

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REVIEW REPORT AND
CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD BETWEEN 1 JANUARY - 30 JUNE 2009**

(ORIGINALLY ISSUED IN TURKISH)

**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

To the Board of Directors of
Türk Traktör ve Ziraat Makineleri A.Ş.

Introduction

1. We have reviewed the accompanying balance sheet of Türk Traktör ve Ziraat Makineleri A.Ş. (the "Company") as of 30 June 2009, and the related statement of income, changes in shareholders' equity, cash flows for the six-months period then ended and a summary of significant accounting policies and other explanatory notes. The Company management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the financial reporting standards as accepted by the Capital Markets Board. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

2. We conducted our review in accordance with the principles and standards on the review of interim financial statements as set out in "Section 34 of the Communiqué No: X-22 on the auditing standards issued by the Capital Markets Board". A review of interim financial statements 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 independent auditing standards issued by the Capital Markets Board 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 independent audit opinion.

Conclusion

3. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material respects, the financial position of Türk Traktör ve Ziraat Makineleri A.Ş. as of 30 June 2009, and its financial performance and its cash flows for the six-months period then ended in accordance with financial reporting standards as accepted by the Capital Markets Board (Note 2).

Additional paragraph for convenience translation into English

4. The accounting principles described in Note 2 to the accompanying condensed interim financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period between 1 January - 31 December 2005. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

ORIGINAL COPY ISSUED AND SIGNED IN TURKISH

Murat Sancar, SMMM
Partner

Istanbul, 11 August 2009

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD
BETWEEN 1 JANUARY - 30 JUNE 2009**

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INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

BALANCE SHEETS AT 30 JUNE 2009 AND 31 DECEMBER 2008

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

	Notes	Reviewed 30 June 2009	Audited 31 December 2008
ASSETS			
CURRENT ASSETS		573.941.923	721.732.176
Cash and cash equivalents	4	56.642.164	115.684.361
Trade receivables			
- Trade receivables	8	201.681.922	193.836.628
- Due from related parties	22	63.238.550	84.760.004
Financial assets	5	6.532.755	-
Inventories	9	182.131.038	275.109.457
Other current assets	12	63.715.494	52.341.726
NON-CURRENT ASSETS		212.862.105	241.412.927
Trade receivables	8	161.072.503	181.016.360
Financial assets	5	-	6.541.500
Property, plant and equipment	10	36.956.816	39.609.588
Intangible assets	11	6.983.066	5.655.667
Deferred tax assets	20	7.471.755	8.200.194
Other non-current assets	12	377.965	389.618
TOTAL ASSETS		786.804.028	963.145.103

The condensed interim financial statements prepared at and for the period ended at 30 June 2009 have been approved by the Board of Directors on 11 August 2009.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

BALANCE SHEETS AT 30 JUNE 2009 AND 31 DECEMBER 2008

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

	Notes	Reviewed 30 June 2009	Audited 31 December 2008
LIABILITIES			
CURRENT LIABILITIES		366.714.251	649.380.378
Financial liabilities	6	286.385.511	504.795.652
Other financial liabilities	7	-	6.131.604
Trade payables			
- Trade payables	8	50.972.118	74.433.859
- Due to related parties	22	11.428.368	38.094.856
Provision for liabilities	13	10.603.050	12.360.035
Taxation on income	20	923.067	-
Other current liabilities	12	6.402.137	13.564.372
NON-CURRENT LIABILITIES		141.201.730	28.211.920
Financial liabilities	6	135.398.913	20.637.929
Provision for employment termination benefits	14	5.802.817	7.573.991
SHAREHOLDERS' EQUITY		278.888.047	285.552.805
Share capital	15	53.369.000	53.369.000
Adjustments to share capital	15	39.014.356	39.014.356
Fair value reserves	15	3.625.790	3.634.098
Hedge reserve	7,15	-	(4.905.283)
Merger reserve	15	(5.569.000)	(5.569.000)
Restricted profit reserves	15	59.011.780	56.617.017
Retained earnings	15	123.919.774	76.601.061
Net profit for the period	15	5.516.347	66.791.556
TOTAL LIABILITIES		786.804.028	963.145.103

Provisions, contingent assets and contingent liabilities 13

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONDENSED INCOME STATEMENTS FOR THE INTERIM PERIODS
BETWEEN 1 JANUARY - 30 JUNE 2009 AND 2008**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

