DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2011 WITH INDEPENDENT AUDITOR'S REVIEW REPORT THEREON

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
24 August 2011
This report is consisted of 1 pages of independent auditor's review report and 48 pages condensed consolidated financial statements with accompanying notes.

Convenience Translation of the Independent Auditor's Review Report Originally Prepared and Issued in Turkish (See Note2.1)

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Doğuş Otomotiv Servis ve Ticaret A.Ş. and its subsidiaries (the "Group") as at 30 June 2011 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, and the consolidated statements of changes in equity and cash flows for the six-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.

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).

İstanbul, 24 August 2011

Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ruşen Fikret Selamet, Partner

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.

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

	Notes	Reviewed 30 June 2011	Audited 31 December 2010
ASSETS			
Current assets		**807,206**	**712,515**
Cash and cash equivalents	5	70,182	27,727
Trade receivables		260,939	242,765
Due from related parties	22.2	193,111	102,521
Other trade receivables		67,828	140,244
Other receivables	9	28,273	21,505
Inventories	10	422,271	402,562
Other current assets	15	25,541	17,956
Non-current assets		**838,151**	**786,854**
Available-for-sale financial assets	6	347,515	381,726
Investments in equity accounted investees	11	133,827	135,741
Property, plant and equipment	12	349,391	256,534
Intangible assets		4,099	4,393
Deferred tax assets	20	1,716	2,177
Other non-current assets		1,603	6,283
TOTAL ASSETS		**1,645,357**	**1,499,369**

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

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

	Notes	Reviewed 30 June 2011	Audited 31 December 2010
LIABILITIES			
Current liabilities		**720,266**	**667,262**
Financial liabilities	7	282,816	263,048
Trade payables		332,966	317,807
Due to related parties	22.3	6,573	5,800
Other trade payables	8	326,393	312,007
Income tax payable	20	9,507	9,090
Provisions	13	65,662	38,158
Other current liabilities	14	29,315	39,159
Non-current liabilities		**144,622**	**94,655**
Financial liabilities	7	139,418	85,498
Employee benefits		1,862	1,929
Deferred tax liabilities	20	3,342	7,228
TOTAL LIABILITIES		**864,888**	**761,917**
EQUITY			
Equity attributable to equity holders of the Company		**778,401**	**735,820**
Share capital	16	220,000	220,000
Inflation adjustment to share capital	16	23,115	23,115
Value increase reserves		267,170	301,209
Fair value reserve	16	265,630	300,094
Hedge reserve	16	1,540	1,115
Legal reserves	16	32,013	32,013
Translation reserve	16	(291)	(1,530)
Retained earnings	16	161,013	11,720
Profit for the period		75,381	149,293
Non-controlling interests		**2,068**	**1,632**
TOTAL EQUITY		**780,469**	**737,452**
TOTAL EQUITY AND LIABILITIES		**1,645,357**	**1,499,369**

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

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

	Note	Reviewed For the six month period ended 30 June 2011	Reviewed For the three month period ended 30 June 2011	Reviewed For the six month period ended 30 June 2010	Reviewed For the three month period ended 30 June 2010
Revenue		2,431,458	1,294,610	1,393,352	837,806
Direct cost of revenue (-)		(2,129,687)	(1,134,316)	(1,193,010)	(719,869)
Gross profit		**301,771**	**160,294**	**200,342**	**117,937**
General administration expenses (-)	17	(72,061)	(37,795)	(61,698)	(31,911)
Selling, marketing, and distribution expenses (-)	17	(68,448)	(38,536)	(48,697)	(28,611)
Warranty expenses (-)	17	(19,205)	(10,593)	(14,917)	(8,209)
Other operating income		14,971	9,959	10,544	6,143
Other operating expenses (-)		(34,698)	(3,547)	(9,977)	(7,742)
Results from operating activities		**122,330**	**79,782**	**75,597**	**47,607**
Share of profit of equity accounted investees	11	673	993	21,404	12,250
Finance income	18	7,879	7,060	10,768	5,424
Finance costs (-)	19	(31,899)	(17,552)	(23,096)	(11,815)
Profit before income tax		**98,983**	**70,283**	**84,673**	**53,466**
Tax expense		**(23,166)**	**(11,863)**	**(12,132)**	**(8,962)**
Income tax expense	20	(24,880)	(9,511)	(11,628)	(7,107)
Deferred tax expense	20	1,714	(2,352)	(504)	(1,855)
Profit for the period		**75,817**	**58,420**	**72,541**	**44,504**
Attributable to:					
Non-controlling interests		**436**	**146**	**83**	**154**
Equity holders of the Company		**75,381**	**58,274**	**72,458**	**44,350**
Basic/diluted earnings per share (in full TL)	21	**0.3426**	**0.2649**	**0.3294**	**0.2015**

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

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

	Notes	Reviewed For the six month period ended 30 June 2011	Reviewed For the three month period ended 30 June 2011	Reviewed For the six month period ended 30 June 2010	Reviewed For the three month period ended 30 June 2010
PROFIT FOR THE PERIOD		**75,817**	**58,420**	**72,541**	**44,504**
Other comprehensive income/(loss):					
Change in fair value of available-for-sale financial assets	6	(34,211)	(694)	4,160	(30,333)
Change in fair value of available for-sale financial assets and hedge reserves held by associates and joint ventures	11	(1,539)	(271)	(503)	(2,466)
Income tax on other comprehensive (loss)/income		1,711	36	(208)	1,518
Foreign currency translation differences		1,239	1,226	(249)	(184)
OTHER COMPREHENSIVE INCOME		**(32,800)**	**297**	**3,200**	**(31,465)**
TOTAL COMPREHENSIVE INCOME		**43,017**	**58,717**	**75,741**	**13,039**
Non-controlling interests		436	146	83	154
Equity holders of the Company		42,581	58,571	75,658	12,885

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 SIX MONTH PERIOD ENDED 30 JUNE 2011

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

	Attributable to equity holders of the Company									
	Share Capital (Note 16)	**Inflation Adjustment To Share Capital (Note 16)**	**Legal Reserves (Note 16)**	**Fair Value Reserve (Note 16)**	**Hedge Reserve (Note 16)**	**Translation Reserve (Note 16)**	**Retained Earnings (Note 16)**	**Total**	**Non-Controlling Interests (Note 16)**	**Total Equity**
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	-	-	-	-	-	-	72,458	72,458	83	72,541
Change in fair value of available for sale financial assets, net of tax	-	-	-	3,952	-	-	-	3,952	-	3,952
Change in fair value of available for sale assets held by associates, net of tax	-	-	-	(503)	-	-	-	(503)	-	(503)
Foreign currency translation differences	-	-	-	-	-	(249)	-	(249)	-	(249)
Total comprehensive income for the period	-	-	-	**3,449**	**-**	**(249)**	**72,458**	**75,658**	**83**	**75,741**
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2010 (Reviewed)	**110,000**	**23,115**	**32,013**	**250,839**	**-**	**(2,797)**	**194,178**	**607,348**	**1,459**	**608,807**
Balance at 1 July 2010	**110,000**	**23,115**	**32,013**	**250,839**		**(2,797)**	**194,178**	**607,348**	**1,459**	**608,807**
Profit for the period	-	-	-	-	-		76,835	76,835	173	77,008
Change in fair value of available for sale financial assets, net of tax	-	-	-	45,615	-	-	-	45,615	-	45,615
Change in hedge reserve of joint ventures	-	-	-	-	1,115	-	-	1,115	-	1,115
Change in fair value of available for sale assets held by associates, net of tax	-	-	-	3,640		-	-	3,640	-	3,640
Foreign currency translation differences	-	-	-	-	-	1,267	-	1,267	-	1,267
Total comprehensive income for the period	-	-	-	**49,255**	**1,115**	**1,267**	**76,835**	**128,472**	**173**	**128,645**
Transactions with owners of the Company, recognized directly in equity										
Capital increase	110,000	-	-	-	-	-	(110,000)	-	-	-
Total transactions with owners of the Company, recognized directly in equity	**110,000**	-	-	-	-	-	**(110,000)**	-	-	-
Balance at 31 December 2010 (Audited)	**220,000**	**23,115**	**32,013**	**300,094**	**1,115**	**(1,530)**	**161,013**	**735,820**	**1,632**	**737,452**
Balance at 1 January 2011	**220,000**	**23,115**	**32,013**	**300,094**	**1,115**	**(1,530)**	**161,013**	**735,820**	**1,632**	**737,452**
Profit for the period	-	-	-	-	-	-	75,381	75,381	436	75,817
Change in fair value of available for sale financial assets, net of tax	-	-	-	(32,500)	-	-	-	(32,500)	-	(32,500)
Change in hedge reserve of joint ventures	-	-	-	-	425	-	-	425	-	425
Change in fair value of available for sale assets held by associates, net of tax	-	-	-	(1,964)	-	-	-	(1,964)	-	(1,964)
Foreign currency translation differences	-	-	-	-	-	1,239	-	1,239	-	1,239
Total comprehensive income for the period	-	-	-	**(34,464)**	**425**	**1,239**	**75,381**	**42,581**	**436**	**43,017**
Transactions with owners of the Company, recognized directly in equity	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2011 (Reviewed)	**220,000**	**23,115**	**32,013**	**265,630**	**1,540**	**(291)**	**236,394**	**778,401**	**2,068**	**780,469**

