

DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.
CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AS AT AND
FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2010 WITH
INDEPENDENT AUDITOR’S REVIEW REPORT
THEREON

Akis Bađımsız Denetim ve Serbest Muhasebeci Mali Műőavirlik Anonim Őirketi
11 November 2010

This report is consisted of two pages of independent auditor’s review report and 45 pages condensed consolidated financial statements with accompanying notes.

Report on Review of Interim Financial Information

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

Introduction

We have reviewed the accompanying condensed consolidated interim statements of financial position of Doğuş Otomotiv Servis ve Ticaret A.Ş. and its subsidiaries (the “Group”) as at 30 September 2010 and the related condensed consolidated interim income statements, condensed consolidated interim statements of comprehensive income, and the consolidated statements of changes in equity and cash flows for the nine-month period then ended. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Financial Reporting Standards issued by Capital Markets Board (“CMB”). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

The audit of Group’s consolidated financial statements as at 31 December 2009 and review of Group’s condensed consolidated interim financial statements for the nine-month period ended 30 September 2009 were performed by another independent auditor. For the financial information as at 31 December 2009, an unqualified audit opinion dated 6 April 2010 was issued by this other auditor and in their review report on interim financial information as at and for the nine month period ended 30 September 2009 dated 12 November 2009, nothing came to their attention that caused them to believe that the condensed consolidated interim financial statements as at and for the nine month period ended 30 September 2009 were not prepared, in all material respects, in accordance with Financial Reporting Standards issued by CMB.

Scope of Review

We have conducted our review in accordance with standards on auditing issued by CMB. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards promulgated by CMB and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements have not been prepared, in all material respects, in conformity with the Financial Reporting Standards issued by CMB (Note 2).

Additional paragraph for convenience translation to English

As explained in note 2.1, the accompanying financial statements are not intended to present the financial position and results of its operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

İstanbul, 11 November 2010

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Ruşen Fikret Selamet, Partner

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2010 AND 31 DECEMBER 2009

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

INDEX	PAGE
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION.....	1-2
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT	3
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME	4
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY.	5
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS.....	6
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS.....	7-45
NOTE 1 ORGANISATION AND NATURE OF OPERATIONS	7
NOTE 2 BASIS OF PREPARATION.....	8-12
NOTE 3 JOINT VENTURES	12
NOTE 4 OPERATING SEGMENTS.....	13-15
NOTE 5 CASH AND CASH EQUIVALENTS	16
NOTE 6 AVAILABLE-FOR-SALE FINANCIAL ASSETS.....	16
NOTE 7 FINANCIAL LIABILITIES	17-18
NOTE 8 TRADE RECEIVABLES AND PAYABLES	18-19
NOTE 9 INVENTORIES	19-20
NOTE 10 INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES	20-21
NOTE 11 PROPERTY, PLANT AND EQUIPMENT	22-23
NOTE 12 PROVISIONS AND CONTINGENCIES.....	23-25
NOTE 13 OTHER CURRENT LIABILITIES	25
NOTE 14 COMMITMENTS	26
NOTE 15 CAPITAL AND RESERVES	26-27
NOTE 16 SELLING, MARKETING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES	29
NOTE 17 FINANCE INCOME	29
NOTE 18 FINANCE COSTS.....	29
NOTE 19 TAX ASSET AND LIABILITIES.....	29-31
NOTE 20 EARNINGS PER SHARE.....	31
NOTE 21 BALANCES AND TRANSACTIONS WITH RELATED PARTIES	31-35
NOTE 22 FINANCIAL INSTRUMENTS	36-44
NOTE 23 ADDITIONAL INFORMATION RELATED TO CASH FLOWS.....	45
NOTE 24 SUBSEQUENT EVENTS	45

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 - REVIEWED

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

	Notes	Reviewed	Audited
		30 September 2010	31 December 2009
ASSETS			
Current assets		611,981	523,577
Cash and cash equivalents	5	31,309	30,263
Trade receivables		234,501	153,976
Due from related parties	21.2	52,670	7,533
Other trade receivables		181,831	146,443
Other receivables		14,409	24,264
Inventories	9	315,761	293,396
Other current assets		16,001	21,678
Non-current assets		813,902	695,431
Available-for-sale financial assets	6	411,322	329,548
Investments in equity accounted investees	10	139,257	110,590
Property, plant and equipment	11	250,496	243,856
Intangible assets		4,218	5,741
Deferred tax assets	19	4,118	5,472
Other non-current assets		4,491	224
TOTAL ASSETS		1,425,883	1,219,008

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 - REVIEWED

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

	<u>Notes</u>	<u>Reviewed</u> <u>30 September 2010</u>	<u>Audited</u> <u>31 December 2009</u>
LIABILITIES			
Current liabilities			
Financial liabilities	7	287,395	295,439
Trade payables		220,481	217,152
Due to related parties	21.3	4,119	2,682
Other trade payables	8	216,362	214,470
Income tax payable	19	14,482	-
Provisions	12	23,588	19,936
Other current liabilities	13	39,569	15,918
Non-current liabilities			
Financial liabilities	7	93,426	135,786
Employee benefits		1,890	1,711
Deferred tax liabilities	19	3,255	-
EQUITY		741,797	533,066
Equity attributable to equity holders of the Company			
		740,341	531,690
Share capital	15	110,000	110,000
Inflation adjustment to share capital	15	23,115	23,115
Value increase funds		328,025	247,390
Fair value reserve		329,024	247,390
Hedge reserve		(999)	-
Legal reserves		32,013	32,013
Translation reserve		(2,461)	(2,548)
Retained earnings		121,720	91,185
Profit for the period		127,929	30,535
Non-controlling interests		1,456	1,376
TOTAL EQUITY AND LIABILITIES		1,425,883	1,219,008

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010 - REVIEWED

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

		For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
OPERATING ACTIVITIES					
	<u>Note</u>				
Revenue		2,265,611	872,259	1,575,577	539,434
Direct cost of revenue (-)		(1,935,219)	(742,209)	(1,348,131)	(454,010)
Gross profit		330,392	130,050	227,446	85,424
General administration expenses (-)	16	(92,399)	(30,701)	(82,620)	(26,071)
Selling, marketing, and distribution expenses (-)	16	(75,542)	(26,845)	(55,995)	(19,641)
Warranty expenses (-)	16	(21,283)	(6,366)	(19,050)	(8,263)
Other operating income		19,005	8,461	8,382	2,696
Other operating expenses (-)		(13,582)	(3,605)	(5,349)	(2,037)
Results from operating activities		146,591	70,994	72,814	32,108
Share of profit of equity accounted investees	10	26,540	5,136	3,944	(629)
Finance income	17	13,511	2,743	5,554	3,707
Finance costs (-)	18	(32,001)	(8,905)	(31,803)	(8,755)
Profit before income tax		154,641	69,968	50,509	26,431
Tax expense		(26,632)	(14,500)	(10,546)	(6,540)
Income tax expense	19	(26,111)	(14,483)	-	-
Deferred tax expense	19	(521)	(17)	(10,546)	(6,540)
Profit for the period		128,009	55,468	39,963	19,891
Attributable to:					
Non-controlling interests		80	(3)	(51)	(14)
Equity holders of the Company		127,929	55,471	40,014	19,905
Basic earnings per share (in full TL)	20	1.1630	0.5043	0.3638	0.1810

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010 - REVIEWED

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

<u>Notes</u>	<u>For the nine month period ended 30 September 2010</u>	<u>For the three month period ended 30 September 2010</u>	<u>For the nine month period ended 30 September 2009</u>	<u>For the three month period ended 30 September 2009</u>
PROFIT FOR THE PERIOD				
Other comprehensive income/(loss):	128,009	55,468	39,963	19,891
Change in fair value of available-for-sale financial assets	6 81,774	77,614	136,180	58,754
Share of other comprehensive income of equity accounted investees	11 3,159	3,662	8,162	3,753
Income tax on other comprehensive income	(4,298)	(4,090)	(7,217)	(3,346)
Foreign currency translation differences	87	336	(449)	(438)
OTHER COMPREHENSIVE INCOME	80,722	77,522	136,676	58,723
TOTAL COMPREHENSIVE INCOME	<u>208,731</u>	<u>132,990</u>	<u>176,639</u>	<u>78,614</u>
Attributable to:				
Non-controlling interests	80	(3)	(51)	(14)
Equity holders of the Company	208,651	132,993	176,690	78,628

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010 - REVIEWED

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

	Attributable to equity holders of the Company									
	Share	Inflation	Fair Value		Hedge	Translation	Retained	Non-		Total
	Capital	Adjustment	Reserves	Reserve	Reserve	Reserve	Earnings	controlling	Equity	
(Note 16)	To Share						interests			
	Capital	Capital								
	(Note 16)	(Note 16)								
Balance at 1 January 2009	110,000	23,115	32,013	95,138	-	(1,030)	91,185	350,421	1,382	351,803
Profit for the period	-	-	-	-	-	-	40,014	40,014	(51)	39,963
Change in fair value of available for sale financial assets, net of tax	-	-	-	129,371	-	-	-	129,371	-	129,371
Change in fair value of available for sale asset held by associates, net of tax	-	-	-	7,754	-	-	-	7,754	-	7,754
Foreign currency translation differences	-	-	-	-	-	(449)	-	(449)	-	(449)
Total comprehensive income for the period	-	-	-	137,125	-	(449)	40,014	176,690	(51)	176,639
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2009	110,000	23,115	32,013	232,263	-	(1,479)	131,199	527,111	1,331	528,442
Balance at 1 October 2009	110,000	23,115	32,013	232,263	-	(1,479)	131,199	527,111	1,331	528,442
Profit for the period	-	-	-	-	-	-	(9,479)	(9,479)	45	(9,434)
Change in fair value of available for sale financial assets, net of tax	-	-	-	14,271	-	-	-	14,271	-	14,271
Change in fair value of available for sale asset held by associates, net of tax	-	-	-	856	-	-	-	856	-	856
Foreign currency translation differences	-	-	-	-	-	(1,069)	-	(1,069)	-	(1,069)
Total comprehensive income for the period	-	-	-	15,127	-	(1,069)	(9,479)	4,579	45	4,624
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2009	110,000	23,115	32,013	247,390	-	(2,548)	121,720	531,690	1,376	533,066
Balance at 1 January 2010	110,000	23,115	32,013	247,390	-	(2,548)	121,720	531,690	1,376	533,066
Profit for the period	-	-	-	-	-	-	127,929	127,929	80	128,009
Change in fair value of available for sale financial assets, net of tax	-	-	-	77,684	-	-	-	77,684	-	77,684
Change in hedge reserve of joint ventures	-	-	-	-	(999)	-	-	(999)	-	(999)
Change in fair value of available for sale asset held by associates, net of tax	-	-	-	3,950	-	-	-	3,950	-	3,950
Foreign currency translation differences	-	-	-	-	-	87	-	87	-	87
Total comprehensive income for the period	-	-	-	81,634	(999)	87	127,929	208,651	80	208,731
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Balance at 30 September 2010	110,000	23,115	32,013	329,024	(999)	(2,461)	249,649	740,341	1,456	741,797