	Notes	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Sales (net)	16	326.235.025	170.261.167	444.871.561	240.844.589
Cost of sales (-)	16	(284.275.739)	(141.776.689)	(356.375.389)	(196.605.165)
GROSS PROFIT		41.959.286	28.484.478	88.496.172	44.239.424
Marketing, selling and distribution expenses (-)		(13.083.851)	(7.145.610)	(15.611.140)	(7.151.798)
General administrative expenses (-)		(9.099.669)	(4.384.004)	(13.606.287)	(6.014.041)
Research and development expenses (-)		(1.403.244)	(823.989)	(1.923.900)	(1.300.926)
Other operating income	17	2.175.520	1.988.623	1.256.832	907.920
Other operating expenses (-)	17	(3.729.750)	(3.665.406)	(1.939.504)	(1.441.026)
OPERATING PROFIT		16.818.292	14.454.092	56.672.173	29.239.553
Financial income	18	184.285.706	92.613.390	128.763.629	62.803.979
Finance costs (-)	19	(194.382.872)	(91.026.438)	(121.259.354)	(51.218.651)
PROFIT BEFORE TAXATION ON INCOME		6.721.126	16.041.044	64.176.448	40.824.881
Taxes on income	20	(1.702.224)	(1.702.224)	(16.174.884)	(9.584.398)
Deferred tax income/(expense)	20	497.445	87.141	3.656.775	1.993.574
NET PROFIT FOR THE PERIOD		5.516.347	14.425.961	51.658.339	33.234.057
Earnings per share (TL)	21	0,0010	0,0027	0,0097	0,0062
OTHER COMPREHENSIVE INCOME					
Change in financial asset value increase fund	5	(8.745)	-	1.865.687	1.865.687
Change in hedge reserves	7	6.131.604	-	7.727.262	(4.784.904)
Other comprehensive income related with tax (expense)/income	7	(1.225.884)	-	(1.638.736)	863.697
OTHER COMPREHENSIVE INCOME /(EXPENSE) (AFTER TAX)		4.896.975	-	7.954.213	(2.055.520)
TOTAL COMPREHENSIVE INCOME		10.413.322	14.425.961	59.612.552	31.178.537

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONDENSED SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIODS BETWEEN 1 JANUARY - 30 JUNE 2009 AND 2008**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

	Share capital	Adjustments to share capital	Fair value reserves	Hedge reserve	Merger reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Total shareholders' equity
1 January 2009	53.369.000	39.014.356	3.634.098	(4.905.283)	(5.569.000)	56.617.017	76.601.061	66.791.556	285.552.805
Transfers	-	-	-	-	-	2.394.763	64.396.793	(66.791.556)	-
Dividends paid	-	-	-	-	-	-	(17.078.080)	-	(17.078.080)
Decrease in the fair value of available-for-sale investments	-	-	(8.745)	-	-	-	-	-	(8.745)
Deferred tax calculated on decrease in the fair value of available-for-sale investments	-	-	437	-	-	-	-	-	437
Amortization of derivative financial instruments	-	-	-	4.905.283	-	-	-	-	4.905.283
Net profit for the period	-	-	-	-	-	-	-	5.516.347	5.516.347
30 June 2009	53.369.000	39.014.356	3.625.790	-	(5.569.000)	59.011.780	123.919.774	5.516.347	278.888.047
	Share capital	Adjustments to share capital	Fair value reserves	Hedge reserve	Merger reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Total shareholders' equity
1 January 2008 - as previously reported	47.000.000	39.014.356	1.988.520	-	-	44.075.118	54.383.637	91.066.245	277.527.876
Effect of merger (Notes 2.1 and 3)	6.369.000	-	-	(13.084.836)	(5.569.000)	3.376.899	32.655.661	1.660.518	25.408.242
1 January 2008 - as restated	53.369.000	39.014.356	1.988.520	(13.084.836)	(5.569.000)	47.452.017	87.039.298	92.726.763	302.936.118
Transfers	-	-	-	-	-	9.165.000	83.561.763	(92.726.763)	-
Dividends paid	-	-	-	-	-	-	(94.000.000)	-	(94.000.000)
Increase in the fair value of available for sale investments	-	-	1.865.687	-	-	-	-	-	1.865.687
Deferred tax calculated on increase in the fair value of available for sale investments	-	-	(93.284)	-	-	-	-	-	(93.284)
Increase in the fair value of derivative financial instruments	-	-	-	7.727.262	-	-	-	-	7.727.262
Deferred tax calculated on increase in the fair value of derivative financial instruments	-	-	-	(1.545.452)	-	-	-	-	(1.545.452)
Net profit for the period	-	-	-	-	-	-	-	51.658.339	51.658.339
30 June 2008	53.369.000	39.014.356	3.760.923	(6.903.026)	(5.569.000)	56.617.017	76.601.061	51.658.339	268.548.670

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

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONDENSED CASH FLOWS FOR THE INTERIM PERIODS
BETWEEN 1 JANUARY - 30 JUNE 2009 AND 2008**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