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

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

		Reviewed	
	Notes	30 June 2011	30 June 2010
Cash flows from operating activities:			
Net income for the period		75,817	72,541
Adjustments for:			
Loss on sales of property, plant and equipment		(1,050)	257
Income tax expense	20	23,166	12,132
Depreciation and amortization	17	10,442	10,326
Share of profit of equity accounted investees	11	375	(20,867)
Interest income	18	(343)	(239)
Interest expense	19	16,232	12,297
Unrealized foreign exchange (gains)/losses		11,416	(9,317)
Provision for Competition Authority penalty	13.1	25,439	-
Warranty provision expense	17	19,205	14,917
Dealer premium accrual	14	3,512	-
Provision for vacation pay liability		162	1,440
Provision for employee benefits		905	546
Legal provision expenses		2,036	944
Provision for doubtful receivables		247	259
Provision for diminution in the value of inventories	10	229	116
Dividend income	18	(3,163)	(1,522)
Changes in operating assets and liabilities			
Trade receivables		72,169	7,015
Due to / due from related parties		(89,817)	(5,395)
Inventories		(19,938)	(48,239)
Trade payables		10,614	43,330
Other assets / liabilities, net		(24,742)	19,061
Legal penalties paid		(4,652)	(1,602)
Employee termination benefits paid		(972)	(385)
Warranty claims paid		(14,686)	(14,015)
Income tax paid		(24,663)	(4,523)
Net cash provided by operating activities		**87,940**	**89,077**
Investing activities:			
Acquisition of property, plant, equipment		(98,133)	(11,228)
Proceeds from sales of property, plant, equipment		5,240	511
Acquisition of intangible assets		(967)	(876)
Dividends received		3,163	1,522
Net cash used in investing activities		**(90,697)**	**(10,071)**
Financing activities:			
Interest received		343	239
Interest paid		(9,610)	(11,833)
Repayment of loans and borrowings		(105,498)	(64,599)
Proceeds from issuance of loans and borrowings		166,900	2,763
Net cash provided/(used in) by financing activities		**52,135**	**(73,430)**
Effects of foreign exchange rate fluctuations on cash and cash equivalents		**(6,923)**	**(2,328)**
Net increase in cash and cash equivalents		**42,455**	**3,248**
Cash and cash equivalents at 1 January		27,727	30,263
Cash and cash equivalents at 30 June	5	**70,182**	**33,511**

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

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 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 Istanbul Stock Exchange Market since 17 June 2004.

The Company's subsidiaries as at 30 June 2011 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 Misr 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 average number of blue-collar employees of the Group for the six month period ended 30 June 2011 is 679 (31 December 2010: 663) whereas the average number of white-collar employees of the Group for the six month period ended 30 June 2011 is 1,267 (31 December 2010: 1,154).

NOTE 2 - BASIS OF PREPARATION

2.1 Statement of compliance

The accompanying condensed consolidated interim 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 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 by the European Union. However, in the application of Temporary Article 5 of Communiqué No: XI-29, 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.

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.

As at the date of this report, as the differences between IFRS as accepted by the European Union and IFRS issued by IASB has not been issued by TASB, the accompanying condensed consolidated interim financial statements have been prepared in accordance with TFRS which are identical to IAS/IFRS to conform with Communiqué No: XI-29. The accompanying 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.

2.2 Basis of presentation

Basis of presentation of consolidated financial statements

The Company and its subsidiaries 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 subsidiaries 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 subsidiary 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.

NOTE 2 - BASIS OF PREPARATION (Continued)

2.2 Basis of presentation (Continued)

Basis of presentation of consolidated financial statements (Continued)

The accompanying condensed consolidated interim financial statements are approved by the Board of Directors of the Company for issue on 24 August 2011.

Basis of measurement

The condensed consolidated interim financial statements have been prepared based on the historical cost, except for the available for sale financial assets which are measured at fair value.

2.3 Changes in IFRS

New standards and interpretations effective as at 1 January 2011 or for the fiscal periods starting subsequent to 1 January 2011 are presented below:

(a) New standards amendments and interpretations adopted in 2011 that have no effect on Group's financial statements:

- IFRS 1 (Amendments), "First-Time Adoption of IFRS-Additional Exemptions"
- IFRS 2 "Share Based Payments" (Group Cash-settled Share-based Payment Transactions)
- IAS 24 (Revised 2009), "Related Party Disclosures"
- IAS 32 (Amendments), "Financial Instruments: Presentation"
- UFRS 1, "Limited Exemptions from Comparative IFRS 7 for First time Adopters"
- IFRIC 14 (Amendments), "Pre-payment of a Minimum Funding Requirement"
- IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments"
- Annual Amendments to IFRSs issued in May 2010: IFRS 1, "First-time Adoption of International Financial Reporting Standards"; IFRS 3, "Business Combinations"; IFRS 7, "Financial Instruments: Disclosures"; IAS 27, "Consolidated and Separate Financial Statements"; IAS 34, "Interim Financial Reporting" and IFRIC 13, "Customer Loyalty Programs ".

(b) Standards, amendments and interpretations to existing standards that are not yet effective in 2011 and have not been early adopted by the Group

- IFRS 9, "Financial Instruments: Classification and Measurement of Financial Assets and Liabilities"
- IAS 12 (Amendment), "Income Taxes"- Deferred taxes: Recovery of Underlying Assets
- IFRS 7, Financial Instruments – Disclosures related to comprehensive review of off-balance sheet activities (Amendment), (The amendment will be effective for annual periods beginning on or after 1 July 2011.)
- IFRS 1 (Amendments), "First-Time Adoption of IFRS"
- IAS 1 Presentation of Items of Other Comprehensive Income
- IFRS 10 supersedes IAS 27, "Consolidated and Separate Financial Statements" and SIC 12, "Consolidation - Special Purpose Entities"
- IFRS 11 supersedes IAS 31 and SIC-13 Jointly Controlled Entities Non-Monetary Contributions by Ventures
- IFRS 12 "Disclosure of Interest in Other Entities"

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

NOTE 2 - BASIS OF PREPARATION (Continued)

2.3 Changes in IFRS (Continued)

(b) Standards, amendments and interpretations to existing standards that are not yet effective in 2011 and have not been early adopted by the Group (Continued)

- IFRS 13 Fair Value Measurement
- IAS 27 (2011) Separate Financial Statements – Supersedes IAS 27 (2008)
- IAS 28 (2011) Investments in Associates and Joint Ventures – Supersedes IAS 28 (2008)
- IAS 19 (Amendments), “Employee Benefits”

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 accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

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 June 2011 and 31 December 2010:

	30 June 2011	**31 December 2010**
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 %

(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

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 June 2011 and 31 December 2010:

	30 June 2011	**31 December 2010**
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 Istanbul Taşıt Muayene İstasyonları İşletim Anonim Şirketi ("TÜVTURK Istanbul")(*)	33.33 %	33.33 %
Meiller Doğuş Damper Sinai ve Ticaret Ltd, Şti, ("Meiller-Doğuş")	49.00 %	49.00 %
Krone Doğuş Treyler Sanayi ve Ticaret A,Ş, ("Krone-Doğuş")	48.00 %	48.00 %

(*) Since the Company had not participated in the capital increase in TUVTURK Istanbul, 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 Istanbul through TUVTURK Kuzey and TUVTURK Güney, total ownership of the Company in TUVTURK Istanbul 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 condensed consolidated interim 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 June 2011 and 31 December 2010:

	30 June 2011	**31 December 2010**
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.

NOTE 2 - BASIS OF PREPARATION (Continued)

2.4 Basis of Consolidation (Continued)

(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.

(v) Functional and presentation currency

Items included in the financial statements of Subsidiaries, Joint Ventures and Associates are presented in the functional currencies in their primary economic environments in which they maintain their operations. The condensed consolidated interim financial statements are presented in TL, which is Doğuş Otomotiv’s functional and presentation currency.

2.5 Offsetting

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.

2.6 Comparative information

The Group has prepared the condensed consolidated interim statement of financial position as at 30 June 2011 comparatively with the consolidated statement of financial position as at 31 December 2010, and the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statements of cash flows and changes in equity in the six-month period between 1 January and 30 June 2011 comparative to the six-month period between 1 January and 30 June 2010.

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 six month period ended 30 June 2011 and to the consolidated financial statements for the year ended 31 December 2010.

The condensed consolidated interim financial statements as at and for the six month period ended 30 June 2011 should be read together with the consolidated financial statements as at and for the year ended 31 December 2010.

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 11 “Investments in Equity Accounted Investees”.

