

**(Convenience translation of a review report and interim financial statements
originally issued in Turkish)**

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

**Financial statements and review report of
independent auditors for the interim period
January 1 - June 30, 2009**

(Convenience translation of a review report and interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

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(Convenience translation of review report originally issued in Turkish – See additional paragraph below)

**Independent auditor's review report on the interim financial statements of
January 1 - June 30, 2009**

To the Board of Directors of
Otokar Otobüs Karoseri Sanayi Anonim Şirketi:

We have reviewed the accompanying condensed financial statements of Otokar Otobüs Karoseri Sanayi Anonim Şirketi ("the Company"), which comprise the condensed balance sheet as at June 30, 2009, the condensed comprehensive income statement, equity movement and cash flow statement for the six month period then ended. Management is responsible for the preparation and presentation of these interim financial statements in accordance with financial reporting standards issued by Capital Market Board. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with standards on auditing issued by Capital Markets Board. 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 auditing standards published by Capital Markets Board. Consequently, it 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.

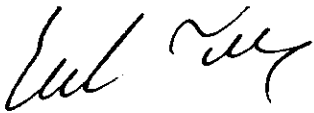
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the financial reporting standards issued by Capital Markets Board.

Additional paragraph for convenience translation to English

As described in Note 2, accounting principles and standards applied in the accompanying financial statements (CMB financial accounting standards) are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board except for the adoption of an earlier date for discontinuation of application of IAS 29 (Financial Reporting in Hyperinflationary Economies). As per CMB financial accounting standards application of inflation accounting was ceased effective as of January 1, 2005 whereas per IFRS it was ceased effective January 1, 2006.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Erdem Tecer, SMMM
Engagement Partner

July 29, 2009
Istanbul, Turkey

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Balance sheet as of June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"

(Currency –Turkish Lira (TL) unless otherwise indicated)

		(Reviewed)	(Audited)
	Notes	June 30, 2009	December 31, 2008
Assets			
Current assets			
Cash and cash equivalents	3	70.726.406	65.911.910
Trade receivables		104.419.423	136.553.576
- Trade receivables from related parties	18	19.916.920	22.522.704
- Other trade receivables	6	84.502.503	114.030.872
Other receivables		76.675	331
Inventories	7	147.211.321	117.045.641
Financial investments	4	2.107.000	-
Costs and estimated earnings in excess of billings on uncompleted contracts	8	35.292.560	-
Other current asset	12	23.948.526	23.885.914
Total current assets		383.781.911	343.397.372
Non-current assets			
Trade receivables		29.223.418	37.617.739
- Other trade receivables	6	29.223.418	37.617.739
Other receivables		5.903	5.903
Financial investments		-	2.107.000
Property, plant and equipment	9	96.004.387	96.709.092
Intangibles	10	30.735.625	23.542.779
Deferred tax asset	16	4.443.980	4.476.527
Total non-current assets		160.413.313	164.459.040
Total assets		544.195.224	507.856.412

The accompanying policies and explanatory notes on pages 7 through 34 form an integral part of the financial statements.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Balance sheet as of June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"

(Currency –Turkish Lira (TL) unless otherwise indicated)

		(Reviewed)	(Audited)
	Notes	June 30, 2009	December 31, 2008
Liabilities			
Current liabilities			
Financial liabilities	5	214.808.152	210.331.455
Other financial liabilities		245.338	-
Trade payables		30.112.090	55.813.758
- Trade payables to related parties	18	2.216.921	12.862.156
- Other trade payables	6	27.895.169	42.951.602
Other payables	8	99.900.220	75.303.004
Provisions	11	38.951.108	9.599.800
Other current liabilities	12	2.630.903	4.460.501
Total current liabilities		386.647.811	355.508.518
Non-current liabilities			
Reserve for retirement pay		5.110.415	4.450.303
Total non-current liabilities		5.110.415	4.450.303
Shareholders' equity			
Parent Company's equity			
Paid-in share capital		24.000.000	24.000.000
Inflation adjustment on equity items		52.743.030	52.743.030
Revaluation surplus		1.434.437	1.434.437
Restricted reserves		14.818.147	14.218.147
Retained earnings		47.701.977	20.646.577
Net income for the period		11.739.407	34.855.400
Total shareholders' equity		152.436.998	147.897.591
Total liabilities		544.195.224	507.856.412

The accompanying policies and explanatory notes on pages 7 through 34 form an integral part of the financial statements.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Comprehensive income statement for the period ended June 30, 2009
Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"
(Currency – Turkish Lira (TL) unless otherwise indicated)

	Notes	Reviewed		Reviewed	
		January 1 – June 30, 2009	April 1 – June 30, 2009	January 1 – June 30, 2008	April 1 – June 30, 2008
Continuing operations					
Net sales	13	200.733.369	83.197.742	230.741.410	110.794.763
Cost of sales (-)	13	(133.842.410)	(65.067.402)	(164.360.312)	(75.588.678)
Gross profit		66.890.959	18.130.340	66.381.098	35.206.085
Selling, marketing and distribution expense (-)		(21.372.136)	(7.526.507)	(18.997.671)	(9.171.496)
General and administrative expense (-)		(13.219.757)	(6.939.922)	(10.641.021)	(5.267.759)
Research and development expenses (-)		(3.045.838)	(295.421)	(1.747.645)	(909.729)
Other operating income		3.046.268	1.421.670	935.967	782.646
Other operating expense		(3.896.104)	(1.629.630)	(1.015.822)	(305.380)
Operating profit		28.403.392	3.160.530	34.914.906	20.334.367
Financial income	14	45.880.968	19.527.444	31.304.110	13.765.267
Financial expense (-)	15	(62.103.055)	(26.678.121)	(24.296.610)	(14.546.464)
Net income/(loss) before taxes from continuing operations		12.181.305	(3.990.147)	41.922.406	19.553.170
Tax income/expense for continuing operations					
- Tax expense/(income) for the period	16	(409.351)	1.914.150	(7.916.517)	(2.956.136)
- Deferred tax expense	16	(32.547)	(767.564)	491.260	109.178
Net income/(loss)		11.739.407	(2.843.561)	34.497.149	16.706.212
Other comprehensive income:					
Change in revaluation fund of financial investments (net of deferred tax)		-	-	576.924	576.924
Total comprehensive income/(expense)		11.739.407	(2.843.561)	35.074.073	17.283.136
Earnings/(loss) per share	17	0,00049	(0,00012)	0,00146	0,0007

The accompanying policies and explanatory notes on pages 7 through 34 form an integral part of the financial statements.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Statement of changes in equity for the period ended June 30, 2009
Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"
(Currency – Turkish Lira (TL) unless otherwise indicated)