	Notes	Reviewed 30 June 2009	Reviewed 30 June 2008
Operating activities:			
Profit before taxation on income		6.721.126	64.176.448
Depreciation	10	3.281.023	5.685.621
Amortisation	11	396.696	209.857
Provision for employment termination benefits	14	3.160.292	437.045
Loss/(gain) from sales of property, plant and equipment - net		105.129	(740.775)
Interest income	18	(5.439.204)	(4.569.091)
Interest expense	19	27.033.677	11.635.455
Expense accruals-net		(1.756.987)	3.828.888
Provision for doubtful receivables	17	3.375.065	1.812.522
Net cash flow before changes in operating assets and liabilities		36.876.817	82.475.970
Changes in assets and liabilities - net:			
Decrease/(increase) in trade receivables		8.847.006	(137.429.072)
Decrease/(increase) in due from related parties		21.521.454	(24.883.041)
Decrease/(increase) in inventories		92.978.419	(35.402.377)
Increase in other current assets		(11.373.768)	(14.152.070)
Decrease in other non-current assets		11.653	89.075
(Decrease)/increase in due to related parties		(26.666.488)	4.093.791
(Decrease)/increase in trade payables		(23.461.741)	27.430.065
(Decrease)/increase in other short-term liabilities		(7.162.235)	6.858.149
Employment termination benefits paid	14	(4.931.466)	(407.560)
Taxes paid	20	(779.157)	(10.802.510)
Net cash provided by/(used in) operating activities		85.860.494	(102.129.580)
Investing activities:			
Capital expenditures		(2.976.935)	(4.034.457)
Proceeds from sales of tangible and intangible assets		519.461	745.487
Interest received		5.438.700	4.692.284
Net cash used in investing activities		2.981.226	1.403.314
Financing activities:			
Repayment of financial borrowings		(102.174.665)	165.329.998
Dividends paid		(17.078.080)	(94.000.000)
Interest paid		(28.508.166)	(8.611.335)
Net cash (used in)/provided by investing activities		(147.760.911)	62.718.663
Net decrease in cash and cash equivalents		(58.919.191)	(38.007.603)
Cash and cash equivalents at the beginning of the period	4	115.448.598	47.651.090
Cash and cash equivalents at the end of the period	4	56.529.407	9.643.487

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

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2009

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

NOTE 1 - ORGANISATION AND NATURE OF OPERATIONS

Türk Traktör ve Ziraat Makineleri A.Ş. (the "Company") was established in 1954 in Ankara, as Minneapolis Moline Türk Traktör ve Ziraat Makineleri A.Ş. to undertake the manufacturing and trade of farm tractors, harvesters and other agricultural machinery and equipment. The name of the Company was changed as Türk Traktör Ziraat Makineleri A.Ş. in 1968 upon the purchase of 25% of the shares held by Ege Makina ve Ticaret A.Ş., a company of the Koç Holding A.Ş. ("Koç Holding"). As of 30 June 2008, major shareholders of the Company are Koç Holding and CNH Global N.V. ("CNH") (Note 15). The number of personnel working within the Company as of 30 June 2009 is 1.004 (31 December 2008: 1.476).

The Company conducts marketing and selling activities in the domestic market, through its 113 sales dealers and 74 spare part dealers throughout the country.

The Company is registered in Turkey in the following address:

Güvercin Yolu No: 111-112
Gazi 06560 Ankara

As of 30 June 2009, the publicly quoted shares are 22% of the total shares (31 December 2008: 22%). The shares of the Company were quoted on the Istanbul Stock Exchange on 3 - 4 June 2004.

The available for sale financial assets of the Company consists of Entek Elektrik Üretimi A.Ş. ("Entek") (Note 5).

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Principles governing the preparation of financial statements

The Capital Markets Board of Turkey ("CMB") regulated the principles and procedures of preparation, presentation and announcement of financial statements prepared by the entities with the Communiqué No: XI-29, "Principles of Financial Reporting in Capital Markets" ("the Communiqué"). This Communiqué is effective for the annual periods starting from 1 January 2008 and supersedes the Communiqué No: XI-25 "The Financial Reporting Standards in the Capital Markets". According to the Communiqué, entities shall prepare their financial statements in accordance with International Financial Reporting Standards ("IAS/IFRS") endorsed by the European Union. Until the differences of the IAS/IFRS as endorsed by the European Union from the ones issued by the International Accounting Standards Board ("IASB") are announced by Turkish Accounting Standards Board ("TASB"), IAS/IFRS issued by the IASB shall be applied. Accordingly, Turkish Accounting Standards/ Turkish Financial Reporting Standards ("TAS/TFRS") issued by the TASB which are in line with the aforementioned standards shall be considered.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the accounting and financial reporting principles accepted by the CMB ("CMB Financial Reporting Standards"). Accordingly, the Company did not apply IAS 29 "Financial Reporting in Hyperinflationary Economies" ("IAS 29") issued by IASB in its financial statements for the accounting periods starting 1 January 2005.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2009

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

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

According to the Communiqué No: XI-29 of CMB, the entities are free to prepare their interim financial statements as a full set or condensed based on the IAS 34 "Interim Financial Reporting" standard. In this respect, the Company preferred to prepare condensed financial statements for interim periods and prepared its condensed interim financial statements according to the CMB Financial Reporting Standards.