(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 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 six month periods ended 30 June 2011 and 2010 are as follows:

For the six month period ended 30 June 2011	**Passenger Segment**	**Commercial Segment**	**Other Segments**	**Total**
Revenue from external customers	1,423,312	787,424	220,722	2,431,458
Cost of sales (-)	(1,285,197)	(694,348)	(151,669)	(2,131,214)
Gross profit	**138,115**	**93,076**	**69,053**	**300,244**
General administration expenses (-)	(26,359)	(7,563)	(39,145)	(73,067)
Selling, marketing and distribution expenses (-)	(37,633)	(16,600)	(14,215)	(68,448)
Warranty expenses (-)	(10,148)	(4,580)	42	(14,686)
Other operating income, net	4,211	426	1,106	5,743
Operating income	**68,186**	**64,759**	**16,841**	**149,786**

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

NOTE 4 – OPERATING SEGMENTS (Continued)

For the six month period ended 30 June 2010	**Passenger Segment**	**Commercial Segment**	**Other Segments**	**Total**
Revenue from external customers	809,152	397,988	186,212	1,393,352
Cost of sales (-)	(722,734)	(344,408)	(125,752)	(1,192,894)
Gross profit	**86,418**	**53,580**	**60,460**	**200,458**
General administration expenses (-)	(19,440)	(6,150)	(29,609)	(55,199)
Selling, marketing and distribution expenses (-)	(26,276)	(11,107)	(11,314)	(48,697)
Warranty expenses (-)	(9,622)	(4,428)	-	(14,050)
Other operating income, net	294	54	219	567
Operating income	**31,374**	**31,949**	**19,756**	**83,079**

For the three month period ended 30 June 2011	**Passenger Segment**	**Commercial Segment**	**Other Segments**	**Total**
Revenue from external customers	779,164	400,204	115,242	1,294,610
Cost of sales (-)	(701,513)	(353,912)	(80,495)	(1,135,920)
Gross profit	**77,651**	**46,292**	**34,746**	**158,690**
General administration expenses (-)	(14,810)	(3,945)	(22,006)	(40,761)
Selling, marketing and distribution expenses (-)	(21,884)	(9,362)	(7,290)	(38,536)
Warranty expenses (-)	(4,935)	(1,656)	27	(6,564)
Other operating income, net	5,596	435	1,001	7,032
Operating income	**41,618**	**31,764**	**6,479**	**79,861**

For the three month period ended 30 June 2010	**Passenger Segment**	**Commercial Segment**	**Other Segments**	**Total**
Revenue from external customers	509,137	230,583	98,086	837,806
Cost of sales (-)	(453,821)	(196,606)	(69,429)	(719,856)
Gross profit	**55,316**	**33,977**	**28,657**	**117,950**
General administration expenses (-)	(9,464)	(1,500)	(15,884)	(26,848)
Selling, marketing and distribution expenses (-)	(15,858)	(6,719)	(6,034)	(28,611)
Warranty expenses (-)	(5,551)	(2,351)	-	(7,902)
Other operating income/ (expense), net	(1,584)	(942)	927	(1,599)
Operating income	**22,859**	**22,465**	**7,666**	**52,990**

(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 six month period ended 30 June 2011	For the six month period ended 30 June 2010
Operating profit for reportable segments	149,786	83,079
Provision for legal exposures and indemnities	1,371	(4,086)
Provision for diminution in value of inventories	(229)	(116)
Warranty provision expense, net	(4,519)	(867)
Depreciation and amortization	(1,429)	(2,137)
Share of profit of equity accounted investees	673	21,404
Finance costs, net	(24,020)	(12,328)
Provision for employee termination benefits, net	1,226	1,163
Competition authority penalty provision	(25,439)	-
Provision for unused vacation liability, net	(162)	(1,440)
Other	1,725	1
Profit before tax	**98,983**	**84,673**

	For the three month period ended 30 June 2011	For the three month period ended 30 June 2010
Operating profit for reportable segments	79,861	52,990
Provision for legal exposures and indemnities	2,605	(4,065)
Provision for diminution in value of inventories	(153)	(13)
Warranty provision expense, net	(4,029)	(308)
Depreciation and amortization	(141)	(574)
Share of profit of equity accounted investees	993	12,250
Finance costs, net	(10,492)	(6,391)
Provision for employee termination benefits, net	838	1,015
Provision for unused vacation liability, net	(335)	(1,440)
Other	1,136	2
Profit before tax	**70,283**	**53,466**

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

NOTE 5 – CASH AND CASH EQUIVALENTS

As at 30 June 2011 and 31 December 2010, cash and cash equivalents comprise the following:

	30 June 2011	31 December 2010
Cash on hand	256	65
Cash at banks	69,926	27,662
- Demand deposits	9,535	5,804
- Time deposits/reverse repo	44,185	2,605
- Credit card receivables	16,206	19,253
Total	**70,182**	**27,727**

As at 30 June 2011, the effective interest rate on TL denominated time deposits is 8.39% (31 December 2010: USD 0.50% and EUR 0.50%).

There is no blocked deposit as at 30 June 2011 and 31 December 2010.

Foreign currency risk exposure of cash and cash equivalents are presented under Note 23.

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

NOTE 6 – AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 30 June 2011 and 31 December 2010, available-for-sale financial assets comprise of the following:

	30 June 2011		31 December 2010	
	Ownership interest (%)	Carrying Amount	Ownership interest (%)	Carrying Amount
Doğuş Holding (*)	3.72	347,506	3.72	381,718
Garanti Yatırım	0.03	9	0.03	8
		347,515		**381,726**

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 year are as follows:

	2011	2010
Balance at 1 January	381,726	329,548
Change in fair value of available-for-sale financial assets	(34,211)	4,160
Balance at 30 June	**347,515**	**333,708**

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

NOTE 7 – FINANCIAL LIABILITIES

As at 30 June 2011 and 31 December 2010, financial liabilities comprise the following:

	30 June 2011		31 December 2010	
	Interest Rate	**Amount**	**Interest Rate**	**Amount**
Short-term borrowings:				
TL denominated interest bearing borrowings	%8.25 - %10.40	212,164	%7.00 - %9.70	184,401
TL denominated non-interest bearing borrowings (*)	-	16,884	-	21,657
Finance lease liabilities :				
CHF denominated finance lease liabilities	%4.40	363	%4.40	292
Short-term portion of long-term borrowings:				
Euro denominated borrowings	EURIBOR+%0.13-0.35	34,339	EURIBOR+%0.13-0.35	34,725
USD denominated borrowings	LIBOR+%1.75-1.95	16,244	LIBOR+%1.75-1.95	20,329
CHF denominated borrowings	%3.75	1,603	%3.75	1,644
TL denominated borrowings	TRLIBOR+%1.75	1,219		-
Total short term financial liabilities		**282,816**		**263,048**

(*) As at 30 June 2011, Group has non-interest bearing TL denominated loans from various financial institutions amounting to TL 16,884 thousand, which have been obtained to pay value added taxes, custom taxes and special consumption taxes (31 December 2010: TL 21,657 thousand)

	30 June 2011		31 December 2010	
	Interest Rate	**Amount**	**Interest Rate**	**Amount**
Long-term borrowings:				
TL denominated borrowings	TRLIBOR+%1.75	70,000	-	-
Euro denominated borrowings	EURIBOR+%0.13-0.35	22,681	EURIBOR+%0.13-0.35	35,196
USD denominated borrowings	LIBOR+%1.75-1.95	27,728	LIBOR+%1.75-1.95	33,895
CHF denominated borrowings	%3.75	17,593	%3.75	15,056
Finance lease liabilities :				
CHF denominated finance lease liabilities	%4.40	1,416	%4.40	1,351
Total long term financial liabilities		**139,418**		**85,498**

As at 30 June 2011, the repayment schedule of long-term borrowings including their short-term portions is as follows:

Payment Period	**Orginal Amount (TL thousand)**	**Orginal Amount (USD thousand)**	**Orginal Amount (Euro thousand)**	**Orginal Amount (CHF thousand)**	**TL Equivalents**
2011	1,219	5,049	7,095	820	27,721
2012	-	9,830	12,349	-	45,035
2013	10,000	2,688	4,827	3,000	31,586
2014 and on	60,000	9,406	-	6,000	87,065
Total	**71,219**	**26,973**	**24,271**	**9,820**	**191,407**

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

NOTE 7 – FINANCIAL LIABILITIES (Continued)

As at 31 December 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
2011	13,150	16,947	1,000	56,700
2012	9,830	12,349	-	40,501
2013	2,688	4,827	3,000	18,978
2014 and on	9,406	-	6,159	24,666
Total	**35,074**	**34,123**	**10,159**	**140,845**

Foreign currency and liquidity risk exposure of financial liabilities are presented under Note 23.

As at 30 June 2011 and 31 December 2010, there are no debt covenants defined in credit agreements signed regarding to financial liabilities.

NOTE 8 – TRADE RECEIVABLES AND PAYABLES

Trade receivables and guarantees received

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 24,982 thousand of total trade receivables are covered via letters of guarantee (31 December 2010: TL 64,055 thousand).

As at 30 June 2011, overdue trade receivables that are not impaired amount to TL 2,719 thousand (31 December 2010: TL 1,944 thousand), TL 496 thousand of such overdue receivables are covered via guarantee letters (31 December 2010: TL 1,376 thousand).

Trade Payables

As at 30 June 2011 and 31 December 2010, trade payables are consisted of the following:

	30 June 2011	31 December 2010
Volkswagen AG	150,704	155,721
Audi AG	96,043	64,401
Payable to dealers	28,717	-
Seat SA	20,007	13,320
Mediacom İstanbul Medya Hizmetleri A.Ş.	3,022	3,259
TRT Genel Müdürlüğü	2,141	5,028
Fahrzeugwerk Bernard Krone GMBH	1,487	3,291
Mer-Tur Otomotiv ve Taşımacılık Ltd. Şti.	1,335	1,626
Scania CV AB	1,249	31,977
Unsped Paket Servisi Sanayi ve Ticaret A.Ş.	1,187	452
Vega Internatıonal Car-Transport and Lojistic Trading GES. Mbh	855	1,258
Others	19,646	31,674
Total trade payables	**326,393**	**312,007**

(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 2.17% per annum for trade payables not settled within 10 days (31 December 2010: 1.83% per annum).