	Paid-in share capital	Inflation adjustment on equity items	Restricted reserves	Revaluation fund	Retained earnings	Net income for the period	Total shareholders' equity
January 1, 2008	24.000.000	52.743.030	11.338.147	898.363	15.953.643	37.572.934	142.506.117
Transfer to retained earnings	-	-	-	-	37.572.934	(37.572.934)	-
Transfer to restricted reserves	-	-	2.880.000	-	(2.880.000)	-	-
Dividends paid	-	-	-	-	(30.000.000)	-	(30.000.000)
Other comprehensive income	-	-	-	576.924	-	-	576.924
Net income/loss for the period	-	-	-	-	-	34.497.149	34.497.149
Total comprehensive income	-	-	-	576.924	-	34.497.149	35.074.073
June 30, 2008	24.000.000	52.743.030	14.218.147	1.475.287	20.646.577	34.497.149	147.580.190
January 1, 2009	24.000.000	52.743.030	14.218.147	1.434.437	20.646.577	34.855.400	147.897.591
Transfer to retained earnings	-	-	-	-	34.855.400	(34.855.400)	-
Transfer to restricted reserves	-	-	600.000	-	(600.000)	-	-
Dividends paid	-	-	-	-	(7.200.000)	-	(7.200.000)
Other comprehensive income	-	-	-	-	-	-	-
Net income/loss for the period	-	-	-	-	-	11.739.407	11.739.407
Total comprehensive income	-	-	-	-	-	11.739.407	11.739.407
June 30, 2009	24.000.000	52.743.030	14.818.147	1.434.437	47.701.977	11.739.407	152.436.998

The accompanying policies and explanatory notes on pages 7 through 34 form an integral part of the financial statements.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Cash flow statement for the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"

(Currency –Turkish Lira (TL) unless otherwise indicated)

	Notes	June 30, 2009	June 30, 2008
Cash flows from operating activities			
Net income before provision for taxes		12.181.305	41.922.406
Adjustments to reconcile net income to net cash flows from operating activities:			
Depreciation and amortization	9, 10	5.016.672	2.543.703
Reserve for retirement pay		1.714.120	901.376
Loss/(gain) on sale of property, plant and equipment		(54.200)	202.860
Interest expense	15	13.391.054	4.253.578
Foreign exchange loss from borrowings	14, 15	944.388	1.092.775
Interest income	14	(1.924.146)	(68.286)
Forward expense accrual		245.338	-
Operating profit before changes in operating asset and liabilities		31.514.531	50.848.412
Trade receivables and other receivables		40.452.130	(3.206.858)
Costs and estimated earnings in excess of billings on uncompleted contracts		(35.292.560)	-
Inventories		(30.165.680)	(29.293.496)
Other current assets		1.429.004	(5.278.787)
Trade payables		(25.701.668)	(10.081.592)
Other liabilities, provisions and other current liabilities		52.118.926	(19.394.483)
Taxes paid		(1.900.967)	(11.085.583)
Employee termination benefits paid		(1.054.008)	(659.237)
Net cash provided/(used in) by operating activities		31.399.708	(28.151.624)
Investing activities			
Purchase of property, plant and equipment	9	(3.097.172)	(2.471.384)
Purchase of intangible assets	10	(8.488.435)	(7.419.164)
Proceeds from sale of property, plant and equipment		134.994	265.716
Interest received		1.924.146	68.286
Net cash used in investing activities		(9.526.467)	(9.556.546)
Financing activities			
Increase/(decrease) on spot borrowings		28.487.707	34.377.536
Proceeds from bank borrowings		48.499.119	53.265.501
Repayments of bank borrowings		(77.599.391)	(17.264.717)
Interest payments		(9.246.180)	(3.220.760)
Dividends paid		(7.200.000)	(30.000.000)
Net cash (used in)/provided by financing activities		(17.058.745)	37.157.560
Net increase/(decrease) in cash and cash equivalents		4.814.496	(550.610)
Cash and cash equivalents at the beginning of the period	3	65.911.910	3.602.328
Cash and cash equivalents at the end of the period	3	70.726.406	3.051.718

The accompanying policies and explanatory notes on pages 7 through 34 form an integral part of the financial statements.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 “Communiqué on Financial Reporting Standards in Capital Market”

(Currency –Turkish Lira (TL) unless otherwise indicated)

1. Organisation and nature of operations

Otokar Otobüs Karoseri Sanayi A.Ş. (“Otokar” or “the Company”) was established in 1963 and is registered in Istanbul, Turkey and operating under the Turkish Commercial Code.

The Company operates in the automotive industry and off road vehicles, armoured vehicles, minibuses and midibuses, trailers, semi-trailers and cross-country comprises the majority of its production. The number of the personnel in the Company is 1.174 (December 31, 2008 - 1.184).

On July 29, 2008, the Company signed an agreement with Undersecretariat of Ministry of Defense for “Term 1 Turkish Battle Tank Design and Prototype Production” under the scope of project “Modern Tank Production Project using National Resources” (Altay Project). The total amount of the agreement is 494 million USD and it covers 78,5 month-period beginning from the sign off of the agreement.

The registered addresses of the Company are as follows:

Headquarters:

Aydınevler Mahallesi, Dumlupınar Cad. No:24 A Bl.
81580 Küçükyalı / İstanbul

Factory:

Atatürk Cad. No: 9
54580 Arifiye / Sakarya

Financial statements are authorized for issue by the Board of Directors of the Company on July 29, 2009. Although there is no such intention, the Company Management and certain regulatory bodies have the power to amend the statutory financial statements after issue.

The Company conducts part of its business transactions with the Koç Holding A.Ş. and related parties and has both customer and supplier relationships with related parties. The Company is registered to the Capital Market Board (“CMB”) and its shares are listed on the Istanbul Stock Exchange (“ISE”) since 1996. As of June 30, 2009, the shares listed on the ISE are 29,91% of the total shares. As of June 30, 2009, the principal shareholders and their respective shareholding percentages are as follows:

	%
Koç Holding A.Ş.	44,68
Ünver Holding A.Ş.	24,81
Other	30,51
	100,00

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements (continued)

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 “Communiqué on Financial Reporting Standards in Capital Market”

(Currency –Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation

2.1 Basis of presentation

The Company maintains its books of account and prepares its statutory financial statements in Turkish Lira (TL) in accordance with regulations on accounting and reporting framework and the Uniform Chart of Accounts issued by the Ministry of Finance. These financial statements have been prepared from the statutory financial statements of the Company with adjustments and reclassifications for the purpose of fair presentation in accordance with accounting and reporting standards prescribed by Capital Markets Board. Such adjustments mainly comprise effects of deferred taxation, employee termination benefits, depreciation of property, plant and equipments based on their economic lives and on pro-rata basis, accounting for accruals, implementation of construction contract accounting for tank project and rediscount of trade receivables and payables. Additions to these adjustments, financial statements of current and prior period are prepared in accordance with International Accounting / Financial Reporting Standards (IAS/IFRS) as prescribed in the CMB communiqué No:XI-29 "Communiqué on Financial Reporting Standards in Capital Markets" (Communiqué) which was published in the official gazette and become effective as of April 9, 2008.

The financial statements have been prepared under the historical cost convention, except financial assets carried at fair value.

The financial statements and explanatory notes are presented using the compulsory standard formats as prescribed by CMB in Communiqué No:XI-29 on April 9, 2008.

The interim condensed financial statements for the six month period ended June 30, 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2008.

Functional and presentation currency

Functional and presentation currency of the Company is TL.

In accordance with the CMB's resolution dated March 17, 2005 and numbered 11/376, the financial statements were restated in accordance with International Accounting Standards (IAS) 29 (Financial Reporting in Hyperinflationary Economies) for the last time as of December 31, 2004 since the objective conditions which require the application of restatement of financial statements have not been realized and that based on the existing data CMB has foreseen that the indications whether such conditions are going to be realized in the future is no longer probable. Therefore, non-monetary assets, liabilities and equity items including the share capital as of June 30, 2009 and December 31, 2008 have been restated by applying the relevant conversion factors through December 31, 2004 and carrying additions after December 31, 2004 at their nominal values.

