,319
Donations	1,389	1,958
Representation expense	712	1,000
Other	4,607	3,234
Total	114,466	94,167

NOTE 25 - OTHER OPERATING INCOME

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

	2007	2006
Net commission income	7,741	6,248
Service income	1,482	2,614
Contributions from original equipment manufacturers (OEM)	1,816	1,812
Gain on sales of tangible assets	723	771
Other	2,557	3,008
Total	14,319	14,453

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NOTE 26 - OTHER OPERATING EXPENSES

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

	2007	2006
Warranty expenses, net	32,849	21,239
After sales services expense	5,644	4,332
Expenses due to damages under insurance coverage	768	724
Other	2,436	2,216
Total	41,697	28,511

NOTE 27 - FINANCIAL EXPENSES, NET

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

	2007	2006
Interest income on debt securities and bank deposits	3,137	5,521
Foreign exchange gains/(losses)- net	842	(14,677)
Interest charge on credit purchases	(15,286)	(16,586)
Letters of guarantee commissions	(10,090)	(12,605)
Interest on borrowings	(9,759)	(3,528)
Other financial expenses – net	(3,050)	(1,871)
Total	(34,206)	(43,746)

NOTE 28 - MINORITY INTEREST

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

	2007	2006
Balance at the beginning of the year	4,415	7,017
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	(840)	(2,602)
Balance at 31 December	1,922	4,415

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NOTE 29 - FOREIGN CURRENCY POSITION

At 31 December 2007 and 31 December 2006, monetary assets and liabilities denominated in foreign currencies held by the Group were as follows:

	31 December 2007		31 December 2006	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
Foreign currency denominated monetary assets:				
Cash and cash equivalents				
EUR	3,149,572	5,386	47,023,129	87,063
USD	1,199,166	1,397	620,375	872
CHF	1,001,394	1,029	29	-
EGP	1,211,985	254	-	-
SEK	9,296	2	43,476	9
GBP	611	1	-	-
		8,069		87,944
Trade receivables				
EGP	20,765,306	4,347	-	-
EUR	1,238,660	2,118	979,540	1,814
USD	843,490	982	-	-
		7,447		1,814
Other current assets				
EUR	12,012,773	20,544	6,613,527	12,245
CHF	143,852	148	-	-
EGP	543,535	114	-	-
USD	21,301	25	-	-
		20,831		12,245
Total foreign currency denominated monetary assets		36,347		102,003

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	31 December 2007		31 December 2006	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
Foreign currency denominated monetary liabilities:				
Bank borrowings				
EUR	41,447,532	70,885	25,843,370	47,849
USD	54,633,161	63,632	-	-
		134,517		47,849
Trade payables and other liabilities				
EUR	168,548,441	288,251	250,827,563	466,833
EGP	24,280,894	5,083	-	-
USD	3,276,759	3,817	-	-
SEK	6,631	7	-	-
GBP	506	1		
		297,159		466,833
Other current liabilities				
EUR	6,041,757	10,333	4,905,617	9,083
		10,333		9,083
Total foreign currency denominated monetary liabilities		442,009		523,765
Net foreign currency liability position		(405,662)		(421,762)

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As of 31 December 2007, goods in transit of the Group amount to TRY 197,557 thousand, (31 December 2006: TRY 291,759 thousand), equivalent of EUR 115,517 thousand (31 December 2006: EUR 157,580 thousand).

	31 December 2007		31 December 2006	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
Sureties and letters of guarantee taken:				
EUR	96,673,626	165,331	121,694,276	225,317
USD	7,462,031	8,691	36,646,500	51,510
Total		174,022		276,827
Sureties and letters of guarantee given:				
EURO	378,661,787	647,587	385,888,787	714,472
USD	250,666,500	291,951	97,233,000	136,671
Total		939,538		851,143

NOTE 30 - COMMITMENTS AND CONTINGENCIES

30.1 Letters of guarantee and sureties given

As of 31 December 2007 and 2006, letters of guarantee and sureties given comprised of the following:

Letters of guarantee given

	31 December 2007	31 December 2006
Volkswagen AG & Audi AG	577,576	620,253
Bayerische Hypo-und Vereinsbank AG	58,235	-
Skoda AG	26,508	-
Seat SA	25,653	28,346
Customs	7,305	3,946
Bentley Motors Limited	1,710	-
Scania CV AB	-	4,629
Other	6,803	9,929
Total	703,790	667,103

Letters of guarantee are given for import of spare parts and automobiles.