Payables to dealers consists of the invoices issued by dealers related to premiums that they have deserved over the realized sales amount as at 30 June 2011.

Foreign currency and liquidity risk exposure of trade payables are presented under Note 23.

NOTE 9 – OTHER RECEIVABLES

As at 30 June 2011 and 31 December 2010, other receivables comprise of the following:

	30 June 2011	**31 December 2010**
Warranty claims (*)	16,037	15,465
Price difference receivable	4,437	-
Receivables due to insurance claims	4,362	3,942
Personnel life and health insurance receivable	979	-
Other	2,458	2,098
Total	**28,273**	**21,505**

(*) Warranty claims comprise of the amounts to be paid by the suppliers in regards to the portion of warranty expenses of the vehicles imported by the Group, Original Equipment Manufacturers ("OEM")'s are responsible for.

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

NOTE 10 - INVENTORIES

As at 30 June 2011 and 31 December 2010, inventories comprise of the following:

	30 June 2011	**31 December 2010**
Goods in transit (*)	289,936	296,478
Merchandise stocks – vehicles	71,135	64,470
Merchandise stocks – spare parts	63,502	43,687
	424,573	**404,635**
Provision for diminution in the value of inventories (-)	(2,302)	(2,073)
Total	**422,271**	**402,562**

(*) 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 2,111,569 thousand for the period ended 30 June 2011 (30 June 2010: TL 1,176,384 thousand).

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

	2011	**2010**
Balance at 1 January	2,073	1,618
Additions during the year	-	-
Utilized provisions during the year (-)	229	116
Balance at 30 June	**2,302**	**1,734**

As at 30 June 2011, total carrying value of the damaged and slow moving inventories, entirely spare parts, measured at net realizable value is TL 460 thousand (31 December 2010: TL 150 thousand).

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

NOTE 11 –INVESTMENTS IN EQUITY ACCOUNTED INVESTEES

As at 30 June 2011 and 31 December 2010, investment in associates, joint ventures and the Group's share of ownership are as follows:

	30 June 2011		31 December 2010	
	Ownership %	Carrying Amount	Ownership %	Carrying Amount
Associates				
VDTF	48	26,413	48	23,083
Doğuş Sigorta	42	21,716	42	23,319
Yüce Auto	50	6,051	50	7,088
VDF Servis Holding	38.22	4,079	38.22	3,225
LPD Holding	38.22	-	38.22	6,507
Total		**58,259**		**63,222**
Joint ventures				
Krone-Doğuş	48	29,430	48	29,530
TÜVTURK Kuzey	33.33	17,262	33.33	14,578
TÜVTURK Güney	33.33	14,572	33.33	12,333
TÜVTURK İstanbul	33.33	14,304	33.33	16,078
Meiller-Doğuş	49	-	49	-
Total		**75,568**		**72,519**
Grand total		**133,827**		**135,741**

Since total liabilities of the Group's associates and joint ventures exceed their total assets, unrecognized amount under equity accounting method is TL 8,235 thousand as at 30 June 2011 (31 December 2010: TL 2,740 thousand).

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

	2011	2010
Balance at 1 January	135,741	110,590
Change in fair value of available-for-sale financial assets held by associates	(2,066)	(529)
Shares in profit/(loss) of associates and joint ventures, net(*)	(375)	20,867
Change in hedge reserve of joint ventures	425	-
Deferred tax effect in relation to change in fair value of available-for-sale financial assets held by associates	102	26
Balance at 30 June	**133,827**	**130,954**

(*) Unrealized gains amounting to TL 1,049 thousand from transactions with equity accounted investees to the extent of Group's interest in investee eliminated against the investment in preparing the consolidated financial statement (31 December 2010:TL 859 thousand)

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

NOTE 11 –INVESTMENTS IN EQUITY ACCOUNTED INVESTEES (Continued)

As at 30 June 2011 and 31 December 2010, total assets, liabilities and results of the periods of the Group's associates and joint ventures are presented below:

	30 June 2011						30 June 2011		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Profit /(Loss)
Investment in associates	1,502,492	279,606	1,782,098	1,387,694	311,195	1,698,889	238,994	(213,211)	25,783
Joint ventures	181,369	1,367,767	1,549,136	116,108	1,157,507	1,273,615	440,171	(444,823)	(4,652)

	31 December 2010						30 June 2010		
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Income	Expenses (-)	Profit
Investment in associates	1,235,322	260,996	1,496,318	1,132,706	287,253	1,419,959	310,760	(268,171)	42,588
Joint ventures	224,912	1,414,593	1,639,505	112,003	1,248,026	1,360,029	381,516	(380,555)	961

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

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment and related accumulated depreciation for the six month period ended 30 June 2011 are as follows:

	1 January 2011	Additions	Disposals	Transfers	Foreign currency translation difference	30 June 2011
Cost:						
Land	67,618	70,854	-	-	642	139,114
Land improvements	10,332	4	-	-	-	10,336
Buildings	102,430	95	-	274	5,459	108,258
Machinery and equipments	22,736	1,507	(254)	-	718	24,707
Motor vehicles	32,355	12,649	(2,652)	-	(571)	41,781
Furniture and fixtures	24,663	1,259	(2,168)	160	-	23,914
Leasehold improvements	38,763	-	(5,470)	3,531	-	36,824
Constructions in progress	55,038	13,975	-	(3,965)	-	65,048
	353,935	**100,343**	**(10,544)**	**-**	**6,248**	**449,982**
Accumulated depreciation:						
Land improvements	(9,434)	(112)	-	-	-	(9,546)
Buildings	(22,782)	(1,285)	-	-	(161)	(24,228)
Machinery and equipments	(10,598)	(1,381)	243	-	(204)	(11,940)
Motor vehicles	(11,377)	(3,482)	1,522	-	(19)	(13,356)
Furniture and fixtures	(19,611)	(984)	2,006	-	-	(18,589)
Leasehold improvements	(23,599)	(1,925)	2,592	-	-	(22,932)
	(97,401)	**(9,169)**	**6,363**	**-**	**(384)**	**(100,591)**
Carrying amount	**256,534**					**349,391**

Total depreciation expense amounting to TL 9,169 thousand (30 June 2010: TL 8,159 thousand) has been allocated to general administrative expenses in the condensed consolidated income statement for the six month period ended 30 June 2011.

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

As at 30 June 2011 there is a lien on land owned by the Group amounting to TL 70,000 thousands and a lien on buildings amounting to USD 21,500 thousand equivalent to TL 35,049 thousand (31 December 2010: USD 21,500 thousand equivalent to TL 33,239 thousand).

Net book value of machinery and equipments acquired through finance lease is TL 1,510 thousand as at 30 June 2011 (31 December 2010: TL 1,450 thousand).

As at 30 June 2011, borrowing cost amounting to TL 1,231 thousand is capitalized on fixed assets. (31 December 2010: Nil)

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

NOTE 12 – PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	1 January 2010	Additions	Disposals	Transfers	Foreign curreny translation differences	30 June 2010
Cost:						
Land	93,304	-	-	-	761	94,065
Land improvements	10,243	86	-	-	-	10,329
Buildings	96,090	463	-	3,742	72	100,367
Machinery and equipments	21,701	576	(177)	-	1,246	23,346
Motor vehicles	21,296	7,529	(1,360)	-	-	27,465
Furniture and fixtures	25,635	259	(530)	-	-	25,364
Leasehold improvements	40,362	-	-	577	-	40,939
Constructions in progress	26,326	1,211	-	(4,319)	-	23,218
	334,957	**10,124**	**(2,067)**	**-**	**2,079**	**345,093**
Accumulated depreciation:						
Land improvements	(9,348)	(107)	-	-	-	(9,455)
Buildings	(20,849)	(1,260)	-	-	(9)	(22,118)
Machinery and equipments	(8,734)	(1,345)	167	-	(11)	(9,923)
Motor vehicles	(9,849)	(2,021)	795	-	-	(11,075)
Furniture and fixtures	(19,269)	(1,210)	348	-	-	(20,131)
Leasehold improvements	(23,052)	(2,216)	-	-	-	(25,268)
	(91,101)	**(8,159)**	**1,310**	**-**	**(20)**	**(97,970)**
Carrying amount	**243,856**					**247,123**

NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

13.1 Provisions

The breakdown of provisions as at 30 June 2011 and 31 December 2010 is presented below:

	30 June 2011	**31 December 2010**
Provision for Competition Authority investigation (*)	37,339	11,900
Warranty provisions	16,318	11,799
Legal provisions	10,350	12,589
Unused vacation provision	1,655	1,493
Special Consumption Tax (“SCT”) provision	-	377
Total	**65,662**	**38,158**

(*)Pursuant to Competition Authority’s decision numbered 09-41/998-M dated 9 September 2009, an investigation has been launched against various enterprises operating in motor vehicles market, including the Company, in order to determine existence of the violation of Article 4 of Competition Protection Law according to article 41 of the law.