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010 - REVIEWED
(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

	<u>Note</u>	<u>30 September 2010</u>	<u>30 September 2009</u>
Cash flows from operating activities:			
Profit for the period		128,009	39,963
Adjustments for:			
Loss/(profit) on sales of property, plant and equipment		(443)	476
Income tax expense	19	26,632	10,546
Non-cash expenses	23	45,863	29,269
Depreciation and amortization	16	15,430	13,966
Share of profit of equity accounted investees	10	(25,716)	(3,944)
Interest income	17	(400)	(2,636)
Interest expense	18	19,050	20,420
Dividend income		(1,522)	(1,158)
Unrealized foreign exchange gains on financial liabilities		(9,948)	(902)
Changes in operating assets and liabilities			
Net change in working capital	23	(79,397)	(76,036)
Legal penalties paid	12	(2,232)	(463)
Employee termination benefits paid		(1,580)	(647)
Warranty claims paid	12	(20,369)	(19,974)
SCT provision paid	12	(3,321)	-
Income tax paid	19	(11,629)	-
Net cash provided by operating activities		78,427	8,880
Investing activities			
Acquisition of property, plant, equipment		(19,028)	(29,798)
Proceeds from sales of property, plant, equipment		2,180	1,358
Acquisition of intangible assets		(1,539)	(1,780)
Dividend received	17	1,522	1,638
Contribution to increase in share capital of joint ventures and associates	10	-	(10,506)
Net cash used in investing activities		(16,865)	(39,088)
Financing activities:			
Interest received	17	400	2,636
Interest paid		(19,384)	(23,578)
Repayment of loans and borrowings		(49,783)	(47,683)
Proceeds from issuance of loans and borrowings		9,882	86,745
Net cash (used in)/provided by in financing activities		(58,885)	18,120
Effects of foreign exchange rate fluctuations on statement of financial position items			
		(1,631)	(381)
Net increase/(decrease) in cash and cash equivalents		1,046	(12,469)
Cash and cash equivalents at 1 January		30,263	75,628
Cash and cash equivalents at 30 September	5	31,309	63,159

Accompanying notes are an integral part of these condensed consolidated interim financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Doğuş Otomotiv Servis ve Ticaret AŞ (“Doğuş Otomotiv” or 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, Seat, Porsche, Bentley, Lamborghini, Bugatti, Scania, Krone, Meiller and VW Marine Engines) and Thermoking climate control systems. The Company started its used car operations via its dealer network under the brand name “DOD” since 2005.

The Company’s shares have been listed at the İstanbul Stock Exchange Market since 17 June 2004.

The Company’s subsidiaries as at 30 September 2010 are as follows:

- Doğuş Oto Pazarlama ve Ticaret A.Ş. (“Doğuş Oto Pazarlama”) (Automobile dealer for group brands distributed by Doğuş Otomotiv and Yüce Auto Motorlu Araçlar Ticaret A.Ş. (“Yüce Auto”).
- Doğuş Auto Mısır for Trading and Manufacturing Vehicles Joint Stock Company (“Doğuş Auto Mısır JS”) has been founded to execute distribution and after sales services of commercial vehicles of Volkswagen brand.(*)
- Doğuş Automotive Limited Liability Company (“Doğuş Auto Mısır LLC”) has been founded as the authorized dealer for brands distributed by Doğuş Auto Mısır JS (*).
- D-Auto Suisse SA (“Doğuş Auto Swiss”) has been founded in Lausanne, Switzerland as authorized dealer and service provider for Porsche. The company has been established at 16 July 2007, and started its vehicle sales and after sales services operations since 10 March 2009.

(*) It has been decided for cessation of activities and liquidation of these subsidiaries, the process of liquidation is still ongoing.

The Company and its subsidiaries (together referred to as the “Group”) operate in a single business segment.

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

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

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

3/4 Anwar El - mofty St. Abbas El akkad St. Nasr city
Cairo, Egypt

Doğuş Auto Swiss is registered in Switzerland and located at the address below:

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

The number of blue-collar employees of the Group as at 30 September 2010 is 668 (31 December 2009: 629) whereas the number of white-collar employees of the Group as at 30 September 2010 is 1,146 (31 December 2009: 1,140).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 2 - BASIS OF PREPARATION

2.1 Accounting Standards

The accompanying financial statements of the Company have been prepared in accordance with the accounting and reporting principles issued by CMB (“CMB Financial Reporting Standards”). CMB published Communiqué No: XI-29 “Basis for Financial Reporting in the Capital Markets” (“Communiqué No: XI-29”). In Communiqué No: XI-29, CMB determines the principles, procedures and basis for composing financial reports. Communiqué No: XI-29 is effective from the first interim period reporting after 1 January 2008, which supersedes Communiqué No: XI-25 “The Accounting Standards in Capital Markets” (“Communiqué No: XI-25”). In accordance with Communiqué No: XI-29, the companies are required to prepare their financial statements in accordance with the International Financial Reporting Standards as accepted the European Union. However, until Turkish Accounting Standards Board (“TASB”) publishes the differences between the European Union accepted IAS/IFRS and International Financial Reporting Standards (“IFRS”) issued by International Accounting Standards Board (“IASB”), IAS/IFRS has to be applied by the companies. Within the above-mentioned scope, Turkish Financial Reporting Standards (“TFRS”) issued by TASB will be applied if there is not inconsistency in the standards applied.

With the resolution taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of IAS 29 “Financial Reporting in Hyperinflationary Economies” issued by IASB is no longer required for companies operating in Turkey and accordingly effective from 1 January 2005, IAS 29 has not been applied in preparing the Group’s consolidated financial statements in accordance with CMB Financial Reporting Standards.

As at the date of this report, the differences between IFRS as accepted the European Union and IFRS issued by IASB has not been issued by TASB, the accompanying financial statements have been prepared in accordance with TFRS which are identical to IAS/IFRS to conform with Communiqué No: XI-29. The condensed consolidated interim financial statements have been presented in accordance with the templates advised by CMB to be used for financial statements and notes to the financial statements including compulsory disclosures. The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and IFRS, may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in such countries and IFRS.

In accordance with the Communiqué No: XI-29 the companies are required to prepare their interim financial statements full set or condensed level in accordance with IAS 34 “Interim Financial Reporting”. The Group has preferred to present its financial statements on a condensed level in accordance with the CMB Financial Reporting Standards.

2.2 Basis of presentation

The Company and its affiliates registered in Turkey maintain their books of account and prepare their statutory financial statements in Turkish Lira (“TL”) in accordance with the Turkish Commercial Code, tax legislation, the Uniform Chart of Accounts issued by the Ministry of Finance. The affiliates in Egypt maintain their books of account and prepare their statutory financial statements in Egypt Pound (“EGP”) in accordance with the laws and regulations in force in Egypt; and the affiliate in Switzerland maintains its books of account and prepares its statutory financial statements in Swiss Franc (“CHF”) in accordance with the laws and regulations in force in Switzerland. The accompanying condensed consolidated interim financial statements are based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with CMB Financial Reporting Standards.

The accompanying condensed consolidated interim financial statements are approved by the Board of Directors of the Company for issue on 11 November 2010.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 2 - BASIS OF PREPARATION (Continued)

2.3 Changes in IFRS

New standards and interpretations effective as at 1 January 2010 or for the fiscal periods starting subsequent to 1 January 2010 are presented below:

(a) *New standards amendments and interpretations adopted in 2010 that have no effect on Group's financial statements:*

- Amendments to IFRSs (issued in 2009): The amendments do not have any impact on the Group's financial statements, except "IFRS 8: Operating Segments".
- Amendment to IFRS 1, "First-time Adoption of International Financial Reporting Standards" and amended to IAS 27 "Consolidated and Separate Financial Statements"
- Amendments to IFRS 2 "Share Based Payment"
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement"
- IFRS 3, "Business Combinations", IAS 27 "Consolidated and Separate Financial Statements",
- IFRIC 17, "Distribution of non-cash assets to owners"

(b) *Standards, amendments and interpretations to existing standards that are not yet effective in 2010 and have not been early adopted by the Group*

- IFRS 9, "Financial Instruments: Classification and Valuation of Financial Assets"
- Amendment to IAS 32 (Amendment), "Presentation of Stock Instruments"
- IAS 24 (2009) (Revised), "Related Party Disclosures"
- IFRIC 14 (Amendment), "Repayment of Minimum Funding Requirement"
- IFRIC 9, "Revaluation of Embedded Derivatives"
- IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"
- IFRS 1 (Amendment), "Limited Exemption From Comparative IFRS 7 Disclosures"

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 2 - BASIS OF PREPARATION (Continued)

2.4 Basis of consolidation

(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 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 subsidiaries are included in the consolidated financial statements starting from the date that control commences until the date that control ceases.