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements (continued)

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 “Communiqué on Financial Reporting Standards in Capital Market”

(Currency –Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation (continued)

2.2 Changes in accounting policies

The accounting policies used in the preparation of the interim condensed financial statements for the period ended June 30, 2009 are consistent with those used in the preparation of the financial statements as of and for the year ended December 31, 2008.

2.3 Significant accounting judgments and estimates

The preparation of financial statements require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Those estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Significant estimates used in the preparation of these financial statements and the significant judgments with the most significant effect on amounts recognized in the financial statements are as follows:

- a) Assumptions are used at determination of total project costs and profitability of the projects under the scope of IAS 11 “Construction Contracts”.
- b) Deferred tax asset is recognised to the extent that taxable profit will be available against which the deductible temporary differences can be utilized. When taxable profit is probable, deferred tax asset is recognised for all unused tax losses and for all temporary differences. For the year ended June 30, 2009, since the assumptions related to the Company’s future taxable profit generation are considered reliable, adequate, deferred tax asset is recognised.
- c) Reserve for retirement pay is determined by using actuarial assumptions (discount rates, future salary increases and employee turnover rates). Employee termination benefits as of June 30, 2009 and December 31, 2008 is TL 5.110.415 and TL 4.450.303, respectively.
- d) The Company determines warranty provision by considering the past warranty expenses and remaining warranty period per vehicle.
- e) The Company calculated the fair value of its available for sale financial asset, Entek Elektrik Üretimi A.Ş., as of December 31, 2008, using discounted cash flows based on the statement of income and balance sheet projections of following 10 years.
- f) Provision for doubtful receivables is an estimated amount that management believes to reflect for possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements and furthermore, the renegotiation conditions with these debtors are considered.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements (continued)

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 “Communiqué on Financial Reporting Standards in Capital Market”

(Currency –Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation (continued)

2.4 Summary of significant accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the financial statements as of and for the year ended December 31, 2008, except for the adoption of new standards and interpretations noted below and effective as of January 1, 2009.

The new standards which are effective as of January 1, 2009 and changes and interpretations of current standards are as follows :

New standards and changes that do not have an effect on the financial position or the performance of the Company are summarized below;

IFRS 2 "Share Based Payment" (revised) – Vesting Conditions and Cancellations

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

IAS 10 "Events after the Reporting Period"

IAS 16 "Property, Plant and Equipment"

IAS 18 "Revenue"

IAS 19 "Employee Benefits"

IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance"

IAS 23 "Borrowing Costs" (revised)

IAS 27 "Consolidated and Separate Financial Statements" (revised)

IAS 28 "Investment in associates"

IAS 29 "Financial Reporting in Hyperinflationary Economies"

IAS 31 "Interest in Joint Ventures"

IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" "Puttable Financial Instruments" (revised)

IAS 36 "Impairment of Assets"

IAS 38 "Intangible Assets"

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements (continued)

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"

(Currency –Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation (continued)

IAS 39 "Financial Instruments: Recognition and Measurement"

IAS 40 "Investment Property"

IAS 41 "Agriculture" (revised)

IFRIC 9 (Reassessment of Embedded Derivatives) and IAS 39 "Financial Instruments: Recognition and Measurement"

IFRIC 15 – "Agreements for the Construction of Real Estate"

IFRIC 16 – "Hedges of a Net Investment in a Foreign Operation"

New standards and interpretations that have impact on the financial position and the performance of the Company are summarized below:

IFRS 7 "Financial Instruments" (revised)

IFRS 8, "Operating Segments"

IAS 1 "Presentation of Financial Statements" (revised)

The Company has disclosed the revised IAS 1 in accordance with the compulsory reporting format of CMB.

IAS 34 "Interim Financial Reporting":

The Company has disclosed the earnings per share in notes of financial statements.

IFRIC 13, "Customer Loyalty Programmes"

Standards that are published as of the approval date of the financial statements and effective for annual periods beginning on or after July 1, 2009 and not early adopted by the Company and interpretations and amendments to published standards are as following:

Revisions to IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 1 July 2009): A revised version of IFRS 3 and an amended version of IAS 27 were issued by IASB on 10 January 2008. Revised IFRS 3 (IFRS 3R) introduces a number of changes in the accounting for business combinations, which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). Amended IAS 27 (IAS 27R) requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give raise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. This amendment must be retrospectively and prospectively.

(Convenience translation of interim financial statements originally issued in Turkish)

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements (continued)

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 “Communiqué on Financial Reporting Standards in Capital Market”

(Currency –Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation (continued)

Changes in IAS 39 are published in July 2008 and effective at starting date of 1 July 2009. Changes according to IAS 32, IAS 1 and IFRS 3 and changes of IAS 39 made in May 2008 also includes all changes.

Changes in IFRS 1 are published in November 2008 and effective at starting date of 1 July 2009. Until 3 July 2008, changes in IAS and IFRS includes changes in IAS 1.

IFRIC 17 “Distributions of Non-cash Assets to Owners” (effective for annual periods beginning on or after 1 July 2009 and must be applied prospectively). The interpretation applies to all non-reciprocal distributions of non-cash assets, including those giving the shareholders a choice of receiving non-cash assets or cash.

IFRIC 18 “Transfers of Assets from Customers” (effective for annual periods beginning on or after 1 July 2009). The standard provides guidance on how to account for items of property, plant and equipment or cash for the acquisition or construction of such items received from customers.

Improvements to IFRSs

In April 2009, International Accounting Standards Board made 15 changes in 12 standards. Changed standards are summarized below:

- IFRS 2: Scope of IFRS 2 and IFRS 3
- IFRS 5: Disclosure of assets held for sale and discontinued operations
- IFRS 8: Disclosure of segmental assets
- IAS 1: Classification of convertible instruments as current or non current
- IAS 7: Classification of expenses related to non accounted assets
- IAS 17: Classification of rentals of lands and buildings
- IAS 18: Determination of the treatment of the Company Principal or Agent
- IAS 36: Accounting unit in testing impairment of goodwill
- IAS 38: Additional changes in revised IFRS 3
- IAS 38: Fair value determination of intangible assets acquired business combinations
- IAS 39: Assumption of prepaid penalties related to bank loans as embedded derivative instruments
- IAS 39: Exception in scope of business combination agreements
- IAS 39: Cash flow hedge accounting
- IFRIC 9: Scope of IFRIC 9 and IFRS 3
- IFRIC 16: Revision related restrictions to company with hedge accounting instrument

Otokar Otobüs Karoseri Sanayi Anonim Şirketi

Notes to the financial statements (continued)

For the period ended June 30, 2009

Prepared in accordance with the Communiqué No: XI-29 "Communiqué on Financial Reporting Standards in Capital Market"

(Currency –Turkish Lira (TL) unless otherwise indicated)

2. Basis of presentation (continued)

New accounting policy related to recognition of revenue and expenses of tank project started in 2009 is as follows;

Revenue and expense recognition

Construction contract activities

Contract revenue and costs are recognized as revenue and expenses, respectively, when the outcome of a construction contract can be estimated reliably. The projects are "fixed cost" and the project revenues are reflected according to the percentage of completion method. The percentage of completion method is used to recognize revenue on a contract as work progresses by matching contract revenue with contract costs incurred based on the proportion of work completed which is determined by the ratio of actual costs incurred through to the end of each reporting period divided by the total estimated contract costs of the project.