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

NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.1 Provisions (Continued)

The related investigation was ended in 19 April 2011 and the penalty charged to the Company is TL 49,786 thousand. The Group set provision amounting to 75% of charged penalty since the Group will take advantage of prepayment option. The provision of TL 25,439 thousand set by the Group as at 30 June 2011 was recognized under "Other Operating Expense".

13.2 Letter of Guarantees Given, Pledges and Mortgages

As at 30 June 2011 and 31 December 2010, the Group's position related to letters of guarantee given, pledges and mortgages ("GPM") are as follows:

	30 June 2011				
		Original Balances			
	Total TL equivalent	**Full TL**	**Full USD**	**Full Euro**	**Full CHF**
A. Total amount of GPM given on behalf of own legal personality	750,845	90,737,848	21,500,000	261,911,787	5,000,000
B. Total amount of GPM given in favor of partnerships which is consolidated	100,433	17,029,427	12,500,000	17,675,000	11,000,000
C. Total amount of GPM given for assurance of third parties debts in order to conduct of usual business activities	235	-	-	100,000	-
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 3rd parties which C doesn't comprise	-	-	-	-	-
Total GPM	**851,513**	**107,767,275**	**34,000,000**	**279,686,787**	**16,000,000**

	31 December 2010				
		Original Balances			
	Total TL equivalent	**Full TL**	**Full USD**	**Full Euro**	**Full CHF**
A. Total amount of GPM given on behalf of own legal personality	487,697	20,227,813	21,500,000	211,911,787	-
B. Total amount of GPM given in favor of partnerships which is consolidated	82,244	400,000	12,500,000	17,675,000	16,000,000
C. Total amount of GPM given for assurance of third parties debts in order to conduct of usual business activities	205	-	-	100,000	-
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 3rd parties which C doesn't comprise	-	-	-	-	-
Total GPM	**570,146**	**20,627,813**	**34,000,000**	**229,686,787**	**16,000,000**

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

NOTE 13 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

13.3 Letter of Guarantees and Sureties Received

Letter of Guarantees Received

	30 June 2011	31 December 2010
Letter of guarantees received from dealers	83,249	162,960
Letters of guarantees received from fixed asset and service suppliers	14,668	9,677
Letters of guarantees received from fleet customers	3,500	3,756
Total	**101,417**	**176,393**

As at 30 June 2011, TL 10,665 thousand out of the total, TL 83,249 thousand (31 December 2010: TL 162,960 thousand), letters of guarantee received from dealers, were given by the Group’s related party Türkiye Garanti Bankası A.Ş. (“Garanti Bankası”) (31 December 2010: TL 32,454 thousand).

Sureties Received

	30 June 2011	31 December 2010
Doğuş Holding	126,278	110,147
Total	**126,278**	**110,147**

As at 30 June 2011, TL 126,278 thousand (31 December 2010: TL 110,147 thousand) of the total sureties obtained from Doğuş Holding in relation to the total debt amounting to TL 113,319 has been paid by the Group (31 December 2010: TL 87,913 thousand).

13.4 Operating Leases

	30 June 2011	31 December 2010
2011	8,338	12,761
2012	8,585	10,647
2013 and on	13,687	25,989
	30,610	**49,397**

The operational lease liability amounting to TL 21,405 thousand is related to operational lease contracts signed with Group's related parties (31 December 2010: TL 41,797 thousand).

NOTE 14 – OTHER CURRENT LIABILITIES

As at 30 June 2011 and 31 December 2010, other current liabilities comprise of the following:

	30 June 2011	31 December 2010
Value added tax (“VAT”) payable	12,785	20,460
Expense accruals	5,001	3,225
Taxes and withholdings payable	4,272	3,856
Dealer premium accrual	3,512	-
Advances taken	2,978	8,034
Other	767	3,584
Total	**29,315**	**39,159**

Dealer premium accrual consists of the premium amount deserved by the dealers over the realized sales as at June 30 2011.

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

NOTE 15 – OTHER CURRENT ASSETS

As at 30 June 2011 and 31 December 2010, other current assets comprise of the following:

	30 June 2011	31 December 2010
Prepaid expenses	20,726	5,759
Income accruals	2,236	6,288
VAT receivable	2,198	2,177
Advances given	381	3,732
Total	**25,541**	**17,956**

NOT 16 - CAPITAL AND RESERVES

The paid-in share capital of the Company comprises of 220,000,000 units of registered shares with a nominal value of TL 1 each as at 30 June 2011. There is no different type of share and no privilege given to specific shareholders.

As at 30 June 2011 and 31 December 2010, the composition of the Company's shareholding structure is as follows:

	30 June 2011		31 December 2010	
Shareholders	**TL**	**Shareholding (%)**	**TL**	**Shareholding (%)**
Doğuş Holding	77,462	35.21	77,462	35.21
Publicly held	75,900	34.50	75,900	34.50
Doğuş Araş. Geliş. ve Müşv. A.Ş.	66,638	30.29	66,638	30.29
Paid-in capital	**220,000**	**100.00**	**220,000**	**100.00**
Inflation adjustment difference	23,115		23,115	
Total	**243,115**		**243,115**	

Legal reserves

Under the Turkish Commercial Code, Turkish companies are required to set aside first and second level legal reserves out of their profits. First level legal reserves are set aside as up to 5% of the distributable income per the statutory accounts each year. The ceiling of the first level reserves is 20% of the paid-in share capital. In case of a profit distribution in accordance with CMB regulations, second level legal reserves are set aside by rate of 1/10 for all cash distribution exceeding 5% of the share capital. In case of a profit distribution in accordance with statutory records, second level legal reserves are set aside by rate of 1/11 for all cash distribution exceeding 5% of the share capital. First and second level legal reserves cannot be distributed until they exceed 50% of the capital, but the reserves can solely be used for offsetting the losses in case of running out of arbitrary reserves. As at 30 June 2011, the legal reserves of the Company amounted to TL 32,013 thousand (31 December 2010: TL 32,013 thousand).

NOTE 16 – CAPITAL AND RESERVES (Continued)

Fair value reserves

Available for sale financial assets are recognized in consolidated financial statements at their fair values. The valuation differences realized at the reporting date in carrying amount of the available for sale financial assets is recognized in "Fair value reserves" under equity in the consolidated financial statements. As at 30 June 2011, the fair value reserves of the Group amounted to TL 265,630 thousand (31 December 2010:TL 300,094 thousand).

Hedge reserves

Hedge reserve of the Group's joint ventures comprise the effective portion of the cumulative net change in the fair value of derivative transactions that are defined as risk hedging of cash flows. As at 30 June 2011, the hedge reserves of the Group amounted to TL 1,540 thousand (31 December 2010: TL 1,115 thousand).

Foreign currency translation differences

Foreign currency translation differences comprise the foreign currency exchange rate differences arising from the translation of the financial statements on foreign currencies from functional currency to the presentation currency of the Group. As at 30 June 2011, the foreign currency translation differences of the Group amounted to TL (291) thousand (31 December 2010: TL (1,530) thousand).

Dividend

The total amount of profit after the deduction of accumulated losses at statutory records and inflation adjustment difference that can be subject to the dividend distribution of 2010 is TL 203,118 thousand.

In the General Assembly Meeting which is held on 27 April 2011, it is decided not to distribute any dividends on the previous year's distributable profit, which is obtained by deducting previous year's losses and legal reserves from period income, and decided to retain the distributable profit as "Extraordinary Reserve" within the Company.

Retained earnings

Accumulated profits other than net current year profit and extraordinary reserves are classified under the retained earnings. As at 30 June 2011, retained earnings and extraordinary reserves are TL (64,383) thousand and TL 225,396 thousand respectively (31 December 2010: TL (64,383) thousand and TL 76,103 thousand).

Non-controlling interests

Equity in a subsidiary that is not attributable, directly or indirectly, to a parent is classified under the "Non-controlling interests" in the consolidated financial statements. As at 30 June 2011 and 31 December 2010, the related amounts in the "Non-controlling interest" in the condensed consolidated interim financial statements are respectively TL 2,068 thousand and TL 1,632 thousand. In addition, net profit or loss in a subsidiary that is not attributable, directly or indirectly, to a parent is also classified under the "Non-controlling interests" in the condensed consolidated interim income statement.