The table below sets out all the subsidiaries included in the scope of consolidation and shows the Group's proportion of ownership interest as at 30 September 2010 and 31 December 2009:

	<u>30 September 2010</u>	<u>31 December 2009</u>
Doğuş Oto Pazarlama	96.20 %	96.20 %
Doğuş Auto Mısır JS	99.97 %	99.97 %
Doğuş Auto Mısır LLC	98.97 %	98.97 %
Doğuş Auto Swiss	99.88 %	99.88 %

(ii) 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 accounts for its interest in joint ventures through equity method.

The table below sets out all joint ventures and the Group's interest as at 30 September 2010 and 31 December 2009:

	<u>30 September 2010</u>	<u>31 December 2009</u>
TÜVTURK Kuzey Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Kuzey")	33.33 %	33.33 %
TÜVTURK Güney Taşıt Muayene İstasyonları Yapım ve İşletim A.Ş. ("TÜVTURK Güney")	33.33 %	33.33 %
TÜVTURK İstanbul Taşıt Muayene İstasyonları İşletim Anonim Şirketi ("TÜVTURK İstanbul")(*)	33.33 %	33.33 %
Meiller Doğuş Damper Sanayi ve Ticaret Ltd. Şti. ("Meiller-Doğuş")	49.00 %	49.00 %
Krone Doğuş Treyler Sanayi ve Ticaret A.Ş. ("Krone-Doğuş")	48.00 %	48.00 %

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 2 - BASIS OF PREPARATION (Continued)

2.4 Basis of Consolidation (Continued)

(ii) Joint Ventures (Continued)

(*) Since the Company had not participated in the capital increase in TUVTURK İstanbul, its share decreased to 16.802 % from 33.33 % after the capital increase. Nevertheless, the renounced pre-emptive rights have been committed by TUVTURK Kuzey along with TUVTURK Güney. As a result of indirect ownership of the Company in the shares of TUVTURK İstanbul through TUVTURK Kuzey and TUVTURK Güney, total ownership of the Company in TUVTURK İstanbul which were 33.33 % prior to the capital increase have not been changed subsequent to the capital increase.

(iii) 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 as at 30 September 2010 and 31 December 2009:

	<u>30 September 2010</u>	<u>31 December 2009</u>
Yüce Auto (*)	50.00 %	50.00 %
Doğuş Sigorta Aracılık Hizmetleri A.Ş. ("Doğuş Sigorta")	42.00 %	42.00 %
LPD Holding A.Ş. ("LPD Holding")	38.22 %	38.22 %
Volkswagen Doğuş Tüketici Finansmanı A.Ş. ("VDTF")	48.00 %	48.00 %
VDF Servis Holding A.Ş. ("VDF Servis Holding")	38.22 %	38.22 %

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

(iv) Transactions eliminated in consolidation

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the condensed consolidated interim financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment. The carrying amount of Doğuş Otomotiv's investment in each subsidiary, and dividend income from these subsidiaries are eliminated from the related equity and income statement accounts.

2.5 Netting

Financial assets and financial liabilities should be offset and are reported net only when the entity has a legally enforceable right to offset, and it intends to settle the asset and the liability either simultaneously or on a net basis.

DOĐUŐ OTOMOTİV SERVİS VE TİCARET A.Ő.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 2 – BASIS OF PREPARATION (Continued)

2.6 Comparative Information

The Group has prepared the condensed consolidated interim statement of financial position as at 30 September 2010 comparatively with the consolidated statement of financial position as at 31 December 2009, and condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity in the nine-month period between 1 January and 30 September 2010 comparative to the nine month period between 1 January and 30 September 2009.

Where necessary, comparative figures are reclassified to conform in presentation of current period condensed consolidated interim financial statements.

Other current assets: Income accruals which were presented under “Other receivables” in the consolidated financial position as at 31 December 2009 amounting to TL 11,633 thousand were presented under ‘Other current assets’ as at 30 September 2010.

Other current liabilities: Expense accruals which were presented under “Provisions” in the consolidated financial position as at 31 December 2009 amounting to TL 1,849 thousand were presented under ‘Other current liabilities’ as at 30 September 2010 (Note 13).

2.7 Significant Accounting Policies

The significant accounting policies have been applied consistently by the Group to the condensed consolidated interim financial statements as at and for the nine month period ended 30 September 2010 and to the consolidated financial statements for the year ended 31 December 2009.

The condensed consolidated interim financial statements as at and for the nine month period ended 30 September 2010 should be read together with the consolidated financial statements as at and for the year ended 31 December 2009.

NOTE 3 – JOINT VENTURES

The Group accounts for its interests in joint ventures indicated in Note 2.3 through equity method. Therefore, financial information regarding to aforementioned joint ventures are presented in Note 10 “Investments in Equity Accounted Investees”.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 4 – OPERATING SEGMENTS

Operating segments has been determined based on the reports reviewed by the steering committee that make strategic decisions.

Group management believes that risk and rewards of the Group is strictly related with the changes in automotive sector and determined the Group’s primary segments according to product types. Group’s operating activities include importing, marketing and selling passenger and commercial vehicles, spare parts of Volkswagen Group brands (VW, Audi, Seat, Porsche, Bentley, Lamborghini, Bugatti, Scania, Krone, Meiller and VW Marine Engines) and Thermoking climate control systems and used car operations in Turkey via its dealer network under the brand name “DOD”. Group’s operating segments are identified based on the product groups. Considering the nature of the products, operating segments are identified as commercial vehicles, passenger vehicles, marine engines, used cars and spare parts.

Other segments are comprised of marine engines, used cars, spare parts and central office functions.

Segment assets and liabilities are not reported since the management reports do not include such information.

Accounting policies for certain types of transactions differ for management reporting from those used in preparation of condensed consolidated interim financial statements:

Warranty expenses and provision for legal matters have been included in the operating results when they are realized. Provisions for employee termination benefits expenses represent the undiscounted estimated future obligation of the Group arising from the retirement of the employees. Inventories are carried at cost. Depreciation and amortization which is not computed on a pro-rata basis is recognized in profit or loss on a straight-line method over the estimated useful lives of tangible and intangible assets.

Segment information presented to the Group management for the nine month periods ended 30 September 2010 and 2009 are as follows:

For the nine month period ended 30 September 2010	Passenger Segment	Commercial Segment	Other Segments	Total
Revenue from external customers	1,297,251	676,754	291,607	2,265,612
Cost of sales (-)	(1,154,771)	(583,093)	(196,625)	(1,934,489)
Gross profit	142,480	93,661	94,982	331,123
General administration expenses (-)	(29,284)	(9,552)	(50,061)	(88,897)
Selling, marketing and distribution expenses (-)	(40,795)	(17,533)	(17,214)	(75,542)
Warranty expenses (-)	(14,235)	(6,164)	30	(20,369)
Other operating income/ (expense), net	2,386	598	2,439	5,423
Operating income	60,552	61,010	30,176	151,738

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 4 – OPERATING SEGMENTS (Continued)

For the nine month period ended 30 September 2009	Passenger Segment	Commercial Segment	Other Segments	Total
Revenue from external customers	981,336	352,185	242,056	1,575,577
Cost of sales (-)	(862,546)	(309,657)	(175,860)	(1,348,063)
Gross profit	118,790	42,528	66,196	227,514
General administration expenses (-)	(27,946)	(10,433)	(44,207)	(82,586)
Selling, marketing and distribution expenses (-)	(29,957)	(10,076)	(15,962)	(55,995)
Warranty expenses (-)	(10,109)	(9,839)	(25)	(19,973)
Other operating income/ (expense), net	1,050	376	2,107	3,533
Operating income	51,828	12,556	8,109	72,493
For the three month period ended 30 September 2010	Passenger Segment	Commercial Segment	Other Segments	Total
Revenue from external customers	488,099	278,766	105,395	872,260
Cost of sales (-)	(432,037)	(238,685)	(70,873)	(741,595)
Gross profit	56,062	40,081	34,522	130,665
General administration expenses (-)	(9,844)	(3,402)	(20,451)	(33,697)
Selling, marketing and distribution expenses (-)	(14,519)	(6,426)	(5,900)	(26,845)
Warranty expenses (-)	(4,613)	(1,736)	30	(6,319)
Other operating income/ (expenses), net	2,092	544	2,219	4,855
Operating income	29,178	29,061	10,420	68,659
For the three month period ended 30 September 2009	Passenger Segment	Commercial Segment	Other Segments	Total
Revenue from external customers	386,831	79,748	72,855	539,434
Cost of sales (-)	(329,257)	(61,964)	(63,503)	(454,724)
Gross profit	57,574	17,784	9,352	84,710
General administration expenses (-)	(9,668)	(2,702)	(15,858)	(28,228)
Selling, marketing and distribution expenses (-)	(10,136)	(3,489)	(6,016)	(19,641)
Warranty expenses (-)	(4,132)	(4,096)	(8)	(8,236)
Other operating income, net	632	174	1,362	2,168
Operating income	34,270	7,671	(11,168)	30,773

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 4 – OPERATING SEGMENTS (Continued)

The Group management assesses the performance of the operating segments based on the measure of operating income. The measurement basis excludes the effects of non - recurring expenses (i.e. restructuring expenses and one-offs) from the operating income. The measurement basis also excludes the share of profit of equity accounted investees. Finance income and costs are not allocated to segments, as this type of activity is driven by the central finance function of the Group.