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Letter of guarantee amounting to a total of TRY 58,235 thousand, equivalent of USD 50,000 thousand given to Bayerische Hypo- und Vereinsbank AG are in relation to TÜVTURK Kuzey, TÜVTURK Güney and TÜVTURK İstanbul.

Sureties given

	31 December 2007	31 December 2006
TÜVTURK Güney	109,424	-
TÜVTURK İstanbul	77,647	-
TÜVTURK Kuzey	27,235	-
Syndication-club loan (*)		
Doğuş Holding	-	105,420
Other		
Yüce Auto	41,174	96,381
Doğuş Holding	-	10,542
Total	255,480	212,343

(*) Sureties given to Doğuş Holding in 2006 represent the guarantee given on behalf of Doğuş Holding for a club loan amounting to USD 75 million.

As of 31 December 2007 and 2006, all of the sureties were given on behalf of the related parties.

30.2 Letters of guarantee and sureties obtained

Letters of guarantee obtained

	31 December 2007	31 December 2006
Letters of guarantee obtained from dealers	168,068	146,902

In addition, the Group has obtained guarantee letters from its suppliers amounting to TRY 10,736 thousand, in relation to commitments on construction services (31 December 2006: TRY 1,261 thousand).

As of 31 December 2007, TRY 56,708 thousand (31 December 2006: TRY 52,453 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 2007	31 December 2006
Doğuş Holding	212,137	338,646
Total	212,137	338,646

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30.3 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.

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.

30.4 Operating Leases

Future lease payments under operating leases (with initial or remaining lease terms in excess of one year) as of 31 December 2007 and 31 December 2006 are as follows:

	2007	2006
2007	-	8,391
2008	9,912	5,914
2009	5,992	5,379
2010	5,318	4,910
2011	4,780	3,812
2012 and later years	1,632	2,493
Total	27,634	30,899

TRY 15,373 thousand of future operating lease obligations is originally denominated in USD and equivalent of USD 13,200 thousand (31 December 2006: TRY 22,724 thousand, equivalent of USD 16,167 thousand).

30.5 Guarantee notes given

	31 December 2007	31 December 2006
Yüce Auto	400	400
Total	400	400

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30.6 Guarantee mortgages given

	31 December 2007	31 December 2006
Fortisbank	33,194	-
Total	33,194	-

NOTE 31 - SUBSEQUENT EVENTS

Establishment of Krone Doğuş Treyler Sanayi ve Ticaret A.Ş.

A joint venture agreement was already signed between Dogus Otomotiv, Fahrzeugwer Bernard Krone GmbH, Mr. Bernard Krone and Bernard Krone Holding GmbH&Co., on 31 October 2007 to produce Krone branded products in Turkey, where the Company would hold 49% shares of the new company to be established. In accordance with the aforementioned agreement, Krone Dogus Treyler Sanayi ve Ticaret A.Ş. has been established on 5 February 2008.

Application to CMB for transition to registered share capital system

At the Board of Directors assembly held on 27 February 2008, the Company has decided to make a transition from “capital stock system” to “registered share capital system”. The Company applied to the Capital Markets Board of Turkey, in accordance with Turkish Capital Market Board Law Communiqué IV/7, for amendment of the 6th article of association entitled “capital” and acceptance of transition to “registered capital system” and to set the authorized registered shares limit to TRY 275 million.