As the differences of the IAS/IFRS endorsed by the European Union from the ones issued by the IASB has not been announced by TASB as of date of preparation of these financial statements, the condensed financial statements have been prepared within the framework of Communiqué XI, No: 29 and related promulgations to this Communiqué as issued by the CMB in accordance with CMB Financial Reporting Standards which is based on IAS/IFRS. The financial statements and the related notes to them are presented in accordance with the formats recommended by the CMB with the promulgation dated 14 April 2008, including the compulsory disclosures.

Comparatives and restatement of prior period financial statements

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance. As explained in Note 3, the Company has merged with New Holland Trakmak Traktör ve Ziraat Makinaları A.Ş. ("Trakmak") as of 31 March 2008, through transfer of all the assets and liabilities of Trakmak into the Company as a whole. The opening balances as of 1 January 2008 in the comparative shareholders' equity of the Company as of 30 June 2008 have been restated to reflect the effects of combining the financial statements of the Company and Trakmak, prepared in accordance with the financial reporting standards accepted by the CMB.

In addition, the Company has made the necessary reclassifications in the prior period financial statements to comply with the format changes stated in the announcement of CMB related to the financial statements and the explanatory notes prepared in accordance with CMB Communiqué XI, No: 29 "Principles of Financial Reporting in Capital Markets".

Turkish Lira

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

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

Offsetting

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

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**SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2009**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

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

2.2 Interpretations and amendments to existing standards as of 1 January 2009

Amendments effective during the year 2009 and relevant to the activities of the Company:

IAS 1 (Revised), 'Presentation of Financial Statements' (effective from 1 January 2009). The revised standard will specify the presentation of items of income and expenses in one statement (comprehensive income statement) or two statements (income statement and comprehensive income statement). Other comprehensive income will be specified as different tax effects item or net. Being independent from the chosen representation method, companies will show other comprehensive income related with tax in the comprehensive income statements or notes.

Amendments and interpretations effective during the year 2009 and not relevant to the activities of the Company:

- IAS 23 (Amendment), "Borrowing costs",
- IAS 32 (Amendment), "Financial instruments: Presentation",
- IAS 39 (Amendment), "Financial instruments: Recognition and measurement",
- IFRS 2 (Amendment), "Share-based payment",
- IFRIC 13, "Customer loyalty programmes",
- IFRIC 15, "Agreements for construction of real estates",
- IFRIC 16, "Hedges of a net investment in a foreign operation",

Standards, amendment and interpretations not effective yet and not early adopted by the Company:

IFRS 3 (Amendment), "Business Combinations", (effective from 1 July 2009). The revised standard will continue to apply acquisition method with the important changes. The Company will apply UFRS 3 (Revised) for the business combinations after 1 January 2010.

IFRIC 17, "Distribution of non-monetary assets to the shareholders", applicable as of and after 1 July 2009.

IFRIC 18, "Asset transfer from customer", applicable for asset transfers after 1 July 2009.

2.3 Errors and changes in accounting policies/estimations

Material changes in accounting policies or material errors are corrected, retrospectively; restating the prior period financial statements. Effect of changes in accounting estimates affecting current period is recognized in the current period; effect of changes in accounting estimates affecting current and future periods is recognised in the current period and also in future periods.

2.4 Summary of significant accounting policies

The condensed interim financial statements for the period ended as of 30 June 2009 are prepared in accordance with IAS 34, which is related to interim financial reporting. In addition, the condensed interim financial statements as of 30 June 2009 are prepared by using accounting policies that are consistent with the accounting policies used in preparation of the financial statements for the year ended as of 31 December 2008. Therefore, these interim condensed financial statements shall be considered together with the financial statements for the year ended as of 31 December 2008.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY - 30 JUNE 2009**

(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

NOTE 3 - BUSINESS COMBINATIONS

In the Ordinary General Assembly meeting held on 27 March 2008 based on the authorization of CMB dated 25 February 2008 and numbered B.02.1.SPK.0.13-276/3197, it was decided to merge the Company and Trakmak, through transfer of all the assets and liabilities of Trakmak into the Company as a whole under the framework of Turkish Commercial Code decree 451 and other related decrees and Articles 18-20 of Corporate Tax Law.

Decision of the Ordinary General Assembly and the merger agreement dated 27 March 2008 are registered by the trade registry offices in Ankara and İzmir on 31 March 2008.

The method adopted in the business combination of the Company and Trakmak, was merger over adjusted equities in accordance with CMB Financial Reporting Standards. Merger ratio based on the equity method was determined as 88,067% by an independent expert firm, and by dividing the previous share capital of the Company amounting to TL47.000.000 by the merger ratio, share capital after the merger has been determined as TL53.369.000 (Note 2.1).