The reconciliation of operating income to profit before tax is as follows:

	For the nine month period ended 30 September 2010	For the nine month period ended 30 September 2009
Operating profit for reportable segments	151,738	72,493
Provision for legal exposures and indemnities	(1,373)	(931)
Provision for diminution in value of inventories	(730)	(68)
Warranty expense, net	(914)	923
Depreciation and amortization	(2,376)	(2,245)
Share of profit of equity accounted investees	26,540	3,944
Finance costs, net	(18,490)	(26,249)
Provision for employee termination benefits, net	246	3,141
Other	-	(499)
Profit before tax	154,641	50,509
	For the three month period ended 30 September 2010	For the three month period ended 30 September 2009
Operating profit for reportable segments	68,659	30,773
Provision for legal exposures and indemnities	2,713	478
Provision for diminution in value of inventories	(614)	184
Warranty expense, net	(47)	1,873
Depreciation and amortization	(239)	(244)
Share of profit of equity accounted investees	5,136	(629)
Finance costs, net	(6,162)	(5,048)
Provision for employee termination benefits, net	522	1,922
Other	-	(2,878)
Profit before tax	69,968	26,431

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 5 – CASH AND CASH EQUIVALENTS

As at 30 September 2010 and 31 December 2009, cash and cash equivalents comprise the following:

	30 September 2010	31 December 2009
Cash on hand	68	28
Cash at banks	31,241	30,235
- Demand deposits	12,834	13,515
- Time deposits	6,506	3,925
- Credit card receivables	11,901	12,795
Total	31,309	30,263

As at 30 September 2010, the effective interest rates on TL, USD and EUR denominated time deposits are 6.50%, 0.50% and 0.50% respectively (31 December 2009: USD 0.50% and EUR 0.50%).

There is no blocked deposit as at 30 September 2010 and 31 December 2009.

Foreign currency risk exposure of cash and cash equivalents are presented under Note 22.

Credit card receivables' due date is less than three months.

NOTE 6 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 September 2010 and 31 December 2009, available-for-sale financial assets comprise of the following:

	30 September 2010		31 December 2009	
	Ownership interest (%)	Carrying Amount	Ownership interest (%)	Carrying Amount
Doğuş Holding A.Ş. ("Doğuş Holding")(*)	3.72	411,314	3.86	329,541
Garanti Yatırım Ortaklığı A.Ş. ("Garanti Yatırım")	0.03	8	0.03	7
		411,322		329,548

(*)LASSAŞ Lastik San. ve Tic. A.Ş.("Garanti Turizm A.Ş."), a shareholder of Doğuş Holding, has transferred a real estate to Doğuş Holding for the purpose of capital contribution in-kind and has increased its interest in ownership to 4.7%. As a result, share capital of Doğuş Holding has increased by the value of mentioned real estate and the Group's interest in Doğuş Holding, which was 3.86% prior to the capital increase, has decreased to 3.72%.

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 Yatırım is quoted in the stock exchange, fair value of the company is calculated by considering the closing price at the balance sheet date. The movements in available-for-sale financial assets within the period are as follows:

	2010	2009
Balance at 1 January	329,548	178,347
Change in fair value of available-for-sale financial assets	81,774	136,180
Balance at 30 September	411,322	314,527

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010
(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 7 – FINANCIAL LIABILITIES

As at 30 September 2010 and 31 December 2009, financial liabilities comprise the following:

	30 September 2010		31 December 2009	
	Interest Rate	Amount	Interest Rate	Amount
Short-term borrowings:				
TL denominated interest bearing borrowings	7.15% - 9.70%	221,148	7.15% - 7.95%	213,782
TL denominated non-interest bearing borrowings (*)	-	13,710	-	11,459
Finance lease liabilities :				
CHF denominated finance lease liabilities	4.40%	264	-	-
Short-term portion of long-term borrowings:				
Euro denominated borrowings	EURIBOR+0.13%-0.35%	33,151	EURIBOR+0.13%-0.35%	44,463
USD denominated borrowings	LIBOR+1.75%-1.95%	19,122	LIBOR+1.75%-1.95%	25,735
Total short term financial liabilities		287,395		295,439

(*) As at 30 September 2010, Group has non-interest bearing TL denominated loans from various financial institutions amounting to TL 13,710 thousand, which have been obtained to pay value added taxes, custom taxes and special consumption taxes (31 December 2009: TL 11,459 thousand)

	30 September 2010		31 December 2009	
	Interest Rate	Amount	Interest Rate	Amount
Long-term borrowings:				
Euro denominated borrowings	EURIBOR+0.13%-0.35%	43,466	EURIBOR+0.13%-0.35%	71,147
USD denominated borrowings	LIBOR+1.75%-1.95%	33,766	LIBOR+1.75%-1.95%	51,478
CHF denominated borrowings	3.75%	14,908	3.75%	11,811
Finance lease liabilities :				
CHF denominated finance lease liabilities	4.40%	1,286	4.40%	1,350
Total long term financial liabilities		93,426		135,786

As at 30 September 2010, the repayment schedule of long-term borrowings including their short-term portions is as follows:

Payment Period	Original Amount (USD thousand)	Original Amount (Euro thousand)	Original Amount (CHF thousand)	TL Equivalents
2010	1,606	3,946	-	10,125
2011	12,914	17,664	10,044	68,542
2012	9,830	12,349	-	38,660
2013 and on	12,094	4,827	-	27,086
Total	36,444	38,786	10,044	144,413

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 7 – FINANCIAL LIABILITIES (Continued)

As at 31 December 2009, the repayment schedule of long-term borrowings including their short-term portions is as follows:

Payment Period	Original Amount (USD thousand)	Original Amount (Euro thousand)	Original Amount (CHF thousand)	TL Equivalents
2010	17,092	20,582	-	70,198
2011	13,238	17,123	8,150	68,734
2012	9,689	11,478	-	39,384
2013 and on	11,262	4,333	-	26,318
Total	51,281	53,516	8,150	204,634

Foreign currency and liquidity risk exposure of financial liabilities are presented under Note 22.

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Guarantees received for trade receivables

Significant portion of the trade receivables is consisted of receivables from the dealers. The Group's management established an effective control system over the dealers and monitors the credit risk of the dealers arising from the transactions. The Group requests letters of guarantee for vehicle and spare parts sales from authorized dealers. TL 107,593 thousand of total trade receivables are covered via letters of guarantee (31 December 2009: TL 100,602 thousand) (Note 22).

As at 30 September 2010, overdue trade receivables that are not impaired amount to TL 2,404 thousand (31 December 2009: TL 1,776 thousand). TL 2,171 thousand of such overdue receivables are covered via guarantee letters (31 December 2009: TL 1,659 thousand).

Trade Payables

As at 30 September 2010 and 31 December 2009, trade payables are consisted of the following:

	30 September 2010	31 December 2009
Volkswagen AG	121,671	125,469
Audi AG	41,825	44,039
Scania CV AB	16,713	726
Seat SA	15,275	12,090
TRT Genel Müdürlüğü	3,740	3,123
Mediacom İstanbul Medya Hizmetleri A.Ş.	1,286	3,414
Other	15,852	25,609
Total trade payables	216,362	214,470

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 8 – TRADE RECEIVABLES AND PAYABLES (Continued)

Trade Payables (Continued)

Original Equipment Manufacturers (“OEM’s”) provide a credit option to the Group up to 1 year, which is free from interest for 10 days. The OEM’s charge the Group an interest of 1.72% per annum for trade payables not settled within 10 days (31 December 2009: 1.5% per annum).

Foreign currency and liquidity risk exposure of trade payables are presented under Note 22.

NOTE 9 - INVENTORIES

As at 30 September 2010 and 31 December 2009, inventories comprise of the following:

	<u>30 September 2010</u>	<u>31 December 2009</u>
Goods in transit (*)	215,822	182,059
Merchandise stocks – vehicles	52,671	68,894
Merchandise stocks – spare parts	48,481	44,061
	316,974	295,014
Provision for diminution in the value of inventories (-)	(1,213)	(1,618)
Total	315,761	293,396

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

The cost of inventories recognized as expense and included in cost of sales amounted to TL 1,909,079 thousand for the nine month period ended 30 September 2010 (2009: TL 1,325,485 thousand).

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

	<u>2010</u>	<u>2009</u>
Balance at 1 January	1,618	2,985
Additions during the period	(405)	4
Balance at 30 September	1,213	2,989

As at 30 September 2010, a provision has been made for the full amount of damaged and slow moving inventories, therefore they have no carrying value (31 December 2009: TL 162 thousand).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 10 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES

As at 30 September 2010 and 31 December 2009, investment in associates, joint ventures and the Group's share of ownership are as follows:

	30 September 2010		31 December 2009	
	Carrying Amount	Ownership %	Carrying Amount	Ownership %
<u>Associates</u>				
VDTF	23,716	48	20,850	48
Doğuş Sigorta	24,015	42	20,003	42
Yüce Auto	6,603	50	3,627	50
VDF Servis Holding	2,818	38.22	2,446	38.22
LPD Holding	9,482	38.22	-	38.22
Total	66,634		46,926	
<u>Joint ventures</u>				
Krone-Doğuş	29,669	48	29,690	48
TÜVTURK Kuzey	14,661	33.33	17,193	33.33
TÜVTURK Güney	11,032	33.33	16,185	33.33
TÜVTURK İstanbul	17,261	33.33	-	33.33
Meiller-Doğuş	-	49	596	49
Total	72,623		63,664	
Grand total	139,257		110,590	

Since total assets of the Group's associates and joint ventures exceed their total liabilities, unrecognized amount under equity accounting method is TL 808 thousand as at 30 September 2010 (31 December 2009: 2,483).