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NOTE 32 - RISK MANAGEMENT DISCLOSURES

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

	31 December 2007					
	0 to 1 Month	1 to 3 Months	3 to 6 Months	6 to12 Months	Over 1 year	Total
TRY monetary assets						
Other non- current assets	-	-	-	-	491	491
Due from related parties	7,094	14,612	-	-	-	21,706
Trade receivables	137,211	88	-	-	-	137,299
Other current assets	5,768	5,356	1,802	3,702	-	16,628
Cash and cash equivalents	96,145	-	-	-	-	96,145
Total TRY monetary assets	246,218	20,056	1,802	3,702	491	272,269
Foreign currency monetary assets						
Trade receivables	7,140	110	81	116	-	7,447
Other current assets	11,381	9,296	-	154	-	20,831
Cash and cash equivalents	8,069	-	-	-	-	8,069
Total foreign currency monetary assets	26,590	9,406	81	270	-	36,347
Total monetary assets	272,808	29,462	1,883	3,972	491	308,616

	31 December 2007					
	0 to 1 Month	1 to 3 Months	3 to 6 Months	6 to12 Months	Over 1 year	Total
TRY monetary liabilities						
Reserve for severance pay	-	-	-	-	1,789	1,789
Due to related parties	82,919	-	-	-	-	82,919
Short term bank borrowings	17,953	-	-	-	-	17,953
Trade payables	33,091	-	-	-	-	33,091
Other current liabilities	22,427	1,893	1,654	1,654	-	27,628
Total TRY monetary liabilities	156,390	1,893	1,654	1,654	1,789	163,380
Foreign currency monetary liabilities						
Long term bank borrowings	-	-	-	-	109,209	109,209
Short term bank borrowings	1,057	11,119	839	12,293	-	25,308
Trade payables	59,075	105,766	131,240	925	-	297,006
Other current liabilities	1,162	1,696	2,543	5,085	-	10,486
Total foreign currency monetary liabilities	61,294	118,581	134,622	18,303	109,209	442,009
Total monetary liabilities	217,684	120,474	136,276	19,957	110,998	605,389

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As of 31 December 2006, the maturity profile of monetary assets and liabilities is as follows:

	31 December 2006					
	0 to 1 Month	1 to 3 Months	3 to 6 Months	6 to12 Months	Over 1 year	Total
TRY monetary assets						
Other non- current assets	-	-	-	-	6,574	6,574
Due from related parties	-	6,058	-	-	-	6,058
Trade receivables	141,043	-	-	26	-	141,069
Other current assets	6,760	8,925	3,177	2,278	-	21,140
Cash and cash equivalents	33,079	-	-	-	-	33,079
Total TRY monetary assets	180,882	14,983	3,177	2,304	6,574	207,920
Foreign currency monetary assets						
Trade receivables	1,152	191	175	296	-	1,814
Other current assets	4,280	7,965	-	-	-	12,245
Cash and cash equivalents	87,944	-	-	-	-	87,944
Total foreign currency monetary assets	93,376	8,156	175	296	-	102,003
Total monetary assets	274,258	23,139	3,352	2,600	6,574	309,923

	31 December 2006					
	0 to 1 Month	1 to 3 Months	3 to 6 Months	6 to12 Months	Over 1 year	Total
TRY monetary liabilities						
Reserve for severance pay	-	-	-	-	2,174	2,174
Due to related parties	53,684	-	-	-	-	53,684
Short term bank borrowings	13,207	-	-	-	-	13,207
Trade payables	19,569	-	-	-	-	19,569
Other current liabilities	18,086	1,043	2,597	3,289	-	25,015
Total TRY monetary liabilities	104,546	1,043	2,597	3,289	2,174	113,649
Foreign currency monetary liabilities						
Long term bank borrowings	-	-	-	-	30,837	30,837
Short term bank borrowings	-	8,717	-	8,295	-	17,012
Trade payables	52,890	166,939	195,486	51,518	-	466,833
Other current liabilities	2,342	1,344	1,800	3,597	-	9,083
Total foreign currency monetary liabilities	55,232	177,000	197,286	63,410	30,837	523,765
Total monetary liabilities	159,778	178,043	199,883	66,699	33,011	637,414

NOTE 33- OTHER DISCLOSURES WHICH MIGHT HAVE SIGNIFICANT EFFECT IN UNDERSTANDING THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2007: Doğuş Otomotiv has contributed to the share capital of Doğuş Oto Pazarlama, increasing its effective interest in Doğuş Oto Pazarlama from 86.94% to 96.17%. The increase in interest of Doğuş Otomotiv in Doğuş Oto Pazarlama is considered as acquisition of minority shares and the related part of payment is considered as purchase consideration. Contribution to share capital corresponding to the purchase of 9.23% minority shares has resulted in a TRY 1,653 thousand decrease in equity attributable to minority shareholders.