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 June 2009	31 December 2008
Banks		
- TL denominated demand deposits	15.936.575	2.018.949
- TL denominated time deposits	1.300.310	72.740.058
- Foreign currency denominated demand deposits	1.447.619	1.805.278
- Foreign currency denominated time deposits	37.957.660	39.120.076
	56.642.164	115.684.361

As of 30 June 2009, the weighted average effective annual interest rate for the TL and EURO ("EUR") time deposits are 8,70% and 3,25%, respectively. (31 December 2008: TL: 16,52%, U.S. Dollar ("USD"): 1,00%, EUR: 3,01%). As of 30 June 2009 and 31 December 2008, remaining time to maturity of time deposits is less than three months.

The cash and cash equivalents included in the statement of cash flows at 30 June 2009, 31 December 2008, 30 June 2008 and 31 December 2007 is as follows:

	30 June 2009	31 December 2008	30 June 2008	31 December 2007
Banks	56.642.164	115.684.361	9.654.683	48.041.301
Less: Interest accruals	(100.535)	(100.032)	(1.618)	(124.812)
Less: Restricted bank deposits	(12.222)	(135.731)	(9.578)	(265.399)
Cash and cash equivalents	56.529.407	115.448.598	9.643.487	47.651.090

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NOTE 5 - FINANCIAL ASSETS

Short and long-term available for sale financial assets:

	<u>30 June 2009</u>		<u>31 December 2008</u>	
	Share percentage	TL	Share percentage	TL
Entek	%2,67	6.532.755	%2,67	6.541.500

During the Board of Directors meeting dated 25 June 2009 of Entek and the Company, it is decided to sell 2,67% of Entek shares of the Company to Temel Ticaret ve Yatırım A.Ş. ("Temel Ticaret") at an amount of TL6.532.755. Accordingly, the shares are sold on 21 July 2009 (Note 24).

NOTE 6 - FINANCIAL LIABILITIES

a) Short term financial liabilities

Short-term bank borrowings

	<u>Original currency amount</u>		<u>Weighted average effective interest rate p.a. (%)</u>		<u>TL equivalent</u>	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008
TL bank borrowings	99.958.642	164.987.867	11,61	23,48	99.958.642	164.987.867
EUR bank borrowings	85.987.452	117.059.506	9,18	9,06	184.606.460	250.600.991
					284.565.102	415.588.858

Short-term portion of long term bank borrowings

	<u>Original currency amount</u>		<u>Weighted average effective interest rate p.a. (%)</u>		<u>TL equivalent</u>	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008	30 June 2009	31 December 2008
EUR bank borrowings	821.176	41.669.840	6,81	5,5	1.762.983	89.206.794
					1.762.983	89.206.794

Short-term financial lease obligations

	<u>Original currency amount</u>		<u>TL equivalent</u>	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
TL financial lease obligations	57.426	-	57.426	-
			57.426	-
			286.385.511	504.795.652

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

b) Long-term financial liabilities

Long-term bank borrowings

	<u>Original currency amount</u>		<u>Weighted average effective interest rate p.a. (%)</u>		<u>TL equivalent</u>	
	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
EUR bank borrowings	63.001.111	9.640.288	6,81	5,66	135.257.085	20.637.929
					135.257.085	20.637.929

Long-term financial lease obligations

	<u>Original currency amount</u>		<u>TL equivalent</u>	
	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
TL financial lease obligations	141.828	-	141.828	-
			141.828	-
			135.398.913	20.637.929

Redemption schedule of the long-term bank borrowings as of 30 June 2009 is as follows:

	30 June 2009
2010	17.177.585
2012	118.079.500
	135.257.085

Carrying and fair values of the bank borrowings are as shown below:

	<u>Carrying value</u>		<u>Fair value</u>	
	<u>30 June 2009</u>	<u>31 December 2008</u>	<u>30 June 2009</u>	<u>31 December 2008</u>
Bank borrowings	421.784.424	525.433.581	422.551.648	538.869.550

As of 30 June 2009, fair values of the EUR and TL denominated bank borrowings are determined by using the discounted cash flow method over annual average effective discount rates of 5,49% and 7,77%, respectively (31 December 2008: EUR and TL bank borrowings of 4,32% and 16,26% p.a., respectively).

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NOTE 7 - OTHER FINANCIAL LIABILITIES

As of 30 June 2009, the Company has no other financial liabilities.

The Company has obtained forward foreign currency-buy contracts from banks amounting to EUR26.250.000 in order to manage the foreign currency risk arising from the bank borrowings amounting to EUR26.250.000 as of 31 December 2008. Since these derivative financial instruments are assessed to be effective cash flow hedges, related gains/losses arising from these forward transactions are recognised under shareholders' equity. As of 31 December 2008, total contract value of the forward foreign currency-buy transactions is TL64.343.525.