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

NOTE 17 - SELLING, MARKETING AND DISTRIBUTION EXPENSES, GENERAL ADMINISTRATION EXPENSES, AND WARRANTY EXPENSES

The breakdown of operating expenses for the six month period ended 30 June is presented below:

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
General administration expenses	72,061	37,795	61,698	31,911
Selling, marketing and distribution expenses	68,448	38,536	48,697	28,611
Warranty expenses	19,205	10,593	14,917	8,209
Total	**159,714**	**86,924**	**125,312**	**68,731**

17.1 Selling, marketing and distribution expenses

The breakdown of selling, marketing and distribution for the six and three month period ended 30 June is as follows:

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Advertising expenses	29,128	17,622	19,521	12,235
Distribution expenses	18,244	9,494	11,636	6,651
Personnel expenses	15,135	8,439	11,374	6,302
Rent expenses	125	58	2,818	1,461
Other	5,816	2,923	3,348	1,962
Total	**68,448**	**38,536**	**48,697**	**28,611**

17.2 General administration expenses

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

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Personnel expenses	35,669	18,328	28,198	14,209
Depreciation and amortization expenses	10,442	5,736	10,326	4,824
Vehicle expenses	5,978	2,917	3,439	1,686
Building expenses	4,026	2,149	4,610	2,161
Consultancy expense	2,579	1,335	2,626	1,283
Rent expenses	2,125	1,501	1,209	527
Traveling expenses	1,866	750	1,638	797
Maintenance expenses	1,289	652	1,781	1,021
Communication expenses	1,148	573	1,247	676
Litigation expenses	1,164	743	944	852
Other	5,775	3,111	5,680	3,875
Total	**72,061**	**37,795**	**61,698**	**31,911**

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

NOTE 18 – FINANCE INCOME

The breakdown of finance income for the six and three month period ended 30 June is as follows:

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Other foreign exchange gains, net	4,373	3,647	-	-
Dividend income	3,163	3,163	1,522	1,522
Interest income	278	226	38	32
Interest income charge on credit sales	65	24	201	70
Foreign exchange gains on borrowings, net	-	-	9,007	3,800
Total	**7,879**	**7,060**	**10,768**	**5,424**

NOTE 19 - FINANCE COSTS

The breakdown of finance costs for the six and three month period ended 30 June is as follows:

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Interest expense on borrowings	13,439	7,170	11,140	5,818
Foreign exchange losses on borrowings, net	11,099	6,481	-	-
Commission expenses on letters of guarantee	2,958	1,602	6,486	3,081
Interest charge on credit purchases	2,793	1,457	1,157	592
Other financial costs	1,610	842	629	341
Other foreign exchange losses, net	-	-	3,684	1,983
Total	**31,899**	**17,552**	**23,096**	**11,815**

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

NOTE 20 - TAX ASSET AND LIABILITIES

For the six and three month period ended 30 June taxation expense comprise of the following:

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Deferred tax income/(expense)	1,714	(2,352)	(504)	(1,855)
Current tax expense	(24,880)	(9,511)	(11,628)	(7,107)
Total tax expense	**(23,166)**	**(11,863)**	**(12,132)**	**(8,962)**

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 six month period ended 30 June 2011		For the six month period ended 30 June 2010
Profit before tax		98,983		84,673
Income tax using the Company's domestic tax rate	%20	(19,797)	%20	(16,935)
Disallowable expenses	%6	(5,701)	%1	(472)
Tax exempt income	(%1)	1,143	(%5)	4,585
Other	(%1)	1,189	(%1)	690
Total tax expense		**(23,166)**		**(12,132)**

		For the three month period ended 30 June 2011		For the three month period ended 30 June 2010
Profit before tax		70,283		53,466
Income tax using the Company's domestic tax rate	%20	(14,057)	%20	(10,694)
Disallowable expenses	%0	(318)	%1	(301)
Tax exempt income	(%1)	808	(%5)	2,735
Other	(%2)	1,704	%1	(702)
Total tax expense		**(11,863)**		**(8,962)**

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

NOTE 20 - TAX ASSET AND LIABILITIES (Continued)

Deferred taxes

As at 30 June 2011 and 31 December 2010, deferred tax assets and liabilities are attributable to the items detailed in the table below:

	Deferred Tax Asset		Deferred Tax Liabilities		Net Deferred Tax Asset/(Liabilities)	
	30 June 2011	**31 December 2010**	**30 June 2011**	**31 December 2010**	**30 June 2011**	**31 December 2010**
Fair value change of available for sale financial assets	-	-	(10,870)	(12,581)	(10,870)	(12,581)
Land	-	-	(610)	(607)	(610)	(607)
Carry forward tax losses	1,613	2,010	-	-	1,613	2,010
Other tangible and intangible assets	776	1,298	-	(717)	776	581
Warranty provision, net	3,264	2,360	-	-	3,264	2,360
Legal provision	2,069	1,716	-	-	2,069	1,716
Provision for diminution in value of inventories	460	332	-	-	460	332
Employee termination benefit	372	386	-	-	372	386
Unused vacation liability	331	299	-	-	331	299
Dealer premium accrual	702	-	-	-	702	-
Other	454	453	(187)	-	267	453
Total deferred tax asset/(liabilities)	10,041	8,854	(11.667)	(13,905)	(1,626)	(5,051)
Net off of tax	(8,325)	(6,677)	8,325	6,677	-	-
Total deferred tax assets	**1,716**	**2,177**	**(3,342)**	**(7,228)**	**(1,626)**	**(5,051)**

Deferred income 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 six month period ended 30 June 2011 are as follows:

	1 January 2011	**Recognized in the profit or loss**	**Recognized in other comprehensive income**	**30 June 2011**
Fair value change of available for sale financial assets	(12,581)	-	1,711	(10,870)
Land	(607)	(3)	-	(610)
Carry forward tax losses	2,010	(397)	-	1,613
Other tangible and intangible assets	581	195	-	776
Warranty provision, net	2,360	904	-	3,264
Legal provision	1,716	353	-	2,069
Provision for diminution in value of inventories	332	128	-	460
Employee termination benefit	386	(14)	-	372
Unused vacation liability	299	32	-	331
Dealer premium accrual	-	702	-	702
Other	453	(186)	-	267
	(5,051)	**1,714**	**1,711**	**(1,626)**

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

NOTE 20 - TAX ASSET AND LIABILITIES (Continued)

Deferred taxes (Continued)

The movements of temporary differences for the year ended 30 June 2010 are as follows:

	1 January 2010	Recognized in the profit or loss	Recognized in other comprehensive income	31 December 2010
Fair value change of available for sale financial assets	(9,972)	-	(208)	(10,180)
Land	(2,367)	(235)	-	(2,602)
Carry forward tax losses	8,008	(3,021)	-	4,987
Other tangible and intangible assets	6,398	1,663	-	8,061
Warranty provision, net	1,839	180	-	2,019
Legal provision	1,094	39	-	1,133
Provision for diminution in value of inventories	324	23	-	347
Employee termination benefit	341	33	-	374
Unused vacation liability	-	288	-	288
Other	(193)	526	-	333
	5,472	**(504)**	**(208)**	**4,760**

As at 30 June 2011, income tax payable amounting to TL 9,507 (31 December 2010: 9,090 TL), thousand is comprised by total of current period tax provision.

NOTE 21 - EARNINGS PER SHARE

Earnings per share, is calculated by dividing net income/(loss) 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 six and three month period ended 30 June, earnings per share are calculated as follows:

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Net profit attributable to the equity holders of the Company	75,381	58,274	72,458	44,350
Number of basic shares	220,000,000	220,000,000	220,000,000	220,000,000
Basic/diluted earnings per share (Full TL)	**0.3426**	**0.2649**	**0.3294**	**0.2015**

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

NOTE 22 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

22.1 Cash and cash equivalents:

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

	30 June 2011	31 December 2010
Garanti Bankası – bank deposits	4,586	14,072
Garanti Bankası – credit card receivables	10,142	5,507
Total	**14,728**	**19,579**

As at 30 June 2011 The Group has TL 4,586 thousand demand deposits at Garanti Bankası. As at 31 December 2010 The Group has foreign currency denominated time deposits at Garanti Bankası with 0.50% annual effective interest rates on Euro denominated time deposits and 0.50% annual effective interest rate on USD denominated time deposits.

22.2 Due from Related Parties

As at 30 June 2011 and 31 December 2010, receivables and payables to related parties comprise the following:

22.2.1 Due from associates

	30 June 2011	31 December 2010
LDP Holding	6,796	1,974
VDTF	364	332
Yüce Auto	228	274
Other	133	-
Total	**7,521**	**2,580**

22.2.2 Due from other related parties

	30 June 2011	31 December 2010
VDF Faktoring Hizmetleri A.Ş ("VDF Faktoring")	183,190	97,007
Eureko Sigorta A.Ş.("Eureko Sigorta")	1,229	1,011
Garanti Filo Yönetimi Hizmetleri A.Ş.("Garanti Filo Yönetimi")	789	1,295
Other	382	628
Total	**185,590**	**99,941**
Grand Total	**193,111**	**102,521**

As at 30 June 2011, the Group charges monthly 4% overdue interest to related parties (31 December 2010: 4% per month). Due from related parties does not contain any past due receivables.