Contract costs include all direct material and labor costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Selling, general and administrative expenses are charged to the income statement as incurred. Provisions for estimated losses on uncompleted contracts are made in full, in the period in which such losses are determined. Changes in job performance, job conditions and estimated profitability, including those arising from contract penalty provisions and final contract settlements may result in revisions to costs and income and are recognized in the period in which the revisions are determined.

Costs and estimated earnings in excess of billings on uncompleted contracts represent revenues recognized in excess of amounts billed. Billings in excess of costs and estimated earnings on uncompleted contracts represent billings in excess of revenues recognized.

2.5 Segment reporting

Since there are no different geographical and operational segments of the Company, the Company does not prepare segment reporting and follows its financial statements in one segment.

3. Cash and cash equivalents

	June 30, 2009	December 31, 2008
Cash at banks		
- demand deposits	20.688.548	2.367.035
- time deposits	47.892.130	62.557.990
Checks and notes received	2.094.721	928.159
Other	51.007	58.726
	70.726.406	65.911.910

As of June 30, 2009 and December 31, 2008 checks and notes received consist of checks and notes given to banks for collections which are due as of balance sheet date.

As of June 30, 2009, the Company has restricted bank deposit amounting to TL 795 (December 31, 2008 - TL 795).

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4. Financial investments

Short-term available for sale financial investments

	June 30, 2009		December 31, 2008	
	TL	%	TL	%
Entek Elektrik Üretimi A.Ş. ("Entek")	2.107.000	0,86%	-	-
	2.107.000		-	

Long-term available for sale financial investments

	June 30, 2009		December 31, 2008	
	TL	%	TL	%
Entek Elektrik Üretimi A.Ş. ("Entek")	-	-	2.107.000	0,86%
	-		2.107.000	

With the resolution of Board of Directors numbered 2009/8 and dated June 25, 2009, the Company has decided to sell its shares in Entek Elektrik Üretimi A.Ş. With this resolution, the shares of the Company in Entek Elektrik Üretimi A.Ş., with a ratio of 0,86%, are transferred to Aygaz A.Ş. for an amount of TL 2.099.804 in July 21, 2009.

5. Financial liabilities

	Interest rate (%)	Amount in original currency	June 30, 2009	
				TL
Short-term bank borrowings	4,16% - 11,17%			
Denominated in USD	Libor +6,30%	39.339.790	60.193.813	
Denominated in EUR	5,00% - 7,70%	24.164.959	51.879.750	
Denominated in TL	9,40% - 12,85%	102.734.588	102.734.589	
Total			214.808.152	
			December 31, 2008	
	Interest rate (%)	Amount in original currency		TL
Short-term bank borrowings				
Denominated in USD	3,81% - 11,17%	57.377.299	86.771.689	
Denominated in EUR	5,76% - 11,23%	21.943.625	46.976.912	
Denominated in TL	18% - 29%	76.582.854	76.582.854	
Total			210.331.455	

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5. Financial liabilities (continued)

The Company has given its export receivables as a guarantee for the loan obtained from YKB Faktoring A.Ş. which amounts to EUR 4.600.404. The Company has a loan amounting to USD 10.000.000 under the guarantee of Koç Holding A.Ş.

Maturities of short-term bank borrowings range between 1 and 7 months.

6. Trade receivables and payables

Trade receivables

	June 30, 2009	December 31, 2008
Trade receivables, net	32.501.322	55.759.020
Notes receivables, net	60.518.050	65.997.343
	93.019.372	121.756.363
Less: Provision for doubtful receivables	(8.516.869)	(7.725.491)
Other short-term trade receivables	84.502.503	114.030.872
Notes receivables, net	29.223.418	37.617.739
Other long-term trade receivables	29.223.418	37.617.739

Guarantees received for trade receivables

Generally receivables of the Company relate to the sales to the minibus and bus dealers and trailer sales and military vehicle sales. As of June 30, 2009, the total trade receivable from dealers amounting to TL 24.474.611 (December 31, 2008 - TL 29.269.496), after provision reserved for doubtful receivables, has been secured by mortgages and guarantees at the amount of TL 39.533.363 (December 31, 2008 - TL 50.686.064).

Trade receivables aging analysis

As of June 30, 2009, trade receivables amounting to TL 3.457.425 (December 31, 2008 - TL 4.380.774) have not been collected at the due dates.

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6. Trade receivables and payables (continued)

The aging of the past due but not impaired receivables is as follows:

Current period	Trade receivables
1- 30 day past due	-
1- 3 month past due	1.976.005
3- 12 month past due	7.298
1- 5 year past due	1.474.120
Over 5 year past due	-
Amount secured with guarantee (1)	3.457.423

Prior period	Trade receivables
1- 30 day past due	-
1- 3 month past due	1.094.674
3- 12 month past due	2.160.889
1- 5 year past due	1.125.211
Over 5 year past due	-
Amount secured with guarantee (1)	4.380.774

(1) Pledges on trailers

The movement of the provision for doubtful receivables for the period ended June 30, 2009 and June 30, 2008 are as follows:

	June 30, 2009	June 30, 2008
January 1	7.725.491	7.249.253
Collections	(15.495)	(4.724)
Additional provision	806.873	6.070
Total	8.516.869	7.250.599

Trade payables

	June 30, 2009	December 31, 2008
Trade payables, net	27.790.368	42.888.032
Notes payables, net	104.801	63.570
Other short-term trade payables	27.895.169	42.951.602

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7. Inventories

	June 30, 2009	December 31, 2008
Raw material	38.403.263	27.210.962
Work-in-process	8.496.657	9.075.982
Finished goods (2008 - net of net realizable value amounting to TL 240.838)	29.362.861	24.655.681
Merchandise	15.411.086	12.096.664
Goods in transit	55.537.454	44.006.352
	147.211.321	117.045.641

8. Costs and billings on uncompleted contracts

	June 30, 2009	December 31, 2008
Costs incurred on uncompleted contracts	30.957.924	-
Estimated earnings	4.334.636	-
	35.292.560	-
Less: Billings to date	-	-
	35.292.560	-

The net balance is included in the balance sheets under the following captions;

	June 30, 2009	December 31, 2008
Costs and estimated earnings in excess of billings on uncompleted contracts (net)	35.292.560	-
Billing in excess of costs and estimated earnings on uncompleted contracts (net)	-	-
	35.292.560	-

As of June 30, 2009, the short term advances taken by the Company related with ongoing projects which amounts to TL 62.773.299 was included in other payables in the financial statements (December 31, 2008 – None).