The movements in investments in associates and jointly ventures during the periods are as follows:

	2010	2009
Balance at 1 January	110,590	86,438
Contribution to the share capital increase of associates and joint ventures	-	10,506
Change in fair value of available-for-sale financial assets held by associates	4,158	8,162
Shares in profit of associates and joint ventures, net(*)	25,716	3,944
Change in hedge reserve of associates	(999)	-
Dividend income	-	(480)
Deferred tax effect in relation to change in fair value of available-for-sale financial assets held by associates	(208)	(408)
Balance at 30 September	139,257	108,162

(*) Unrealized gains amounting to TL 824 thousand from transactions with equity accounted investees to the extent of Group's interest in investee eliminated against the investment in preparing the condensed consolidated interim financial statement.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 10 – INVESTMENTS IN EQUITY ACCOUNTED INVESTEEES (Continued)

As at 30 September 2010 and 31 December 2009, total assets, liabilities and results of the period of the Group's investment in associates and joint ventures are presented below:

	30 September 2010			
	Assets	Liabilities	Revenue	Profit/(Loss) For the period
Investment in associates	1,373,089	1,269,358	259,496	43,863
Joint ventures	1,603,997	1,331,688	542,909	21,257
	31 December 2009			
	Assets	Liabilities	Revenue	Profit/(Loss) for the period
Investment in associates	1,440,261	1,338,981	316,628	(6,475)
Joint ventures	1,608,797	1,452,758	660,004	5,637

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the nine month period ended 30 September 2010 are as follows:

	1 January 2010	Additions	Disposals	Transfers	Foreign currency translation differences	30 September 2010
<i>Cost:</i>						
Land	93,304	-	-	-	842	94,146
Land improvements	10,243	86	-	-	-	10,329
Buildings	96,090	636	(130)	3,774	639	101,009
Machinery and equipment	21,701	2,441	(1,281)	-	363	23,224
Motor vehicles	21,296	13,500	(2,119)	24	-	32,701
Furniture and fixtures	25,635	359	(1,781)	190	-	24,403
Leasehold improvements	40,362	94	(3,609)	641	-	37,488
Construction in progress	26,326	1,912	-	(4,629)	-	23,609
	334,957	19,028	(8,920)	-	1,844	346,909
<i>Accumulated depreciation:</i>						
Land improvements	(9,348)	(161)	-	-	-	(9,509)
Buildings	(20,849)	(1,825)	-	-	(43)	(22,717)
Machinery and equipment	(8,734)	(2,116)	793	-	(3)	(10,060)
Motor vehicles	(9,849)	(3,445)	1,393	-	-	(11,901)
Furniture and fixtures	(19,269)	(1,612)	1,568	-	-	(19,313)
Leasehold improvements	(23,052)	(3,290)	3,429	-	-	(22,913)
	(91,101)	(12,449)	7,183	-	(46)	(96,413)
Net book value	243,856					250,496

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Continued)

Total depreciation expense amounting to TL 12,499 thousand (2009: TL 12,246 thousand) has been allocated to general administrative expenses in the condensed consolidated interim income statement for the nine month period ended 30 September 2010.

Construction in progress comprise of expenditures incurred for the showroom in Bursa.

As at 30 September 2010 there is a lien on tangible assets owned by the Group amounting to USD 21,500 thousand equivalent to TL 31,201 thousand (31 December 2009: USD 21,500 thousand equivalent to TL 32,373 thousand).

The movements in property, plant and equipment and related accumulated depreciation for the nine month period ended 30 September 2009 are as follows:

	1				Foreign	30
	January	Additions	Disposals	Transfers	currency	September
	2009				translation	2009
					differences	
Cost:						
Land	91,719	-	-	-	(3)	91,716
Land improvements	10,224	19	-	-	-	10,243
Buildings	65,742	31	-	-	-	65,773
Machinery and equipment	16,291	1,831	(77)	-	-	18,045
Motor vehicles	22,558	4,034	(3,275)	-	-	23,317
Furniture and fixtures	25,223	262	(139)	-	-	25,346
Leasehold improvements	45,908	5	(637)	1,272	-	46,548
Construction in progress	25,301	22,717	-	(1,272)	217	46,963
	302,966	28,899	(4,128)	-	214	327,951
Accumulated depreciation:						
Land improvements	(9,138)	(158)	-	-	-	(9,296)
Buildings	(18,518)	(1,342)	-	-	-	(19,860)
Machinery and equipment	(6,556)	(1,532)	37	-	-	(8,051)
Motor vehicles	(9,622)	(2,952)	1,941	-	-	(10,633)
Furniture and fixtures	(16,686)	(2,276)	122	-	-	(18,840)
Leasehold improvements	(18,658)	(3,986)	252	-	-	(22,392)
	(79,178)	(12,246)	2,352	-	-	(89,072)
Net book value	223,788					238,879

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 12 – PROVISIONS AND GUARANTEES

12.1 Provisions

The breakdown of provisions as at 30 September 2010 and 31 December 2009 is presented below:

	<u>30 September 2010</u>	<u>31 December 2009</u>
Legal provisions	10,371	10,741
Warranty provisions	10,109	9,195
Special Consumption Tax (“SCT”) provision (*)	1,743	-
Unused vacation liability provision	1,365	-
Total	<u>23,588</u>	<u>19,936</u>

(*)Amendment on SCT rates for 87.03 GTİP vehicles listed under SCT law (II) has passed with the cabinet decree on October 13, 2003. A lawsuit was filed by TÜKODER (“Tüketiciyi Koruma Derneği”) for the nullification of the amendment of the cabinet, and the state council has thereon decided to stop the decree. On June 18, 2004, the ministry of finance has reported the SCT rates to tax authorities in relevance to the decision. With the law no 5528 issued on August 3, 2004, the SCT rates have been revised and adopted under the decision of the cabinet. The ministry of council has appealed to the decision of the state council but the lawsuit has still not come to a conclusion.

Meantime, Tax Office has levied a tax in order to prevent tax losses related to discounted SCT rates imposed on the vehicles which have been initially acquired between June 18, 2004 and August 3, 2004. The Company has entered into settlement for SCT assessment with tax administration to avoid paying tax higher than original tax amount. The management has decided to set provision amounting to TL 1,743 thousand representing the most likely exposure to be realized in its condensed interim consolidated financial statements as at and for nine month period ended 30 September 2010 in relation with the tax levy.

The movements of provisions during the period are as follows:

	<u>Balance at 1 January 2010</u>	<u>Provision set during the period</u>	<u>Paid during the period</u>	<u>Balance at 30 September 2010</u>
Legal provisions	10,741	1,862	(2,232)	10,371
Warranty provisions	9,195	21,283	(20,369)	10,109
SCT provision	-	5,064	(3,321)	1,743
Unused vacation liability provision	-	1,365	-	1,365
Total	<u>19,936</u>	<u>29,574</u>	<u>(25,922)</u>	<u>23,588</u>
	<u>Balance at 1 January 2009</u>	<u>Provision set during the period</u>	<u>Paid during the period</u>	<u>Balance at 30 September 2009</u>
Legal provisions	7,873	1,394	(463)	8,804
Warranty provisions	10,355	19,050	(19,974)	9,431
Total	<u>18,228</u>	<u>20,444</u>	<u>(20,437)</u>	<u>18,235</u>

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 12 - PROVISIONS AND GUARANTEES (Continued)

12.2 Letter of Guarantees Given, Pledges and Mortgages

As at 30 September 2010, the Group's position related to letter of guarantees given, pledges and mortgages ("GPM") are as follows:

	Total TL equivalent	30 September 2010			
		Original Balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of GPM given on behalf of own legal personality	460,339	20,404,368	21,500,000	206,911,787	-
B. Total amount of GPM given in favor of partnerships which is consolidated	69,943	400,000	12,500,000	14,000,000	16,000,000
C. Total amount of GPM given for assurance of third parties debts in order to conduct of usual business activities	247	-	-	125,000	-
D. Total Amount of other GPM					
i Total amount of GPM given in favor of parent company	-	-	-	-	-
ii. The amount of GPM given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of GPM given in favor of 3. parties which C doesn't comprise	-	-	-	-	-
Total GPM	530,529	20,804,368	34,000,000	221,036,787	16,000,000

As at 31 December 2009, the Group's position related to letter of guarantees given, pledges and mortgages ("GPM") are as follows:

	Total TL equivalent	31 December 2009			
		Original Balances			
		Full TL	Full USD	Full Euro	Full CHF
A. Total amount of GPM given on behalf of own legal personality	600,692	13,313,212	21,500,000	256,911,787	-
B. Total amount of GPM given in favor of partnerships which is consolidated	95,238	400,000	27,500,000	14,000,000	16,000,000
C. Total amount of GPM given for assurance of third parties debts in order to conduct of usual business activities	270	-	-	125,000	-
D. Total Amount of other GPM					
i Total amount of GPM given in favor of parent company	-	-	-	-	-
ii. The amount of GPM given in favor of other group companies which B and C don't comprise	-	-	-	-	-
iii. The amount of GPM given in favor of 3. parties which C doesn't comprise	-	-	-	-	-
Total GPM	696,200	13,713,212	49,000,000	271,036,787	16,000,000

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 12 - PROVISIONS AND GUARANTEES (Continued)

12.3 Letter of Guarantees and Sureties Received

Letter of Guarantees Received

	<u>30 September 2010</u>	<u>31 December 2009</u>
Letter of guarantees received from dealers	175,021	151,631
Letters of guarantees received from fixed asset and service suppliers	9,297	3,833
Letters of guarantees received from fleet customers	4,806	1,356
Total	189,124	156,820

As at 30 September 2010, TL 41,096 thousand of the total amount of the letters of guarantee received from dealers were given by a related party, Türkiye Garanti Bankası A.Ş. ("Garanti Bankası") (31 December 2009: 47,785).

Sureties Received

	<u>30 September 2010</u>	<u>31 December 2009</u>
Doğuş Holding	106,185	116,124
Total	106,185	116,124

As at 30 September 2010, TL 84,741 thousand (31 December 2009: TL 62,370 thousand) of the total sureties obtained from Doğuş Holding in relation to the total debt amounting to TL 106,185 has been paid by the Group. (31 December 2009: TL 116,124 thousand)

12.4 Notes of Guarantees Received

	<u>30 September 2010</u>	<u>31 December 2009</u>
Çankaya İmar Belde	419	419
Total	419	419

NOTE 13 – OTHER CURRENT LIABILITIES

As at 30 September 2010 and 31 December 2009, other current liabilities comprise of the following:

	<u>30 September 2010</u>	<u>31 December 2009</u>
VAT payable	14,601	8,485
Dealer premium accrual	10,100	-
Advances taken	8,290	225
Taxes and withholdings payable	3,137	3,439
Expense accruals	3,441	1,849
Other	-	1,920
Total	39,569	15,918

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 14 - COMMITMENTS

Loans obtained by TÜVTURK Kuzey, TÜVTURK Güney and TÜVTURK İstanbul 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. As at 14 April 2009 189 sedentary and 38 mobile EU-compliant service stations have started operations as committed to state authority.