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

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

22.3 Due to Related Parties

22.3.1 Due to associates

	30 June 2011	31 December 2010
LDP Holding	254	257
VDTF	156	-
Other	186	21
Total	**596**	**278**

22.3.2 Due to joint ventures

	30 June 2011	31 December 2010
Meiller-Doğuş	4,023	2,498
Total	**4,023**	**2,498**

22.3.3 Due to other related parties

	30 June 2011	31 December 2010
Doğuş Holding	1,119	582
Eureko Sigorta	280	1,306
Garanti Bilişim Teknolojisi ve Tic. Türk A.Ş.	-	437
Other	555	699
Total	**1,954**	**3,024**
Grand Total	**6,573**	**5,800**

22.4 Related Party Transactions

Related party transactions for the six and three month period ended 30 June are as follows:

22.4.1 Associates

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Sales and other income generating transactions				
Sale of products and returns, net	18,861	7,246	13,813	6,259
Sale of services, net	1,955	955	1,934	1,041
Other income	3,901	2,129	2,396	1,543
Total	**24,717**	**10,330**	**18,143**	**8,843**

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

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

22.4 Related Party Transactions (Continued)

22.4.1 Associates (Continued)

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Purchases and expense creating transactions				
Inventory purchases	2,660	1,681	5,021	1,089
Incentives for consumer loans	7,639	4,418	3,084	1,605
Services rendered	2,173	1,151	2,106	945
Fixed asset purchases	-	-	155	36
Other purchases	621	330	549	253
Total	**13,093**	**7,580**	**10,915**	**3,928**

22.4.2 Joint ventures

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Sales and other income generating transactions:				
Sale of products and returns, net	191	108	-	-
Financial income	-	-	5	5
Sale of services, net	1	-	-	-
Other income	-	-	5	3
Total	**192**	**108**	**10**	**8**
Purchases and expense creating transactions:				
Purchase of services	21	14	49	18
Other income	59	55	-	-
Total	**80**	**69**	**49**	**18**

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

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

22.4 Related Party Transactions (Continued)

22.4.3 Other related parties

a) Income generated from other related parties

	For the six month period ended 30 June 2011					
	Sale of products	Sale of services	Finance income	Dividend income	Other income	Total
Garanti Filo Yönetim	14,661	990	1	-	-	15,652
Doğuş Holding A.Ş	20	7	1	3,163	-	3,191
Eureko Sigorta	99	-	-	-	317	416
Other	458	136	63	-	11	668
	15,238	**1,133**	**65**	**3,163**	**328**	**19,927**

	For the six month period ended 30 June 2010				
	Sale of products	Sale of services	Finance income	Other income	Total
Garanti Filo Yönetim	9,520	851	8	-	10,379
Doğuş Holding A.Ş.	10	7	-	1,518	1,535
Eureko Sigorta	524	-	-	240	764
Other	815	225	8	26	1,074
	10,869	**1,083**	**16**	**1,784**	**13,752**

	For the three month period ended 30 June 2011					
	Sale of products	Sale of services	Finance income	Dividend income	Other income	Total
Garanti Filo Yönetim	11,918	497	-	-	-	12,415
Doğuş Holding A.Ş.	16	4	1	3,163	-	3,184
Eureko Sigorta	95	-	-	-	190	285
Other	165	42	63	-	10	280
	12,194	**543**	**64**	**3,163**	**200**	**16,164**

	For the three month period ended 30 June 2010				
	Sale of products	Sale of services	Finance income	Other income	Total
Garanti Filo Yönetim	4,235	450	8	-	4,693
Eureko Sigorta	269	-	-	105	374
Other	374	81	-	3,281	3,736
	4,878	**531**	**8**	**3,386**	**8,803**

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

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

22.4 Related Party Transactions (Continued)

22.4.3 Other related parties (Continued)

b) Expenses arising from transaction with other related parties

	For the six month period ended 30 June 2011					
	Services rendered	**Purchase of fixed assets**	**Purchase of inventories**	**Finance costs**	**Other expenses**	**Total**
Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	274	68,054	-	-	-	68,328
Eureko Sigorta	903	-	2,670	-	1,186	4,759
Antur Turizm A.Ş.	3,763	-	-	-	-	3,763
Doğuş Holding A.Ş.	2,887	-	-	-	-	2,887
Doğuş Yayın Grubu A.Ş.	2,136	-	-	-	-	2,136
VDF Faktoring	-	-	-	933	-	933
Other	659	1,240	-	-	-	1,899
	10,622	**69,294**	**2,670**	**933**	**1,186**	**84,705**

	For the six month period ended 30 June 2010					
	Services rendered	**Purchase of fixed assets**	**Purchase of inventories**	**Finance costs**	**Other expenses**	**Total**
Doğuş Holding A.Ş.	2,688	15	-	523	-	3,226
Antur Turizm A.Ş.	3,107	-	-	29	-	3,136
Doğuş Yayın Grubu A.Ş.	1,895	-	-	-	-	1,895
Eureko Sigorta	-	-	1,894	-	-	1,894
VDF Faktoring	-	-	-	18	-	18
Other	1,757	862	-	952	760	4,331
	9,447	**877**	**1,894**	**1,522**	**760**	**14,500**

	For the three month period ended 30 June 2011					
	Services rendered	**Purchase of fixed assets**	**Purchase of inventories**	**Finance costs**	**Other expenses**	**Total**
Doğuş Gayrimenkul Yatırım ve İşletme A.Ş.	-	68,054	-		-	68,054
Eureko Sigorta	452	-	1,242		1,186	2,880
Antur Turizm A.Ş.	2,294	-	-		-	2,294
Doğuş Holding A.Ş.	1,466	-	-		-	1,466
Doğuş Yayın Grubu A.Ş.	1,149	-	-		-	1,149
VDF Faktoring	-	-	-	501	-	501
Other	345	998	-		-	1,343
	5,706	**69,052**	**1,242**	**501**	**1,186**	**77,687**

	For the three month period ended 30 June 2010					
	Services rendered	**Purchase of fixed assets**	**Purchase of inventories**	**Finance costs**	**Other expenses**	**Total**
Antur Turizm A.Ş.	2,292	-	-	21	-	2,313
Doğuş Holding A.Ş.	1,539	15	-	321	-	1,875
Eureko Sigorta	-	-	1,041	-	-	1,041
Doğuş Yayın Grubu A.Ş.	956	-	-	-	-	956
VDF Faktoring	-	-	-	18	-	18
Other	1,126	684	-	239	757	2,806
	5,913	**699**	**1,041**	**599**	**757**	**9,009**

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

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

22.5 Key management personnel compensation

	For the six month period ended 30 June 2011	For the three month period ended 30 June 2011	For the six month period ended 30 June 2010	For the three month period ended 30 June 2010
Salaries and other short term employee benefits	13,784	1,952	9,788	1,816
Employee termination benefits	11	-	-	-
Total	**13,795**	**1,952**	**9,788**	**1,816**

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 six month ended 30 June 2011 and 2010 includes salaries, incentive premiums, health insurance and employer shares of Social Security Institution.

NOTE 23 - FINANCIAL INSTRUMENTS

Capital risk management

The Group's objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital structure includes payables including loans, and respectively cash and cash equivalents, paid-in capital, reserves and retained earnings.

The Board of Directors monitors the return on capital and the level of dividends to ordinary shareholders.

Group monitors its share capital by using financial liability to equity ratio. The ratio is calculated by dividing financial liabilities to equity. Total of financial liabilities comprise entire current and non-current financial liabilities whereas total equity comprise each equity item.

The following table sets out the Group's financial liabilitiy to equity ratio as at 30 June 2011 and 31 December 2010:

	30 June 2011	31 December 2010
Total financial liabilities	422,234	348,546
Total equity	780,469	737,452
Financial liabilities/equity ratio	**0.54**	**0.47**

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

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management

Financial risk factors

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

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

(a) Credit risk

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)

	Receivables						
	Trade Receivables		Other Receivables				
30 June 2011	Related Parties	Other Parties	Related Parties	Other Parties	Bank Deposits	Derivative Instruments	Other
Exposure to maximum credit risk as at reporting date (A+B+C+D+E) (*)	193,111	67,828	61,900	28,273	69,926		2,236
-Guaranteed portion of the maximum exposure		24,982					
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	193,111	65,109		28,273	69,926		2,236
B. Net carrying amount of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (**)							
- Guaranteed portion (A+B)		24,486					
C. Net carrying amount of financial assets which are overdue but not impaired (***)		2,719					
- Guaranteed portion		496					
D. Net carrying amount of impaired assets							
- Past due (gross book value)		1,429					
- Impairment (-)		(1,429)					
- Not Past due (gross book value)							
- Impairment (-)							
E. Off balance sheet items with credit risks (****)			61,900				

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

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(a) Credit risk (Continued)

	Receivables						
	Trade Receivables		Other Receivables				
31 December 2010	**Related Parties**	**Other Parties**	**Related Parties**	**Other Parties**	**Bank Deposits**	**Derivative Instruments**	**Other**
Exposure to maximum credit risk as at reporting date (A+B+C+D+E) (*)	102,521	140,330	55,543	21,505	27,662	-	6,288
-Guaranteed portion of the maximum exposure	-	64,055	-	-	-	-	-
A. Net carrying amount of financial assets which are neither impaired nor overdue (**)	102,521	138,386	-	21,505	27,662	-	6,288
B. Net carrying amount of financial assets that are restructured, otherwise which will be regarded as overdue or impaired (**)	-	-	-	-	-	-	-
- Guaranteed portion (A+B)	-	62,679	-	-	-	-	-
C. Net carrying amount of financial assets which are overdue but not impaired (***)	-	1,944	-	-	-	-	-
- Guaranteed portion	-	1,376	-	-	-	-	-
D. Net carrying amount of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	1,182	-	-	-	-	-
- Impairment (-)	-	(1,182)	-	-	-	-	-
- Not Past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks (****)	-	-	55,543	-	-	-	-

(*) 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 June 2011 and 31 December 2010, 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 June 2011 and 31 December 2010, 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 June 2011 and 31 December 2010, maximum level of credit risk born in relation to Letter of guarantees given in favor of related parties are indicated.