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9. Property, plant and equipment

During the period ended June 30, 2009, the movement of property, plant and equipment and the accumulated depreciation is as follows:

	January 1, 2009	Additions	Disposals	June 30, 2009
Cost:				
Land	36.396.386	-	-	36.396.386
Land improvements	5.481.336	-	-	5.481.336
Buildings	50.777.114	-	-	50.777.114
Machinery, equipment and installations	86.839.417	646.287	(30.000)	87.455.704
Motor vehicles	5.024.671	624.431	(79.396)	5.569.706
Furniture and fixtures	17.958.621	886.890	(9.117)	18.836.394
Leasehold improvements	1.445.746	-	-	1.445.746
Construction in progress	52.196	939.564	-	991.760
	203.975.487	3.097.172	(118.513)	206.954.146
Accumulated depreciation:				
Land improvements	1.926.769	100.828	-	2.027.597
Buildings	16.144.638	1.220.932	-	17.365.570
Machinery, equipment and installations	69.582.592	2.017.299	(1.786)	71.598.105
Motor vehicles	2.992.257	140.294	(26.816)	3.105.735
Furniture and fixtures	15.490.589	222.378	(9.117)	15.703.850
Leasehold improvements	1.129.550	19.352	-	1.148.902
	107.266.395	3.721.083	(37.719)	110.949.759
Net book value	96.709.092			96.004.387

During the period ended June 30, 2008, the movement of property, plant and equipment and the accumulated depreciation is as follows:

	January 1, 2008	Additions	Disposal	Transfers	June 30, 2008
Cost:					
Land	5.370.676	-	-	-	5.370.676
Land improvements	4.543.484	-	-	-	4.543.484
Buildings	32.136.056	-	(413.852)	-	31.722.204
Machinery, equipment and installations	78.803.152	1.255.011	(475.746)	173.699	79.756.116
Motor vehicles	4.700.211	115.000	(202.833)	-	4.612.378
Furniture and fixtures	16.928.245	387.916	-	-	17.316.161
Leasehold improvements	1.445.746	713.457	-	(173.699)	1.985.504
Construction in progress	52.196	-	-	-	52.196
	143.979.766	2.471.384	(1.092.431)	-	145.358.719
Accumulated depreciation:					
Land improvements	1.765.209	70.842	-	-	1.836.051
Buildings	14.807.956	452.751	(80.568)	-	15.180.139
Machinery, equipment and installations	66.941.856	1.311.420	(475.746)	-	67.777.530
Motor vehicles	2.846.488	108.146	(67.541)	-	2.887.093
Furniture and fixtures	15.154.083	147.547	-	-	15.301.630
Leasehold improvements	1.090.845	19.352	-	-	1.110.197
	102.606.437	2.110.058	(623.855)	-	104.092.640
Net book value	41.373.329				41.266.079

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Otokar Otobüs Karoseri Sanayi Anonim Şirketi

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9. Property, plant and equipment (continued)

Current year depreciation and amortization expense has been allocated to cost of sales by TL 1.250.357 (June 30, 2008 – TL 985.132), to development projects in process included in intangible assets by TL 195.510 (June 30, 2008 - 361.578), to research and development expenses by TL 727.795 (June 30, 2008 - TL 219.077) to general administrative expenses by TL 468.831 (June 30, 2008- TL 364.230), to selling and marketing expenses by TL 163.363 (June 30, 2008 - TL 121.122), to inventories by TL 701.973 (June 30, 2008 - TL 492.564), to other operating expenses (idle capacity expense) by TL 1.357.739 (June 30, 2008 – 0).

As of June 30, 2009 and December 31, 2008, gross values of fully depreciated items which are still in use is as follows :

	June 30, 2009	December 31, 2008
Machinery, equipment and installations	48.316.693	47.525.326
Furniture and fixtures	13.933.934	13.912.260
Motor vehicles	2.585.412	2.585.412
Leasehold improvements	1.089.332	1.089.332
	65.925.371	65.112.330

10. Intangible assets

For the period ended June 30, 2009, the movement of intangibles and accumulated amortization is as follows:

	January 1, 2009	Additions	Disposals	June 30, 2009
Cost:				
Other intangible assets	3.839.826	1.020.639	-	4.860.465
Development costs	5.848.347	-	8.577.592	14.425.939
Development projects in process	16.758.438	7.272.286	(8.577.592)	15.453.132
	26.446.611	8.292.925	-	34.739.536
Accumulated amortization:				
Other intangible assets	2.341.733	326.716	-	2.668.449
Development costs	562.099	773.363	-	1.335.462
	2.903.832	1.100.079	-	4.003.911
Net book value	23.542.779			30.735.625

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10. Intangible assets (continued)

For the period ended June 30, 2008, the movement of intangibles and accumulated amortization is as follows:

	January 1, 2008	Additions	June 30, 2008
Cost:			
Other intangible assets	2.793.953	184.009	2.977.962
Development costs	2.550.970	-	2.550.970
Development projects in process	2.255.323	7.235.155	9.490.478
	7.600.246	7.419.164	15.019.410
Accumulated amortization:			
Other intangible assets	1.979.108	178.548	2.157.656
Development costs	42.516	255.097	297.613
	2.021.624	433.645	2.455.269
Net book value	5.578.622		12.564.141

As of June 30, 2009 and December 31, 2008, the gross values of fully amortized intangible assets which are still in use is as follows :

	June 30, 2009	December 31, 2008
Other intangible assets	1.818.494	1.777.802
	1.818.494	1.777.802

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11. Provisions, contingent assets and liabilities

Provisions

	December 31, 2008	December 31, 2008
Provision for other cost (*)	25.663.724	-
Warranty provision	6.600.318	6.376.954
Provision for sales commission	3.353.651	1.465.890
Provision for vacation pay liability	1.528.531	1.749.665
Provision for personnel premium	1.500.000	-
Other	304.884	7.291
	38.951.108	9.599.800

(*) It includes expenses related with tank project incurred by the Company which were not paid yet and expenses incurred by the subcontractors of the Company which were computed according to the estimated percentage of completion that will be invoiced to the Company at the end of the project by the subcontractors.

Letters of guarantees

a) Guarantees given as of June 30, 2009 and December 31, 2008 are as follows:

	June 30, 2009	December 31, 2008
Bank letters of guarantee (*)	230.218.825	211.826.027
	230.218.825	211.826.027

(*) Bank letters of guarantee amounting to TL 105.267.348 are given to Undersecretariat of Ministry of Defense for the Altay Project

b) Guarantees received as of June 30, 2009 and December 31, 2008 are as follows:

	June 30, 2009	December 31, 2008
Bank letters of guarantee (**)	89.026.653	58.642.264
Guarantee notes	8.405.000	8.405.000
Mortgages received	7.023.000	7.023.000
Guarantee checks	135.000	185.000
	104.589.653	74.255.264

(**) Bank letters of guarantee amounting to TL 38.732.874 are obtained from the sub-contractors for Altay Project.

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12. Other assets and liabilities

a) Other current / non-current assets	June 30, 2009	December 31, 2008
Value added tax receivables	19.971.623	20.492.382
Prepaid tax	2.569.797	1.078.181
Prepaid expenses	516.072	501.361
Tax and funds deductible	306.116	1.752.693
Job advances	73.549	8.306
Other	511.369	52.991
Total	23.948.526	23.885.914

b) Other current liabilities	June 30, 2009	December 31, 2008
Taxes and funds payable	1.440.331	2.656.668
Social security premiums payable	809.712	1.492.608
Deferred special consumption tax	-	195.798
Other	380.860	115.427
Total	2.630.903	4.460.501

13. Sales and cost of sales

Net sales

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Domestic sales	104.164.949	56.056.569	171.932.320	76.142.659
Export sales	96.612.002	27.177.313	59.045.666	34.881.201
Gross sales	200.776.951	83.233.882	230.977.986	111.023.860
Less: Sales discounts and sales returns	(43.582)	(36.140)	(236.576)	(229.097)
Net sales	200.733.369	83.197.742	230.741.410	110.794.763

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13. Sales and cost of sales (continued)

Sales of the Company in terms of the number of vehicles sold are as follows:

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Midibus	343	230	750	439
Trailer	139	80	432	188
Armoured vehicles	136	21	232	113
Minibus	169	123	212	51
Bus	57	38	147	50
Land Rover 4x4	24	10	5	4
	868	502	1.778	845