On 8 April 2005, an agreement was signed between TÜVTURK Kuzey, TÜVTURK Güney, TÜVTURK İstanbul, ABN Amro Bank NV and Bayerische Hypo-und Vereinsbank AG regarding the financing of a structured loan amounting to USD 552 million, for which the Company is the guarantor for 33.3% of the principal, interest and other financial obligations thereof. Following the clarification of the legal status of the concession agreement with Privatization Administration regarding the construction and operation of the service stations, the aforementioned financing agreement has been signed on 10 August 2007. With respect to this arrangement, out of the total loan obtained, an amount of USD 70,150 thousand has been utilised by TÜVTURK Kuzey, USD 281,850 thousand has been utilised by TÜVTURK Güney while the remaining USD 200,000 thousand has been utilised by TÜVTURK İstanbul. As at 30 September 2010, loan amounted to USD 352 million utilized by TÜVTURK Kuzey and TÜVTURK Güney and USD 11,200 thousand utilized by TÜVTURK İstanbul has been paid to related financial institution.

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

NOTE 15 – CAPITAL AND RESERVES

The paid-in share capital of the Company comprises of 110,000,000 units of registered shares with a nominal value of TL 1 each as at 30 September 2010. There is no different type of share and no privilege given to specific shareholders.

As at 30 September 2010 and 31 December 2009, the composition of the Company's shareholding structure is as follows:

	30 September 2010		31 December 2009	
	TL	Shareholding (%)	TL	Shareholding (%)
Shareholders				
Doğuş Holding	38,731	35.21	38,731	35.21
Publicly traded	37,950	34.50	37,950	34.50
Doğuş Araştırma Geliştirme ve Müşavirlik. A.Ş.	33,319	30.29	33,319	30.29
Paid-in capital	110,000	100.00	110,000	100.00
Inflation adjustment difference	23,115		23,115	
Total	133,115		133,115	

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 15 – CAPITAL AND RESERVES (Continued)

According to CMB’s decision on 27 January 2010 numbered 02/51 corporations traded on the stock exchange market are not obliged to distribute a specified amount of dividends out of their financial results in 2009. For corporations traded at stock exchange market, there is not a determined minimum portion of distribution; in this aspect, the profit to be distributed will be determined in line with the announcements of CMB Serial IV, Number 27, the articles of the incorporation and will be in accordance with the declarations made to public.

For corporations that is obliged to issue consolidated financial statements, as long as met from the statutory profit; it is permitted to calculate the net distributable profit in line with the CMB’s Serial XI, Number 29 “Bases for Financial Reporting at Capital Markets” announcement, which is also the profit declared at the consolidated financial statements.

For corporations that will distribute dividends, in relation to the resolutions in their general meeting, the dividends may be in cash, may be free by adding the profit into equity, or may be partially from both. It is also permitted not to distribute determined first party dividends falling below 5 percent of the paid-in capital of the company but, corporations that increased capital before distributing the previous year’s dividends and as a result their shares are separated as “old” and “new” are obliged to distribute 1st party dividends in cash.

Total distributable profit for the year ended 2009 amounts to TL 163,363 thousand after the deduction of tax loss carry forwards.

In the “2009 Ordinary General Assembly Meeting” which was held on 28 April 2010, it is decided not to distribute any dividends on previous year’s profit depending on item 24 of the main agreement of the Company.

NOTE 16 - SELLING, MARKETING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES

The breakdown of operating expenses for the nine and three month period ended 30 September is presented below:

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
General administration expenses	92,399	30,701	82,620	26,071
Selling, marketing and distribution expenses	75,542	26,845	55,995	19,641
Warranty expenses, net (Note 12.1)	21,283	6,366	19,050	8,263
Total	189,224	63,912	157,665	53,975

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 16 - SELLING, MARKETING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES (Continued)

16.1 Selling, marketing and distribution expenses

The breakdown of selling, marketing and distribution expenses for the nine and three month period ended 30 September is as follows:

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Advertising expenses	29,290	9,769	19,257	7,102
Distribution expenses	18,304	6,668	15,763	5,303
Personnel expenses	17,888	6,514	13,626	4,726
Rent expenses	4,685	1,867	3,971	1,309
Other	5,375	2,027	3,378	1,201
Total	75,542	26,845	55,995	19,641

16.2 General administration expenses

The breakdown of general administration expenses for the nine and three month period ended 30 September is as follows:

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Personnel expenses	42,993	14,795	39,951	13,782
Depreciation and amortization expenses	15,430	5,104	13,966	3,752
Building expenses	6,830	2,220	3,966	1,214
Vehicle expenses	5,272	1,833	5,257	1,795
Consultancy expense	3,922	1,296	4,034	1,182
Maintenance expenses	2,705	924	2,344	854
Traveling expenses	2,259	621	1,882	606
Litigation expenses (Note 12.1)	1,862	918	1,394	(370)
Communication expenses	1,805	558	2,017	683
Rent expenses	1,788	579	2,939	986
Other	7,533	1,853	4,870	1,587
Total	92,399	30,701	82,620	26,071

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 17 – FINANCE INCOME

For the nine and three month periods ended 30 September, finance income comprise of the following:

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Foreign exchange gains on borrowings, net	11,589	2,582	902	2,421
Dividend income	1,522	-	1,158	10
Interest income charge on credit sales	347	146	910	422
Interest income	53	15	1,726	296
Other foreign exchange gains, net	-	-	858	558
Total	13,511	2,743	5,554	3,707

NOTE 18 – FINANCE COSTS

For the nine and three month period ended 30 September, finance costs comprise of the following:

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Interest expense on borrowings	17,377	6,237	10,725	3,474
Commission expenses on letters of guarantee	7,937	1,451	9,754	3,458
Other foreign exchange losses, net	3,975	291	1,629	236
Interest charge on credit purchases	1,673	516	9,695	1,587
Other financial costs	1,039	410	-	-
Total	32,001	8,905	31,803	8,755

NOTE 19 – TAX ASSET AND LIABILITIES

For the nine and three month period ended 30 September, taxation expense comprise of the following:

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Deferred tax expense	(521)	(18)	(10,546)	(6,540)
Current tax expense	(26,111)	(14,482)	-	-
Total tax expense	(26,632)	(14,500)	(10,546)	(6,540)

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 19 – TAX ASSET AND LIABILITIES (Continued)

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

	For the nine month period ended 30 September 2010		For the nine month period ended 30 September 2009	
Profit before tax		154,641		50,509
Income tax using the Company's domestic tax rate	20%	(30,928)	20%	(10,102)
Disallowable expenses	1%	(906)	-	(368)
Tax exempt income	(4%)	5,612	(2%)	1,115
Other	-	(410)	2%	(1,191)
Total tax expense	%17	(26,632)	%20	(10,546)
	For the three month period ended 30 September 2010		For the three month period ended 30 September 2009	
Profit before tax		69,968		26,431
Income tax using the Company's domestic tax rate	20%	(13,993)	%20	(5,286)
Disallowable expenses	1%	(434)	-	(110)
Tax exempt income	(2%)	1,027	1%	(205)
Other	2%	(1,100)	4%	(939)
Total tax expense	21%	(14,500)	21%	(6,540)

Deferred taxes

As at 30 September 2010 and 31 December 2009, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	Deferred Tax Asset		Deferred Tax Liability		Net Deferred Tax Asset/(Liability)	
	30 September 2010	31 December 2009	30 September 2010	31 December 2009	30 September 2010	31 December 2009
Fair value change of available for sale financial assets	-	-	(13,989)	(9,972)	(13,989)	(9,972)
Land	-	-	(1,950)	(2,367)	(1,950)	(2,367)
Carry forward tax losses	4,079	8,008	-	-	4,079	8,008
Other tangible and intangible assets	5,422	6,398	-	-	5,422	6,398
Warranty provision, net	2,022	1,839	-	-	2,022	1,839
Dealer premium accrual	2,022	-	-	-	2,022	-
Legal provision	1,758	1,094	-	-	1,758	1,094
Provision for diminution in value of inventories	470	324	-	-	470	324
Employee termination benefit	378	341	-	-	378	341
Unused vacation liability	273	-	-	-	273	-
Other	378	-	-	(193)	378	(193)
Total deferred tax asset/(liabilities)	16,802	18,004	(15,939)	(12,532)	863	5,472
Net off of tax	(12,684)	(12,532)	12,684	12,532	-	-
Total deferred tax asset	4,118	5,472	(3,255)	-	863	5,472

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 19 – TAX ASSET AND LIABILITIES (Continued)

Deferred taxes (Continued)

Deferred tax assets are recognized for tax losses carried forward to the extent that the realization of the related tax benefit through future taxable profits is considered highly probable by the Group management.

The movements in deferred taxes during the nine-month period ended 30 September are as follows:

	<u>2010</u>	<u>2009</u>
Net deferred tax asset at 1 January	5,472	23,858
Deferred tax recognized in equity due to change in fair value of available-for-sale financial assets	(4,088)	(6,831)
Current year deferred tax charge	<u>(521)</u>	<u>(10,546)</u>
Net deferred tax assets at 30 September	<u>863</u>	<u>6,481</u>

As at 30 September 2010, income tax payable amounting to TL 14,482 thousand is calculated by netting off the total current period tax provision with taxes paid in advance amounting to TL 11,629 thousand.

NOTE 20 – EARNINGS PER SHARE

Earnings per share, is calculated by dividing net income attributable to equity holders of the Company for the period by the weighted average number of shares of the Company available during the period.