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

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

Aging of past due receivables that are not impaired

As at 30 June 2011 and 31 December 2010, the aging of past due receivables that are not impaired are as follows:

	Receivables		Deposits	Derivative	Other
30 June 2011	**Trade Receivables**	**Other Receivables**	**on Banks**	**Instruments**	
Past due 1-30 days	2,225	-	-	-	-
Past due 1-3 months	429	-	-	-	-
Past due 3-12 months	63	-	-	-	-
Past due 1-5 years	2	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	496				

	Receivables		Deposits	Derivative	Other
31 December 2010	**Trade Receivables**	**Other Receivables**	**on Banks**	**Instruments**	
Past due 1-30 days	1,828	-	-	-	-
Past due 1-3 months	21	-	-	-	-
Past due 3-12 months	9	-	-	-	-
Past due 1-5 years	86	-	-	-	-
More than 5 years	-	-	-	-	-
Portion of assets overdue secured by guarantee etc.	1,376	-	-	-	-

(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 June 2011, the Group have lines of credit amounting to TL 661,772 thousand, Euro 548,605 thousand, USD 246,333 thousand, and CHF 5,000 thousand (31 December 2010: TL 536,772 thousand, Euro 548,605 thousand and USD 246,333 thousand) as well as a factoring capacity of TL 100,000 thousand (31 December 2010: 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 261,000 thousand, and CHF 5,000 thousand equivalent to TL 520,003 thousand (31 December 2010: Euro 211,000 thousand and CHF 5,000 thousand equivalent to TL 432,360 thousand) that enables the Group to perform credit purchases from Original Equipment Manufacturers with an option to pay in 12 months; of which Euro 147,449 thousand and CHF 4,621 thousand equivalent to TL 355,421 thousand is not utilized as at 30 June 2011 (31 December 2010: Euro 97,076 thousand and CHF 4,984 thousand equivalent to TL 207,110 thousand).

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

NOTE 23 - 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 as at 30 June 2011 and 31 December 2010:

	30 June 2011					
Contractual maturities	**Carrying amount**	**Total contractual cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 Years**
Non-derivative financial liabilities						
Loans and borrowings	420,455	463,325	35,093	263,142	125,053	40,037
Finance lease liabilities	1,779	1,958	108	324	1,526	-
Due to related parties	6,573	6,573	6,573	-	-	-
Other trade payables	326,393	326,393	61,530	264,863	-	-
Other short term liabilities (*)	8,647	8,647	8,647	-	-	-
Total non-derivative financial liabilities	**763,847**	**806,896**	**111,951**	**528,329**	**126,579**	**40,037**

	31 December 2010					
Contractual maturities	**Carrying amount**	**Total contractual cash outflows**	**Less than 3 months**	**3-12 months**	**1-5 years**	**More than 5 Years**
Non-derivative financial liabilities						
Loans and borrowings	346,902	348,349	102,840	159,980	74,365	11,164
Finance lease liabilities	1,644	1,829	91	273	1,465	-
Due to related parties	5,800	5,800	5,800	-	-	-
Other trade payables	312,007	312,007	79,671	232,336	-	-
Other short term liabilities (*)	6,613	6,613	6,613	-	-	-
Total non-derivative financial liabilities	**672,966**	**674,598**	**195,015**	**392,589**	**75,830**	**11,164**

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

(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.

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

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(c) Currency risk (Continued)

Currency Sensitivity Analysis		
30 June 2011		
	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	(4,324)	4,324
2- USD risk averse portion (-)	-	-
3- Net USD Effect(1+2)	(4,324)	4,324
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	(2,355)	2,355
5- Euro risk averse portion(-)	-	-
6- Net Euro Effect (4+5)	(2,355)	2,355
TOTAL(3+6)	**(6,679)**	**6,679**

Currency Sensitivity Analysis		
31 December 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	(5,305)	5,305
2- USD risk averse portion (-)	-	-
3- Net USD Effect(1+2)	(5,305)	5,305
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	(2,460)	2,460
5- Euro risk averse portion(-)	-	-
6- Net Euro Effect (4+5)	(2,460)	2,460
TOTAL (3+6)	**(7,765)**	**7,765**

Currency Sensitivity Analysis		
30 June 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	(5,506)	5,506
2- USD risk averse portion (-)	-	-
3- Net USD Effect(1+2)	(5,506)	5,506
Assumption of devaluation/appreciation by 10% of EUR against TL		
4- Net Euro asset/liability	(5,974)	5,974
5- Euro risk averse portion(-)	-	-
6- Net Euro Effect (4+5)	(5,974)	5,974
TOTAL(3+6)	**(11,480)**	**11,480**

Foreign exchange rate for USD and Euro as at 30 June 2011 and 31 December 2010 are as follows

	30 June 2011	31 December 2010	30 June 2010
USD	1.6302	1.5460	1.5747
Avro	2.3492	2.0491	1.9217

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

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(c) Currency risk (Continued)

As at 30 June 2011, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

	30 June 2011				
		Original Amounts			
	Total TL Equivalent	Full USD	Full Euro	Full CHF	Other
Assets:					
Trade receivables	2,884	2,399	1,226,063	-	-
Monetary financial assets	1,913	291,278	602,411	5,385	5,913
Other monetary assets	302,668	-	128,838,598	-	-
Total assets	**307,465**	**293,677**	**130,667,072**	**5,385**	**5,913**
Trade payables	272,495	2,069	115,993,417	-	-
Financial liabilities	51,365	9,830,357	15,043,171	-	-
Other monetary liabilities	-	-	-	-	-
Current liabilities	**323,860**	**9,832,426**	**131,036,588**	**-**	**-**
Financial liabilities	50,409	17,008,929	9,654,589	-	-
Non-current liabilities	**50,409**	**17,008,929**	**9,654,589**	**-**	**-**
Total liabilities	**374,269**	**26,841,355**	**140,691,177**	**-**	**-**
Net foreign currency (liability)/ asset position	**(66,804)**	**(26,547,678)**	**(10,024,105)**	**5,385**	**5,913**
Monetary items net foreign currency (liability)/ asset position					
Sureties and letters of guarantee taken	138,243	300,000	58,638,750	-	-
Sureties and letters of guarantee given	722,241	34,000,000	279,686,787	16,000,000	-
Import	2,228,880	-	948,782,583	-	-

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

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

(c) Currency risk (Continued)

As at 31 December 2010, net position of the Group is resulted from foreign currency assets and liabilities as shown below:

		31 December 2010			
		Original Amounts			
	Total TL Equivalent	**Full USD**	**Full Euro**	**Full CHF**	**Other**
Assets:					
Trade receivables	5,830	-	2,819,508	32,230	-
Monetary financial assets	3,377	682,058	1,100,133	40,235	2,415
Other monetary assets	310,704	-	151,629,072	-	-
Total assets	**319,911**	**682,058**	**155,548,713**	**72,465**	**2,415**
Trade payables	272,231	183,554	132,715,301	-	-
Financial liabilities	56,160	12,913,690	17,664,196	-	-
Other monetary liabilities	-	-	-	-	-
Current liabilities	**328,391**	**13,097,244**	**150,379,497**	**-**	**-**
Financial liabilities	69,090	21,924,107	17,176,174	-	-
Non-current liabilities	**69,090**	**21,924,107**	**17,176,174**	**-**	**-**
Total liabilities	**397,481**	**35,021,351**	**167,555,671**	**-**	**-**
Net foreign currency (liability)/ asset position	**(77,570)**	**(34,339,293)**	**(12,006,958)**	**72,465**	**2,415**
Monetary items net foreign currency (liability)/ asset position					
Sureties and letters of guarantee taken	125,504	800,000	60,494,670	-	-
Sureties and letters of guarantee given	531,434	34,000,000	229,686,787	5,000,000	-
Import	2,153,319	-	1,392,832,668	-	-

As at 30 June 2011, goods in transit of the Group amount to Euro 122,632 thousand equivalents to TL 288,087 thousand (31 December 2010: Euro 144,064 thousand equivalents to TL 295,202 thousand).

(d) Interest rate risk

At 30 June 2011, if market interest rates on EURO denominated borrowings at variable rates were higher/lower by 100 basis (1%) point where all other variables held constant, higher/lower interest expense on borrowings at variable rates would cause net income for the year to be lower/higher by TL 117 thousand (31 December 2010: TL 148 thousand). At 30 June 2011, if market interest rates on USD denominated borrowings at variable rates were higher/lower by 100 basis (1%) point where all other variables held constant, higher/lower interest expense on borrowings at variable rates would cause net income for the year to be lower/higher by TL 98 thousand (31 December 2010: TL 146 thousand).

NOTE 23 - FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

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 Group using available market information and appropriate valuation methodologies estimates the fair value of the instrument. 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 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.

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.

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

NOTE 23 – FINANCIAL INSTRUMENTS (Continued)

Financial instruments and risk management (Continued)

e) Fair Value (Continued)

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 June 2011			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Available for sale financial assets (Note 6)	9	347,506	-	347,515
Total financial assets	**9**	**347,506**	**-**	**347,515**

	31 December 2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Assets:				
Available for sale financial assets (Note 6)	8	381,718	-	381,726
Total financial assets	**8**	**381,718**	-	**381,726**

NOTE 24-SUBSEQUENT EVENTS

The justified decision regarding to Competition Authority investigation has been notified to the Company, and the Company will make payment during one month following the notification date to take 25% advantage of prepayment option.