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31 December 2006: The Group acquired 50% of shares of Katalonya held by minority at 4 December 2006. Previously, the Group used to hold 50% of the shares but had control over operational and financial activities of Katalonya. The aforementioned acquisition has not been evaluated within the scope of 'IFRS 3 - Business Combinations' as the Group had already controlled the financial and operational activities of Katalonya. As of acquisition date, the Group has recognised the difference between the consideration paid and acquired minority interest under equity. Therefore, no goodwill has arisen due to this transaction.
Details of the acquisition of the shares held by minority in Katalonya are as follows:

Total consideration	2,735
Less: Minority interest as of acquisition date	-
Amount recognised under equity	2,735
Current assets	14,830
Non-current assets	1,539
Short term liabilities	(17,834)
Long term liabilities	(11)
Net liability amount	(1,476)
Plus: Unrecognised minority interest due to losses exceeding minority interest in equity	1,476
Minority interest as of acquisition date	-

NOTE 34 - 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.

For the income statement, US Dollar amounts are translated from TRY consolidated income statement using the average official TRY exchange rate of 1.2893 TRY/USD for the year ended 31 December 2007 (31 December 2006: TRY/USD 1.4314). 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 TRY/USD prevailing on 31 December 2007 (31 December 2006: TRY/USD 1.4056).

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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.

	31 December 2007 USD '000	31 December 2006 USD '000
ASSETS		
Cash and cash equivalents	89,477	86,101
Due from related parties	18,637	4,310
Trade receivables, net	124,278	101,653
Inventories	263,553	300,319
Other current assets	32,161	23,751
Total current assets	528,106	516,134
Investments in associates and joint ventures	81,575	34,325
Available-for-sale financial assets	201,502	165,783
Property, plant and equipment-net	177,550	79,975
Intangible assets-net	5,001	4,020
Deferred tax assets	1,971	1,621
Other non-current assets	422	4,788
Total non-current assets	468,021	290,512
Total assets	996,127	806,646
LIABILITIES		
Short-term bank borrowings	15,414	9,396
Short-term portion of long-term bank borrowings	21,729	12,103
Due to related parties	71,193	38,193
Trade payables	283,418	346,046
Other current liabilities	36,311	26,758
Total current liabilities	428,065	432,496
Long term bank borrowings	93,766	21,939
Reserve for severance payments	1,536	1,547
Deferred tax liabilities	4,563	4,918
Total non-current liabilities	99,865	28,404
Shareholders' equity and liabilities:		
Share capital	103,715	103,715
Share premium	959	-
Treasury shares	-	(214)
Reserves	134,540	133,102
Translation reserve	61,954	(14,623)
Retained earnings	165,379	120,625
Total shareholders' equity attributable to equity holders of the Company	466,547	342,605
Minority interest in equity	1,650	3,141
Total shareholders' equity	468,197	345,746
Total shareholders' equity and liabilities	996,127	806,646

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	31 December 2007 USD '000	31 December 2006 USD '000
Net sales	1,979,434	1,766,009
Cost of sales	(1,705,983)	(1,563,322)
Gross profit	273,451	202,687
Distribution and marketing expenses	(91,409)	(81,483)
General and administrative expenses	(88,780)	(65,787)
Other operating income	11,106	10,097
Other operating expense	(32,340)	(19,917)
Operating profit	72,028	45,597
Financial expense, net	(26,530)	(30,563)
Share in result of associates and joint ventures	12,462	1,418
Loss on monetary position, net	-	
Profit before taxation	57,960	16,452
Taxes on income	(9,255)	(3,612)
Net profit for the year	48,705	12,840
Profit/(loss) attributable to:		
Equity holders of the Company	49,356	14,658
Minority interest	(651)	(1,818)
Net profit for the year	48,705	12,840
Weighted average number of shares with face value of 1 TRY each	110,000,000	109,774,598
Earnings per share for profit attributable to equity holders of the Company during the year (USD Full)	0.4487	0.1335