For the nine and three month period ended 30 September, earnings per share is calculated as follows:

	<u>For the nine month period ended 30 September 2010</u>	<u>For the three month period ended 30 September 2010</u>	<u>For the nine month period ended 30 September 2009</u>	<u>For the three month period ended 30 September 2009</u>
Net profit attributable to the equity holders of the Company	127,929	55,471	40,014	19,905
Number of basic shares	110,000,000	110,000,000	110,000,000	110,000,000
Basic earnings per share (Full TL)	1.1630	0.5043	0.3638	0.1810

NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

21.1 Cash and cash equivalents:

Group's cash balances at related party banks are as follows:

	<u>30 September 2010</u>	<u>31 December 2009</u>
Garanti Bankası – bank deposits	13,194	12,620
Garanti Bankası – credit card receivables	<u>7,241</u>	<u>7,321</u>
Total	<u>20,435</u>	<u>19,941</u>

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.1 Cash and cash equivalents(continued)

As at 30 September 2010, effective interest rates on USD denominated time deposits at Garanti Bankası is 0.50% (31 December 2009: USD denominated time deposits: 0.50%, Euro denominated time deposits: 0.50%).

21.2 Due From Related Parties

As at 30 September 2010 and 31 December 2009, receivables and payables to related parties comprise the following:

21.2.1 Due from associates

	<u>30 September 2010</u>	<u>31 December 2009</u>
LDP Holding	7,778	3,162
Yüce Auto	221	-
VDTF	69	204
Total	8,068	3,366

21.2.2 Due from other related parties

	<u>30 September 2010</u>	<u>31 December 2009</u>
VDF Faktoring Hizmetleri A.Ş.	41,125	-
Eureko Sigorta A.Ş.	1,748	-
Antur Turizm A.Ş.	974	-
Garanti Filo Yönetimi Hizmetleri A.Ş.	339	3,538
VDF Sigorta Aracılık Hizmetleri A.Ş.	180	-
Doğuş Yayın Grubu A.Ş.	-	451
Other	236	178
Total	44,602	4,167
Grand Total	52,670	7,533

As at 30 September 2010, the Group charges monthly 4% overdue interest to due from related parties (31 December 2009: 4% per month). Due from related parties does not contain any past due receivables.

21.3 Due to Related Parties

21.3.1 Due to associates

	<u>30 September 2010</u>	<u>31 December 2009</u>
LDP Holding	177	-
VDTF	43	-
Yüce Auto	20	85
Total	240	85

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.3 Due to Related Parties (Continued)

21.3.2 Due to joint ventures

	<u>30 September 2010</u>	<u>31 December 2009</u>
Meiller-Doğuş	2,136	51
Total	<u>2,136</u>	<u>51</u>

21.3.3 Due to other related parties

	<u>30 September 2010</u>	<u>31 December 2009</u>
Garanti Bilişim Teknolojisi ve Tic. Türk A.Ş.	322	277
Eureko Sigorta A.Ş.	286	1,654
Doğuş Holding	214	268
Doğuş Grubu İletişim Yay. Ve Tic. A.Ş.	161	155
VDF Sigorta Aracılık Hizmetleri A.Ş.	154	-
Doğuş Yayın Grubu A.Ş.	118	-
Other	488	192
Total	<u>1,743</u>	<u>2,546</u>
Grand Total	<u>4,119</u>	<u>2,682</u>

21.4 Related Party Transactions

Related party transactions for the nine and three month period ended 30 September are as follows:

21.4.1 Associates

	<u>For the nine month period ended 30 September 2010</u>	<u>For the three month period ended 30 September 2010</u>	<u>For the nine month period ended 30 September 2009</u>	<u>For the three month period ended 30 September 2009</u>
Sales and other income generating transactions				
Sale of products and returns, net	30,453	14,987	25,322	9,051
Sale of services, net	2,837	903	1,665	769
Other income	3,929	2,108	1,904	582
Total	<u>37,219</u>	<u>17,998</u>	<u>28,891</u>	<u>10,402</u>

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.4 Related Party Transactions (Continued)

21.4.1 Associates (Continued)

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Purchases and expense creating transactions				
Inventory purchases	6,545	1,524	661	171
Incentives for consumer loans	5,134	2,050	2,083	478
Services rendered	3,290	1,189	3,690	1,300
Fixed asset purchases	223	68	-	-
Other purchases	823	274	845	289
Total	16,015	5,105	7,279	2,238

21.4.2 Joint ventures

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Sales and other income generating transactions:				
Service sale	143	143	-	-
Finance income	5	-	12	-
Other income	5	-	20	-
Total	153	143	32	-

Purchases and expense creating transactions:

Purchase of services	56	7	21	21
Total	56	7	21	21

21.4.3 Other related parties

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Sales and other income generating transactions:				
Sale of products and returns, net	14,228	3,357	10,016	4,900
Sale of services, net	1,698	615	1,117	399
Finance income	17	1	466	327
Other income	2,832	472	1,352	362
Total	18,775	4,445	12,951	5,988

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 21 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

21.4 Related Party Transactions (Continued)

21.4.3 Other related parties (Continued)

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Purchases and expenses creating transactions:				
Services rendered	15,742	6,280	12,062	4,365
Inventory purchases	2,882	988	2,038	882
Finance costs	1,859	355	1,326	617
Fixed assets purchases	1,635	758	2,435	764
Total	22,118	8,381	17,861	6,628

22.5 Key management personnel compensation

	For the nine month period ended 30 September 2010	For the three month period ended 30 September 2010	For the nine month period ended 30 September 2009	For the three month period ended 30 September 2009
Salaries and other short term employee benefits	11,661	1,873	10,841	1,891
Employee termination benefits	-	-	14	-
Total	11,661	1,873	10,855	1,891

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

Remuneration of Board of Directors and Executive Management for the nine and three month period ended 30 September 2010 and 2009 includes salaries, incentive premiums, health insurance and employer shares of Social Security Institution.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS

Financial instruments and risk management

Financial risk factors

The Group has mainly focused on managing financial risk arising from prices in debt and capital markets including interest rates and currency fluctuations. The Group's risk management policies are established to minimize the potential negative effects of fluctuations in the market.

The risk management policies are determined by Executive Board and approved by Board of Directors. They are implemented by each subsidiary, associate and joint venture.

(a) Credit risk

Significant portion of the trade receivables comprise of the receivables from dealers. The Group's management established an effective control system over the dealers and monitors the credit risk of the dealers arising from the transactions. The Group requests letters of guarantee for vehicle and spare parts sales from authorized dealers. (Note 8)

30 September 2010	Receivables				Deposits On Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Parties	Related Party	Other Parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D+E) (*)	52,670	181,831	45,796	14,409	31,241	-	3,275
-Guaranteed portion of the maximum exposure	-	107,593	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	52,670	179,427	-	14,409	31,241	-	3,275
B. Net carrying amount of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (**)	-	-	-	-	-	-	-
- Guaranteed portion (A+B)	-	105,422	-	-	-	-	-
C. Net carrying amount of financial assets which are overdue but not impaired (***)	-	2,404	-	-	-	-	-
- Guaranteed portion	-	2,171	-	-	-	-	-
D. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	1,189	-	-	-	-	-
- Impairment (-)	-	(1,189)	-	-	-	-	-
- Not Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks (****)	-	-	45,796	-	-	-	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(a) Credit risk (Continued)

31 December 2009	Receivables				Deposits on Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other parties	Related Party	Other Parties			
Exposure to maximum credit risk as at reporting date (A+B+C+D+E) (*)	7,533	146,443	71,651	24,264	30,235	-	11,633
-Guaranteed portion of the maximum exposure	-	100,602	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	7,533	142,654	-	24,264	30,235	-	11,633
B. Net carrying amount of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (**)	-	2,013	-	-	-	-	-
- Guaranteed portion (A+B)	-	98,943	-	-	-	-	-
C. Net carrying amount of financial assets which are overdue but not impaired (***)	-	1,776	-	-	-	-	-
- Guaranteed portion	-	1,659	-	-	-	-	-
D. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	935	-	-	-	-	-
- Impairment (-)	-	(935)	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks (****)	-	-	71,651	-	-	-	-

(*) This area indicates the total of the figures placed in A, B, C, D and E lines. In determination of aforementioned figures, items increasing credit reliability such as guarantees received are not considered.

(**)As at 30 September 2010 and 31 December 2009, information regarding to credit quality of trade receivables which are not past due or not impaired and restructured are indicated in Note 8.

(***)As at 30 September 2010 and 31 December 2009, information regarding to aging of receivables which are past due but not impaired are indicated in the table of aging analysis of receivables which are past due but not impaired.

(****)As at 30 September 2010 and 31 December 2009, maximum level of credit risk born in relation to Letter of guarantees given in favor of related parties are indicated.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

Aging of past due receivables that are not impaired

As at 30 September 2010 and 31 December 2009 the aging of past due receivables that are not impaired are as follows:

30 September 2010	Receivables		Deposits	Derivative	Other
	Trade Receivables	Other Receivables	on Banks	Instruments	
Past due 1-30 days	1,757	-	-	-	-
Past due 1-3 months	559	-	-	-	-
Past due 3-12 months	2	-	-	-	-
Past due 1-5 years	86	-	-	-	-
More than 5 years	-	-	-	-	-

31 December 2009	Receivables		Deposits	Derivative	Other
	Trade Receivables	Other Receivables	on Banks	Instruments	
Past due 1-30 days	561	-	-	-	-
Past due 1-3 months	498	-	-	-	-
Past due 3-12 months	717	-	-	-	-
Past due 1-5 years	-	-	-	-	-
More than 5 years	-	-	-	-	-

(b) Liquidity risk

Liquidity risk management refers to capacity of 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 minimize liquidity risk, holds adequate cash and available line of credit (including factoring capacity). In this regard, as at 30 September 2010, the Group have lines of credit amounting to TL 526,772 thousand, Euro 548,605 thousand, and USD, 246,333 thousand, (31 December 2009: TL 290,272 thousand, Euro 439,805 thousand and USD 246,333 thousand) as well as a factoring capacity of TL 100,000 thousand (31 December 2009: TL 100,000 thousand). The utilized portions of the aforementioned total credit lines are disclosed in Note 7.