Derivative financial instruments

	30 June 2009	31 June 2008
Short-term obligations arising from derivative financial instruments	-	6.131.604
Total obligations arising from derivative financial instruments	-	6.131.604

	30 June 2009			31 December 2008		
	Contract value	Fair value	Fair value difference	Contract value	Fair value	Fair value difference
Forward foreign currency-buy transactions	-	-	-	64.343.525	58.211.921	(6.131.604)

Movements in the hedge reserve during the period are as shown below:

	2009	2008
1 January	(4.905.283)	(13.084.836)
Amortization of derivative financial instruments	4.905.283	-
Increase in the fair value of derivative financial instruments	-	7.727.262
Deferred tax calculated over the increase in the fair value of derivative financial instruments	-	(1.545.452)
30 June	-	(6.903.026)

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES

	30 June 2009	31 December 2008
Short-term trade receivables:		
Customer current accounts	125.959.752	113.600.059
Notes receivables	87.882.680	95.881.467
Protested notes	12.128.866	6.155.799
	<hr/>	<hr/>
	225.971.298	215.637.325
Less: Provision for doubtful receivables	(17.480.610)	(14.114.059)
Unearned financial income	(6.808.766)	(7.686.638)
	<hr/>	<hr/>
Total short-term trade receivables	201.681.922	193.836.628

The Company considers its past experience in collecting receivables when providing provision for doubtful accounts.

Movements of the provisions for doubtful receivables for the periods ended 30 June 2009 and 2008 are as shown below:

	2009	2008
1 January	14.114.059	1.714.405
Additions - net (Note 17)	3.375.065	1.812.522
Collections (Note 17)	(8.514)	(41.848)
	<hr/>	<hr/>
30 June	17.480.610	3.485.079

	30 June 2009	31 December 2008
Long-term trade receivables:		
Notes receivable	175.953.240	201.545.324
Less: Unearned financial income	(14.880.737)	(20.528.964)
	<hr/>	<hr/>
Total long-term trade receivables	161.072.503	181.016.360

As of 30 June 2009, weighted average annual effective interest rates for TL, EUR, and USD short term trade receivables are 9,05%, 0,91%, and 0,41% (31 December 2008: TL 15,83%, EUR 2,68%, USD 0,77%), respectively.

As of 30 June 2009, weighted average annual effective interest rates for TL, EUR, and USD short and long-term notes are 16,08%, 3,01%, and 3,05% (31 December 2008: TL 16,08%, EUR 3,01%, USD 3,05%), respectively.

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 June 2009	31 December 2008
Trade payables:		
Supplier current accounts	51.280.578	74.993.571
Less: Unincurred finance costs	(308.460)	(559.712)
	50.972.118	74.433.859

As of 30 June 2009, weighted average annual effective interest rates for TL, EUR, USD and Great Britain Pound ("GBP") denominated trade payables are 9,05%, 0,91%, 0,41% and 0,98% (31 December 2008: TL 15,83%, EUR 2,84%, USD 1,26% and GBP 2,67%), respectively.

NOTE 9 - INVENTORIES

	30 June 2009	31 December 2008
Raw materials	50.725.577	73.741.003
Work in progress	3.624.784	3.954.714
Finished goods	18.104.146	41.008.605
Trade goods	73.754.297	79.583.074
Spare parts	12.218.377	11.783.174
Goods in transit	28.830.810	66.038.183
	187.257.991	276.108.753
Provision for impairment of inventory	(5.126.953)	(999.296)
	182.131.038	275.109.457

The cost of inventories recognised as expense in the current period is amounting to TL226.382.187 (30 June 2008: TL320.666.267).

Movement of provision for impairment of inventory during the period is as follows:

	2009	2008
1 January	(999.296)	(267.389)
Charge for the period	(4.127.657)	(39.685)
30 June	(5.126.953)	(307.074)

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2009	Additions	Disposals	Transfers	30 June 2009
<u>Cost</u>					
Land	373.095	-	-	-	373.095
Land improvements	4.479.678	-	-	-	4.479.678
Buildings	48.193.297	220.695	-	-	48.413.992
Machinery and equipment	313.339.143	689.325	(3.053.502)	-	310.974.966
Special costs	2.614.694	-	-	-	2.614.694
Motor vehicles	2.661.564	255.801	(871.927)	-	2.045.438
Furniture and fixtures	20.714.636	87.019	(127.881)	-	20.673.774
Construction in progress	376.218	-	-	-	376.218
	392.752.325	1.252.840	(4.053.310)	-	389.951.855

Accumulated depreciation

Land improvements	2.833.060	58.609	-	-	2.891.669
Buildings	30.636.092	732.060	-	-	31.368.152
Machinery and equipment	297.594.831	1.900.062	(2.904.517)	-	296.590.376
Special costs	2.487.738	24.103	-	-	2.511.841
Motor vehicles	1.429.626	161.836	(398.111)	-	1.193.351
Furniture and fixtures	18.161.390	404.353	(126.093)	-	18.439.650
	353.142.737	3.281.023	(3.428.721)	-	352.995.039