Cost of sales

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Cost of finished goods sold	122.688.217	58.290.498	155.636.214	71.368.045
Cost of merchandise sold	11.154.193	6.776.904	8.724.098	4.220.633
Cost of sales	133.842.410	65.067.402	164.360.312	75.588.678

14. Financial income

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Foreign exchange gain	29.415.915	6.513.306	21.314.775	5.308.795
Foreign exchange gain on bank borrowings	12.961.185	12.151.560	5.096.150	5.096.150
Term difference income related to sales	1.579.722	6.199	4.824.899	3.317.701
Interest income from time deposits	1.924.146	856.379	68.286	42.621
	45.880.968	19.527.444	31.304.110	13.765.267

15. Financial expense

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Foreign exchange losses	34.115.806	20.396.626	13.647.962	10.184.719
Foreign exchange losses on bank borrowings	13.905.573	233.513	6.188.925	2.455.925
Interest expense on bank borrowings	13.391.054	7.007.226	4.253.578	1.699.675
Unearned financial expense	445.284	(1.204.582)	206.145	206.145
Forward expense	245.338	245.338	-	-
	62.103.055	26.678.121	24.296.610	14.546.464

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16. Tax assets and liabilities

The Company is subject to taxation in accordance with the tax regulation and the legislation effective in Turkey.

In Turkey, the corporation tax rate is 20% (December 31, 2008 - 20%). Corporate tax returns are required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one installment by the end of the fourth month. The tax legislation provides for a temporary tax of 20% (2008 - 20%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

Tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The dividend income (excluding the participation certificates of investment funds and profit shares derived from the share certificates of investment trusts) derived by entities from the participation in the capital of another resident entity is exempt from corporate tax. Furthermore, 75% of the income derived by entities from the sale of participation shares, immovable property, preferential rights, founders' shares and redeemed shares is exempt from corporate tax. In order to be able to benefit from the exemption, the relevant income should be kept under a fund account in the liabilities and should not be withdrawn from the enterprise for 5 years. The sales amount should be collected by the end of the second calendar year following the year of sale. The profit from the sale of assets derived by entities engaged with the marketable securities and real estate trading or leasing is out of this exemption.

15% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations (excluding those that acquire dividend through a permanent establishment or permanent representative in Turkey) and non-resident corporations exempted from income and corporation tax. Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

As of June 30, 2009 and December 31, 2008, income tax payables net off prepaid taxes presented in the balance sheet is as follows:

	June 30, 2009	December 31, 2008
Income tax payable	409.351	7.067.137
Prepaid taxes	(409.351)	(7.067.137)
Income tax payable	-	-

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16. Tax assets and liabilities (continued)

The breakdown of total tax expense for the year ended June 30, 2009 and 2008:

	January 1 - June 30, 2009	January 1 - June 30, 2008
Corporate tax expense	409.351	7.916.517
Deferred tax expense/(income)	32.547	(491.260)
Total tax expense	441.898	7.425.257

As of June 30, 2009 and December 31, 2008, the breakdown of deferred tax bases and deferred tax liability computed using the current effective tax rates are as follows:

	Cumulative temporary differences		Deferred tax assets/(liability)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
Property, plant and equipment	(3.634.326)	(3.399.951)	2.754.430	2.801.305
Intangibles	(2.000.859)	(787.966)	(400.172)	(157.593)
Deferred financial expense	(1.169.554)	(4.567.855)	(233.911)	(913.571)
Financial investments	(1.411.042)	(1.411.042)	(70.552)	(70.552)
Inventories	36.424	380.773	7.285	76.155
Warranty reserve	6.600.318	6.376.954	1.320.064	1.275.391
Reserve for retirement pay	5.110.415	4.450.303	1.022.083	890.061
Deferred financial income	(280.428)	803.483	(56.085)	160.697
Other provisions	6.439.649	2.073.179	1.287.930	414.634
Adjustment for percentage of completion method on construction projects	(5.076.818)	-	(1.015.364)	-
Other	(858.632)	-	(171.728)	-
Deferred tax asset			4.443.980	4.476.527

The movement of deferred tax liability and asset for the period ended June 30, 2009 and 2008 is as follows:

	June 30, 2009	June 30, 2008
January 1	(4.476.527)	852.060
Deferred tax expense/(benefit) for the current period	32.547	(491.260)
Tax expense recorded in equity	-	30.364
	(4.443.980)	391.164

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17. Earnings per share

Earnings per share is calculated by dividing net profit by the weighted average number of shares that have been outstanding during the year concerned.

Companies can increase their share capital by making a pro rata distribution of shares (Bonus Shares) to existing shareholders without consideration for amounts resolved to be transferred to share capital from retained earnings. For the purpose of the earnings per share calculation such Bonus Share issues are regarded as stock dividends. Dividend payments, which are immediately reinvested in the shares of the Company, are regarded similarly.

Earnings per main share are determined by dividing net income of the shareholders by the weighted average number of shares that have been outstanding during the related year concerned.

	June 30, 2009	June 30, 2008
Net income attributable to shareholders (TL)	11.739.407	34.497.149
Weighted average number of issued shares	24.000.000.000	24.000.000.000
Earnings per share (kr)	0,00049	0,00144

18. Related party disclosures

Due from and due to the related parties at the year end and transactions with related parties during the year are as follows:

i) Due from and due to related party balances as of June 30, 2009 and December 31, 2008:

Due from related parties	June 30, 2009	December 31, 2008
Ram Dış Ticaret A.Ş. (Ram Dış) (1)	19.800.049	22.444.543
Koç Bilgi ve Savunma Teknolojileri A.Ş. (1)	61.121	-
Ford Otosan A.Ş. (Ford) (1)	25.774	22.740
Rmk Marine Gemi San. A.Ş. (RMK Marine) (1)	14.774	2.723
Koç Statoil Gaz İletişim A.Ş. (Koç Statoil) (1)	-	-
Other (1)	15.202	52.698
Total	19.916.920	22.522.704

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18. Related party disclosures (continued)

Due to related parties	June 30, 2009	December 31, 2008
Otoyol Sanayi A.Ş. (Otoyol) (3)	893.737	9.889.872
Zer (1)	401.944	671.064
Ram Dış (1)	221.183	1.270.398
Setur Servis Turistik A.Ş. (Setur) (1)	154.726	178.110
Akpa Dayanıklı Tük.Paz.A.Ş. (Akpa) (1)	104.046	137.474
Koç Holding A.Ş.(2)	115.454	128.367
Ram Sigorta Aracılık Hiz.A.Ş. (Ram Sigorta) (1)	113.209	39.137
Otokoç Otomotiv Tic.San.A.Ş. (Otokoç) (1)	91.629	108.970
Beldeyama Motorlu Vast.A.Ş. (Beldeyama) (1)	48.013	142.599
Ford (1)	17.890	17.833
Opet Petrolcülük A.Ş. (Opet) (1)	13.775	14.048
Promena Elektronik Tic. A. Ş. (Promena)(1)	13.207	-
Koçtaş Yapı Marketleri T.A.Ş. (Koçtaş) (1)	10.644	10.945
Koç Sistem Bilgi İle.Hizm.A.Ş. (Koç Sistem) (1)	3.703	70.532
Platform Araştırma Geliştirme Taş. Tic. A.Ş. (Platform) (1)	-	148.392
Other (1)	13.761	34.415
Total	2.216.921	12.862.156