In addition, the Group has a non-cash credit line obtained from underwriting banks amounting to Euro 206,000 thousand, and CHF 5,000 thousand equivalent to TL 414,353 thousand (31 December 2009: Euro 256,000 thousand and CHF 5,000 thousand equivalent to TL 560,173 thousand) that enables the Group to perform credit purchases from Original Equipment Manufacturers with an option to pay in 12 months; of which Euro 115,257 thousand and CHF 4.171 thousand equivalent to TL 233,869 thousand is not utilized as at 30 September 2010 (31 December 2009: Euro 171,938 thousand and CHF 4,344 thousand equivalent to TL 377,739 thousand).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(b) Liquidity risk (Continued)

The below tables show the financial liabilities of the Company according to their remaining maturities at 30 September 2010 and 31 December 2009:

	30 September 2010					
	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 Years
Contractual maturities						
Non-derivative financial liabilities						
Loans and borrowings	379,271	380,959	117,196	171,623	69,432	22,708
Finance lease liabilities	1,550	1,733	82	246	1,314	91
Due to related parties	4,119	4,119	4,119	-	-	-
Other trade payables	216,362	216,362	38,731	177,631	-	-
Other short term liabilities (*)	13,541	13,541	13,541	-	-	-
Total non-derivative financial liabilities	614,843	616,714	173,669	349,500	70,746	22,799
	31 December 2009					
	Carrying amount	Total contractual cash outflows	Less than 3 months	3-12 months	1-5 years	More than 5 Years
Contractual maturities						
Non-derivative financial liabilities						
Loans and borrowings	429,875	440,237	247,758	48,700	133,289	10,490
Finance lease liabilities	1,350	1,350	-	-	1,350	-
Due to related parties	2,682	2,682	2,682	-	-	-
Other trade payables	214,470	214,470	55,480	158,990	-	-
Other short term liabilities (*)	3,769	3,769	3,769	-	-	-
Total non-derivative financial liabilities	652,146	662,508	309,689	207,690	134,639	10,490

* Non-financial items such as VAT payable, taxes and withholdings payable and advances taken are excluded from other short-term liabilities.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(c) 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.

Currency Sensitivity Analysis		
30 September 2010		
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(4,780)	4,780
2- USD risk averse portion (-)	-	-
3- Net USD Effect(1+2)	(4,780)	4,780
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	(4,521)	4,521
5- Euro risk averse portion(-)	-	-
6- Net Euro Effect (4+5)	(4,521)	4,521
TOTAL(3+6)	(9,301)	9,301

Currency Sensitivity Analysis		
31 December 2009		
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Assumption of devaluation/appreciation by 10% of USD against TL		
1- Net USD asset/liability	(7,353)	7,353
2- USD risk averse portion (-)	-	-
3- Net USD Effect(1+2)	(7,353)	7,353
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	(26,165)	26,165
5- Euro risk averse portion(-)	-	-
6- Net Euro Effect (4+5)	(26,165)	26,165
TOTAL (3+6)	(33,518)	33,518

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(c) Currency risk (Continued)

As at 30 September 2010, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	30 September 2010				
	Total TL	Original Amounts			
	Equivalent	Full USD	Full Euro	Full CHF	Other
Assets:					
Trade receivables	3,112	1,360	1,554,603	15,225	7,300
Monetary financial assets	10,853	3,240,384	3,067,007	58,786	12,775
Other monetary assets	223,515	-	113,149,178	-	-
Total assets	237,480	3,241,744	117,770,788	74,011	20,075
Trade payables	199,491	323	100,987,275	-	-
Financial liabilities	53,634	12,913,690	17,664,196	-	-
Other monetary liabilities	-	-	-	-	-
Current liabilities	253,125	12,914,013	118,651,471	-	-
Financial liabilities	77,232	23,267,857	22,003,468	-	-
Non-current liabilities	77,232	23,267,857	22,003,468	-	-
Total liabilities	330,357	36,181,870	140,654,939	-	-
Net foreign currency (liability)/ asset position	(92,877)	(32,940,126)	(22,884,151)	74,011	20,075

**Monetary items net foreign currency
(liability)/ asset position**

Sureties and letters of guarantee taken	121,569	965,825	60,831,996	-	-
Sureties and letters of guarantee given	493,398	34,000,000	221,036,787	5,000,000	-
Import	1,818,337	-	911,804,934	-	-

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(c) Currency risk (Continued)

As at 31 December 2009, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	31 December 2009				
	Total TL	Original Amounts			
	Equivalent	Full USD	Full Euro	Full CHF	Other
Assets:					
Trade receivables	3,335	255	1,543,438	-	-
Monetary financial assets	11,046	2,447,093	3,282,441	157,755	78,622
Other monetary assets	28,547	-	13,214,457	-	-
Total assets	42,928	2,447,348	18,040,336	157,755	78,622
Trade payables	184,735	236	85,513,535	-	-
Financial liabilities	70,198	17,091,955	20,581,556	-	-
Other monetary liabilities	279	-	129,350	-	-
Current liabilities	255,212	17,092,191	106,224,441	-	-
Financial liabilities	122,625	34,188,884	32,933,773	-	-
Non-current liabilities	122,625	34,188,884	32,933,773	-	-
Total liabilities	377,837	51,281,075	139,158,214	-	-
Net foreign currency (liability)/ asset position	(334,909)	(48,833,727)	(121,117,878)	157,755	78,622

**Monetary items net foreign currency
(liability)/ asset position**

Sureties and letters of guarantee taken	128,358	2,215,825	57,872,361	-	-
Sureties and letters of guarantee given	626,657	27,500,000	270,911,787	-	-
Import	1,498,099	-	693,468,751	-	-

As at 30 September 2010, goods in transit of the Group amount to Euro 108,934 thousand equivalent to TL 215,189 thousand (31 December 2009: Euro 87,092 thousand equivalent to TL 188,146 thousand).

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(d) Market risk

The Group is exposed to market risk through holding shares of Doğuş Holding and Garanti Yatırım.

Even though the shares of Doğuş Holding are not quoted in the capital market, fair value of the Doğuş Holding's shares is determined by using market information of publicly held Doğuş Holding Group companies and other valuation methodologies are used for remaining Doğuş Holding Group companies. Therefore, value of Doğuş Holding recognized in the financial statements is affected by price fluctuations in the shares of publicly held Doğuş Holding Group companies.

Since Garanti Yatırım is a publicly held company, share price fluctuations are directly recognized in the financial statements.

Under the assumption of 10% increase/decrease in share prices as at 30 September 2010, all other variables held constant, the Group's equity would have been increased/decreased by TL 36,373 thousand (30 September 2009: TL 25,023 thousand).

(e) Fair value

The fair value of financial instruments is based on their quoted market price at the balance sheet date without any deductions 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 realized 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.

The principles used in determining the fair values of financial assets and liabilities are as follows:

Financial Assets

Cash and cash equivalents are presented on cost basis and are assumed to reflect their fair values as they are liquid and classified as current assets.

Trade receivables are presented netted of related doubtful portion of the receivable and are assumed to reflect their fair value.

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

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 22 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(d) Fair value (Continued)

Financial Liabilities

Short-term TL denominated bank borrowings are assumed to converge to its fair value, as the payment dates get closer to the balance sheet date. Floating rate borrowings denominated in foreign currency are assumed to reflect their fair value as it consists of current market conditions in calculation.

Since trade payables are short term and foreign currency denominated, they are assumed to reflect their fair values.

Fair Value Hierarchy

IFRS 7 – “Financial Instruments: Disclosure” requires the Companies to disclose the classification and hierarchy of the data used in determining the fair values of the financial assets. The basis for the hierarchy is dependent on the conformity of the data used in fair value calculation. The independency of the source of the data, the assumptions used in calculation of the fair value effects the level of hierarchy.

The different levels have been identified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets and liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market.

The table below analyses financial instruments carried at fair value by valuation method:

	30 September 2010			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Available for sale financial assets (Note 6)	-	411,322	-	411,322
Total financial assets	-	411,322	-	411,322

	31 December 2009			
	Level 1	Level 2	Level 3	Total
Financial Assets:				
Available for sale financial assets (Note 6)	-	329,548	-	329,548
Total financial assets	-	329,548	-	329,548

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2010

(Amounts expressed in thousands of TL unless otherwise indicated except share amounts)

NOTE 23 – ADDITIONAL INFORMATION RELATED TO CASH FLOW

Details of the information presented on cash flow statements are given below:

	<u>30 September 2010</u>	<u>30 September 2009</u>
Non cash expenses:		
Warranty provision expenses (Note 12.1)	21,283	19,050
Legal provision expenses (Note 12.1)	1,862	1,394
Provision for employee benefit	1,759	154
Provision for doubtful receivables	259	-
Provision expense for diminution in the value of inventories (Note 9)	(405)	4
Dealers premium accruals (Note 13)	10,100	6,585
SCT lawsuit provision	5,064	-
Write-off of spare parts to be destroyed	1,135	-
Vacation pay liability expense	1,365	-
Expense accruals (Note 13)	3,441	2,082
	45,863	29,269
	<u>30 September 2010</u>	<u>30 September 2009</u>
Net change in Working Capital :		
Trade payables	1,670	(434,823)
Other assets/liabilities, net	21,375	13,777
Trade receivables	(35,647)	(62,795)
Due from and due to related parties	(43,700)	5,028
Inventories	(23,095)	402,777
	(79,397)	(76,036)
Cash and cash equivalents:		
Cash and cash equivalents	31,309	63,148
Cash and cash equivalents pertaining to assets held for sales (*)	-	11
	31,309	63,159

(*)In 2009, the Group gradually sold the assets of its subsidiaries, Doğuş Oto Mısır For Trading and Manufacturing Vehicles Joint Stock Company and Doğuş Auto Mısır LLC, considering the economic conditions and limited competition opportunities of the region, and potential effects of global economic crisis on the region. In this regard, assets of the aforementioned subsidiaries were recognised under assets available for sale during the year 2009.

NOTE 24 – SUBSEQUENT EVENTS

By the resolution of the Board of Directors dated 13 October 2010, paid in capital of the Company amounting to TL 110,000 thousand is decided to be increased to TL 220,000 thousand by the amount of TL 110,000 thousand which is to be provided fully through retained earnings and the procedures related to the completion of the legal process have been initiated.