(1) Shareholder's subsidiary

(2) Shareholder

(3) Shareholder's subsidiary in liquidation process

ii) Major sales and purchase transactions with related parties for the period ended June 30:

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Product sales and service revenue				
Ram Dış	86.898.672	18.251.482	7.170.181	4.477.363
Zer	140.608	51.960	1.884.121	1.884.121
Beldeyama	126.746	64.563	-	-
Aygaz A.Ş.	99.885	59.750	91.503	35.304
Ford	13.835	6.560	49.752	7.518
RMK Gemi Yapım Sanayi A.Ş. (RMK Gemi)	-	-	13.020	8.876
Total	87.279.746	18.434.315	9.208.577	6.413.182

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18. Related party disclosures (continued)

Purchase of property, plant and equipment	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Koç Sistem	788.768	760.355	355.394	274.935
Otokoç	78.432	-	-	-
Koçnet	11.228	3.135	1.314	-
Total	878.428	763.490	356.708	274.935

Inventory purchases	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Zer	1.732.339	1.007.800	1.302.558	826.264
Ram Dış	587.013	209.758	3.775.722	2.108.738
Akpa	482.529	259.610	605.357	313.664
Beldeyama	482.407	225.043	648.203	283.569
Opet	117.293	61.815	114.277	63.202
Koçtaş	10.573	9.183	12.846	9.562
Otoyol	-	-	4.576.444	4.576.444
Oltaş Otomotiv Last.Tev.A.Ş. (Oltaş)	-	-	70.673	28.648
Sanal Merkez Ticaret A.Ş.	-	-	15.646	5.648
Setur	-	-	3.876	3.876
Total	3.412.154	1.773.209	11.125.602	8.219.615

(1) Shareholder's subsidiary

Services received	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Ram Dış	5.661.775	1.340.288	1.764.177	1.097.115
Ram Sigorta	800.124	97.221	613.541	134.536
Koç Holding A.Ş.	609.698	314.994	579.584	531.201
Setur	552.518	289.272	751.031	521.594
Otokoç	268.132	126.414	191.336	101.599
Koç Sistem	177.675	37.688	458.369	290.686
Koçnet	81.705	37.581	78.348	43.641
Setair	21.035	7.519	32.483	22.461
Promena	16.700	16.700	-	-
Otoyol	5.953	5.953	17.351	-
Tofaş	3.790	3.790	-	-
Palmira	3.150	668	642.956	293.859
Koç Allianz Sigorta A.Ş.	-	-	26.873	-
VKV Amerikan Hastanesi	-	-	23.030	13.055
Other	-	-	5.943	1.574
Total	8.202.255	2.278.088	5.185.022	3.051.321

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18. Related party disclosures (continued)

Bank deposits	January 1 - June 30, 2009	December 31, 2008
Yapı ve Kredi Bankası A.Ş. (1)		
- demand deposits	1.516.346	1.352.273
- time deposits	24.940.630	43.956.700
	26.456.976	45.308.973

Checks and notes in collection	June 30, 2009	December 31, 2008
Yapı ve Kredi Bankası A.Ş.	10.250.791	18.392.003
	10.250.791	18.392.003

Bank loans	June 30, 2009	December 31, 2008
Yapı ve Kredi Bankası A.Ş.	21.239.112	16.955.881
YKB Faktoring A.Ş. (1)	9.997.950	-
	31.237.062	16.955.881

The Company has also a loan amounting to USD 10.000.000 obtained under guarantee of Koç Holding A.Ş.

(1) Shareholder's subsidiary

For the period ended June 30, financial income and expense with related parties:

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Interest income				
Yapı ve Kredi Bankası A.Ş.	1.103.920	446.779	3.789	3.789
Total	1.103.920	446.779	3.789	3.789

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Foreign exchange gain				
Yapı ve Kredi Bankası A.Ş.	7.740.409	(9.323)	177.015	10.920
Ram Dış	5.294.469	4.283.918	77.250	17.549
Total	13.034.878	4.274.595	254.265	28.469

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18. Related party disclosures (continued)

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Forward income and expenses				
Yapı ve Kredi Bankası A.Ş.				
Forward income	678.415	-	-	-
Forward expense	(340.187)	-	-	-
Total	338.228	-	-	-

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Interest expense				
Yapı ve Kredi Bankası A.Ş.	866.458	456.313	-	-
Total	866.458	456.313	-	-

	January 1 - June 30, 2009	April 1 - June 30, 2009	January 1 - June 30, 2008	April 1 - June 30, 2008
Foreign exchange losses				
Yapı ve Kredi Bankası A.Ş.	8.715.310	1.060.286	172.006	96.412
Ram Dış	13.823.037	10.254.328	357.940	278.420
Total	22.538.347	11.314.614	529.946	374.832

Forward agreements with Yapı ve Kredi Bankası A.Ş.

Amount	Currency	Parity	Transaction date	June 30, 2009 Maturity
11.000.000	USD-EUR	1,3947	31.12.2008	06.08.2009
15.000.000	USD-EUR	1,3944	31.12.2008	12.10.2009

Amount	Currency	Parity	Transaction date	December 31, 2008 Maturity
15.000.000	USD-EUR	1,3973	31.12.2008	15.05.2009
12.000.000	USD-EUR	1,3959	31.12.2008	30.06.2009
11.000.000	USD-EUR	1,3947	31.12.2008	06.08.2009
15.000.000	USD-EUR	1,3944	31.12.2008	12.10.2009

Salaries and similar benefits provided to the executive management for the period ended June 30, 2009 amounts to TL 1.128.590 (June 30, 2008 - TL 1.116.293).

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19. Nature and level of risks arising from financial instruments

Foreign currency risk and related sensitivity analysis

The Company is exposed to the foreign exchange risk through the rate changes at the translation of foreign currency denominated liabilities to local currency. These risks are monitored and limited by analyzing the foreign currency position. Currency risk is monitored and limited by analyzing the foreign currency position. The Company follows a policy of diversifying its foreign currency position in order to manage the foreign currency risk that may arise due to future operations and recognized assets and liabilities.

The accompanying table represents the foreign currency risk of the Company;

		Table of foreign currency position				
		Current period				
		TL equivalent (functional currency)	USD	EUR	GBP	CHF
1.	Trade receivables	119.342.589	23.583.584	36.208.913	2.184.406	-
2a.	Monetary financial assets (including cash, bank accounts)	68.513.670	42.488.979	1.612.039	15.986	-
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	21.145.248	11.697.175	1.512.600	-	-
4.	Current assets (1+2+3)	209.001.507	77.769.738	39.333.552	2.200.392	-
5.	Trade receivables	29.223.418	-	13.611.914	-	-
6a.	Monetary financial assets	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	Non-current assets (5+6+7)	29.223.418	-	13.611.914	-	-
9.	Total assets(4+8)	238.224.925	77.769.738	52.945.466	2.200.392	-
10.	Trade payables	(9.597.993)	(1.094.302)	(2.436.550)	(931.195)	(241.584)
11.	Financial liabilities	(112.073.564)	(39.339.790)	(24.164.959)	-	-
12a.	Monetary other liabilities	-	-	-	-	-
12b.	Non-monetary other liabilities	(99.082.674)	(56.642.004)	(5.782.637)	-	-
13.	Current liabilities (10+11+12)	(220.754.231)	(97.076.096)	(32.384.146)	(931.195)	(241.584)
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	-	-	-	-	-
16a.	Monetary other liabilities	-	-	-	-	-
16b.	Non-monetary other liabilities	-	-	-	-	-
17.	Non-current liabilities (14+15+16)	-	-	-	-	-
18.	Total liabilities (13+17)	(220.754.231)	(97.076.096)	(32.384.146)	(931.195)	(241.584)
19.	Net asset/(liability) position of off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-
19a.	Hedged total assets amount	-	-	-	-	-
19b.	Hedged total liabilities amount	-	-	-	-	-
20.	Net foreign currency asset/(liability) position (9+18+19)	17.470.694	(19.306.358)	20.561.320	1.269.197	(241.584)
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	95.408.120	25.638.471	24.831.357	1.269.197	(241.584)
22.	Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-
23.	Export	96.612.002	42.247.669	9.129.346	2.972.690	-
24.	Import	51.079.594	11.704.345	12.539.101	1.882.378	631.358

As of June 30, 2009, the Company has made two forward contracts by which the Company will sell EUR 7.897.001 and 10.757.315 and buy USD 11.000.000 and 15.000.000 on maturities of August 6, 2009 and October 12, 2009, respectively (Note 18).

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19. Nature and level of risks arising from financial instruments (continued)

		Table of foreign currency position				
			Prior period			
		TL equivalent (functional currency)	USD	EUR	GBP	CHF
1.	Trade receivables	95.427.613	1.747.043	42.713.233	613.515	-
2a.	Monetary financial assets (including cash, bank accounts)	65.601.564	41.439.146	1.358.473	11.369	-
2b.	Non-monetary financial assets	-	-	-	-	-
3.	Other	-	-	-	-	-
4.	Current assets (1+2+3)	161.029.177	43.186.189	44.071.706	624.884	-
5.	Trade receivables	37.617.739	-	17.571.814	-	-
6a.	Monetary financial assets	-	-	-	-	-
6b.	Non-monetary financial assets	-	-	-	-	-
7.	Other	-	-	-	-	-
8.	Non-current assets (5+6+7)	37.617.739	-	17.571.814	-	-
9.	Total assets(4+8)	198.646.916	43.186.189	61.643.520	624.884	-
10.	Trade payables	(29.047.890)	(8.092.591)	(6.606.517)	(1.048.255)	(264.691)
11.	Financial liabilities	(133.748.602)	(57.377.299)	(21.943.625)	-	-
12a.	Monetary other liabilities	-	-	-	-	-
12b.	Non-monetary other liabilities	(72.141.887)	(47.218.498)	(342.560)	-	-
13.	Current liabilities (10+11+12)	(234.938.379)	(112.688.388)	(28.892.702)	(1.048.255)	(264.691)
14.	Trade payables	-	-	-	-	-
15.	Financial liabilities	-	-	-	-	-
16a.	Monetary other liabilities	-	-	-	-	-
16b.	Non-monetary other liabilities	-	-	-	-	-
17.	Non-current liabilities (14+15+16)	-	-	-	-	-
18.	Total liabilities (13+17)	(234.938.379)	(112.688.388)	(28.892.702)	(1.048.255)	(264.691)
19.	Net asset/(liability) position of off-balance sheet derivative instruments(19a-19b)	-	-	-	-	-
19a.	Hedged total assets amount	-	-	-	-	-
19b.	Hedged total liabilities amount	-	-	-	-	-
20.	Net foreign currency asset/(liability) position (9+18+19)	(36.291.463)	(69.502.199)	32.750.818	(423.371)	(264.691)
21.	Net foreign currency asset/(liability) position of monetary items (=1+2a+5+6a-10-11-12a-14-15-16a)	35.850.424	(22.283.701)	33.093.378	(423.371)	(264.691)
22.	Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-
23.	Export	59.045.665	29.475.405	7.267.851	3.029.339	-
24.	Import	82.112.109	24.860.525	23.500.380	3.062.484	2.760.786

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19. Nature and level of risks arising from financial instruments (continued)

The following table demonstrates the sensitivity to a possible change of 10% in the USD, EUR and GBP exchange rates, with all other variables held constant, on the Company's income before tax as of June 30, 2009 and December 31, 2008:

Exchange rate sensitivity analysis table		
Current period		
	Profit/loss	Profit/loss
	Appreciation of	Depreciation of
	foreign currency	foreign currency
<i>In case 10% appreciation of USD against TL:</i>		
1- USD net asset/liability	3.922.942	(3.922.942)
2- Amount hedged for USD risk (-)	-	-
3- USD net effect (1+2)	3.922.942	(3.922.942)
<i>In case 10% appreciation of EUR against TL:</i>		
4- EUR net asset/liability	5.331.044	(5.331.044)
5- Amount hedged for EUR risk (-)	-	-
6- EUR net effect (4+5)	5.331.044	(5.331.044)
<i>In case 10% appreciation of GBP against TL:</i>		
7- GBP net asset/liability	320.751	(320.751)
8- Amount hedged for GBP risk (-)	-	-
9- GBP net effect (7+8)	320.751	(320.751)
<i>In case 10% appreciation of CHF against TL:</i>		
10- CHF net asset/liability	(33.926)	33.926
11- Amount hedged for CHF risk (-)	-	-
12- CHF net effect (10+11)	(33.926)	33.926
Total (3+6+9+12)	9.540.811	(9.540.811)

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19. Nature and level of risks arising from financial instruments (continued)

		Exchange rate sensitivity analysis table	
		Profit/loss	Prior period
		Appreciation of foreign currency	Depreciation of foreign currency
<i>In case 10% appreciation of USD against TL:</i>			
1-	USD net asset/liability	(3.369.964)	3.369.964
2-	Amount hedged for USD risk (-)	-	-
3-	USD net effect (1+2)	(3.369.964)	3.369.964
<i>In case 10% appreciation of EUR against TL:</i>			
4-	EUR net asset/liability	7.084.631	(7.084.631)
5-	Amount hedged for EUR risk (-)	-	-
6-	EUR net effect (4+5)	7.084.631	(7.084.631)
<i>In case 10% appreciation of GBP against TL:</i>			
7-	GBP net asset/liability	(92.820)	92.820
8-	Amount hedged for GBP risk (-)	-	-
9-	GBP net effect (7+8)	(92.820)	92.820
<i>In case 10% appreciation of CHF against TL:</i>			
10-	CHF net asset/liability	(36.804)	36.804
11-	Amount hedged for CHF risk (-)	-	-
12-	CHF net effect (10+11)	(36.804)	36.804
Total (3+6+9+12)		3.585.043	(3.585.043)

20. Subsequent events

As stated in Note 4, with the resolution of Board of Directors numbered 2009/8 and dated June 25, 2009, the Company has decided to sell its shares in Entek Elektrik Üretimi A.Ş. shares and give sales authority for this transaction. With this resolution, the shares of the Company in Entek Elektrik Üretimi A.Ş. with a ratio of % 0,86 was transferred to Aygaz A.Ş. for an amount of TL 2.099.804 on July 21, 2009.

Besides the Company engaged in forward transaction in July 1, 2009 as summarized below.

Amount	Currency	Parity	Transaction date	Maturity
12.000.000	USD-EUR	1,4140	01.07.2009	31.12.2009

21. Other matters which are significant to the financial statements or which should be disclosed for the purpose of true and fair interpretation of the financial statements

There is no other matters having significant impact on or requiring explanation in order to provide the clarity, interpretability and perceptibility of the financial statements.