Net book value	39.609.588				36.956.816
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	1 January 2008	Additions	Disposals	Transfers	30 June 2008
<u>Cost</u>					
Land	373.095	-	-	-	373.095
Land improvements	4.367.819	24.483	-	-	4.392.302
Buildings	47.797.431	-	-	138.604	47.936.035
Machinery and equipment	317.004.923	1.257.632	(8.204.900)	1.054.936	311.112.591
Special costs	2.614.694	-	-	-	2.614.694
Motor vehicles	3.124.761	100.915	(65.700)	-	3.159.976
Furniture and fixtures	19.693.220	496.966	(28.233)	-	20.161.953
Construction in progress	416.300	1.227.335	-	(1.193.540)	450.095
	395.392.243	3.107.331	(8.298.833)	-	390.200.741

Accumulated depreciation

Land improvements	2.714.198	58.835	-	-	2.773.033
Buildings	29.106.848	758.364	-	-	29.865.212
Machinery and equipment	300.521.054	4.133.888	(8.204.900)	-	296.450.042
Special costs	2.435.776	27.562	-	-	2.463.338
Motor vehicles	1.296.845	260.859	(60.988)	-	1.496.716
Furniture and fixtures	17.381.481	446.113	(28.233)	-	17.799.361
	353.456.202	5.685.621	(8.294.121)	-	350.847.702

Net book value	41.936.041				39.353.039
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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT (Continued)

For the period ended at 30 June 2009, of the total depreciation expense TL2.186.589 (30 June 2008: TL4.526.075) is allocated to cost of sales, TL630.373 (30 June 2008: TL920.687) is allocated to general administrative expenses, TL428.413 (30 June 2008: TL238.859) is allocated to research and development expenses and TL35.648 (30 June 2008: None) is allocated to marketing, selling and distribution expenses.

NOTE 11 - INTANGIBLE ASSETS

	1 January 2009	Additions	Disposals	30 June 2009
<u>Cost</u>				
Rights	4.568.981	37.332	-	4.606.313
Development costs	2.592.034	-	-	2.592.034
Development costs in progress	2.627.088	1.686.763	-	4.313.851
	9.788.103	1.724.095	-	11.512.198
<u>Accumulated amortisation</u>				
Rights	4.029.857	137.492	-	4.167.349
Development costs	102.579	259.204	-	361.783
	4.132.436	396.696	-	4.529.132
Net book value	5.655.667			6.983.066
	1 January 2008	Additions	Disposals	30 June 2008
<u>Cost</u>				
Rights	4.350.914	142.850	-	4.493.764
Development costs	512.897	-	-	512.897
Development costs in progress	1.454.846	784.276	-	2.239.122
	6.318.657	927.126	-	7.245.783
<u>Accumulated amortisation</u>				
Rights	3.718.739	158.567	-	3.877.306
Development costs	-	51.290	-	51.290
	3.718.739	209.857	-	3.928.596
Net book value	2.599.918			3.317.187

Development costs includes intangible assets developed by the Company. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The amortisation is not calculated for the development costs in progress.

For the period ended at 30 June 2009, of the total amortisation expenses TL287.049 (30 June 2008: TL126.228) is allocated to cost of sales, TL82.753 (30 June 2008: TL25.677) is allocated to general administrative expenses, TL22.213 (30 June 2008: TL57.952) is allocated to research and development expenses and TL4.681 (30 June 2008: None) is allocated to marketing, selling and distribution expenses.

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NOTE 12 - OTHER ASSETS AND LIABILITIES

	30 June 2009	31 December 2008
a) Other current assets:		
Refundable value added tax ("VAT")	39.121.068	19.602.813
Deductable VAT	19.396.429	27.844.205
Refundable corporate tax	4.113.801	4.315.001
Prepaid expenses	792.503	160.523
Other	291.693	419.184
	63.715.494	52.341.726

	30 June 2009	31 December 2008
b) Other non-current assets:		
Deposits and guarantees given	371.130	389.185
Prepaid expenses	6.835	433
	377.965	389.618

	30 June 2009	31 December 2008
c) Other short term liabilities:		
Deferred income (*)	3.130.621	6.087.574
Taxes and funds payable	1.438.304	3.260.609
Payables to personnel	810.882	1.666.618
Other	1.022.330	2.549.571
	6.402.137	13.564.372

(*) Deferred income represents the sales amount of tractors for which the invoices are issued but are not yet shipped to customers as of 30 June 2009 and 2008.

NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	30 June 2009	31 December 2008
Warranty provisions	8.294.600	9.997.787
Provision for lawsuits (*)	81.000	1.754.149
Other provisions	2.227.450	608.099
	10.603.050	12.360.035

(*) There are various ongoing lawsuits where the Company is either claimant or litigant. These lawsuits are mainly related with the collection of receivables and labour lawsuits. As of 30 June 2009, the Company has provided provision for these lawsuits in accordance with the advice of the legal counsel, amounting to TL81.000 (30 June 2008: TL1.654.023) in these financial statements.

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

The movements of provision for warranty expenses during the period ended 30 June 2009 and 2008 are as follows:

	2009	2008
1 January	9.997.787	9.494.108
Released during the period	(4.461.923)	(5.054.315)
Charge for the period	2.758.736	5.897.534
30 June	8.294.600	10.337.327

The movement of provision for lawsuits during the period is as follows:

	2009	2008
1 January	1.754.149	1.593.980
Charge for the period (Note 17)	78.829	60.043
Released during the period (Note 17) (*)	(1.751.978)	-
30 June	81.000	1.654.023

(*) In the case of winning lawsuits that are against the Company, the provisions can be reversed with the advice of the legal advisors of the Company, considering the appeal phase.

The movement of other provisions during the period is as follows:

	2009	2008
1 January	608.099	320.706
Released during the period	(608.099)	(320.706)
Charge for the period	2.227.450	3.246.332
30 June	2.227.450	3.246.332

b) Contingent Liabilities

The commitments and contingent liabilities which are not expected to cause material loss or debts by the Company are summarized below:

	30 June 2009	31 December 2008
Letters of guarantee given	23.624.511	11.355.505
Letters of bail given	7.361.070	7.340.155
	30.985.581	18.695.660

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

c) Contingent Assets

	30 June 2009	31 December 2008
Letters of guarantee received	144.737.791	139.435.262
Security bonds	1.500.000	1.550.000
Mortgages	1.335.480	1.335.480
Foreign currency guarantees in cash	12.222	11.960
	147.585.493	142.332.702

NOTE 14 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 June 2009	31 December 2008
Provision for employment termination benefits	5.802.817	7.573.991
	5.802.817	7.573.991

Provision for employee termination benefit is recorded in line with the legal arrangements explained below:

Under the Labour Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

The amount payable consists of one month's salary limited to a maximum of YTL2.260,05 for each year of service as of 30 June 2009 (31 December 2008: YTL2.173,19).

The liability is not funded, as there is no funding requirement. The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

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

	30 June 2009	31 December 2008
Discount rate (%)	6,26	6,26
Turnover rate to estimate the probability of retirement (%)	96,16	96,84

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. The maximum amount of TL2.365,16 which is effective from 1 July 2009 has been taken into consideration in calculating the provision for employment termination benefits of the Company.

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NOTE 14 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

Movements of the provision for employment termination benefits during the period are as follows:

	2009	2008
1 January	7.573.991	7.475.590
Increase during the period	3.160.292	437.045
Paid during the period	(4.931.466)	(407.560)
30 June	5.802.817	7.505.075

NOTE 15 - SHAREHOLDERS' EQUITY

Share Capital

The Company's registered share capital amounts to TL250.000.000 (31 December 2008: TL250.000.000).

Companies in Turkey may exceed the registered share capital if they issue bonus shares to present shareholders. The Company's share capital consists of the 5.336.900.000 shares of 1 Kr each one.

The composition of the Company's statutory share capital at 30 June 2009 and 31 December 2008 are as follows:

	30 June 2009		31 December 2008	
	Participation (%)	Amount (TL)	Participation (%)	Amount (TL)
Koç Holding	37,7	20.132.794	37,7	20.132.794
CNH	37,5	20.013.375	37,5	20.013.375
Temel Ticaret	2,1	1.114.575	2,1	1.114.575
Public quotation	22,0	11.747.963	22,0	11.747.963
Other	0,7	360.293	0,7	360.293
	100,0	53.369.000	100,0	53.369.000
Adjustments to share capital		39.014.356		39.014.356
		92.383.356		92.383.356

Adjustments to share capital represent the difference between the total amounts of cash additions to share capital which are adjusted for inflation and not adjusted for inflation.

As of 28 November 2005, the shares of the Company are dematerialized and in accordance with the Communiqué No: IV-28 regarding "Principles and Procedures for the Recording of Dematerialized Capital Market Instruments", shares paid to the bearer were made shares paid to the name. The Company's shares were organized as A, B and C Groups. A and B Group shares are privilege shares, and the Board members are selected from the privilege share owners.

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NOTE 15 - SHAREHOLDERS' EQUITY (Continued)

The Company's shareholders' equity as of 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009	31 December 2008
Share capital	53.369.000	53.369.000
Adjustments to share capital	39.014.356	39.014.356
Fair value reserves	3.625.790	3.634.098
Hedge reserve	-	(4.905.283)
Merger reserve	(5.569.000)	(5.569.000)
Restricted profit reserves	59.011.780	56.617.017
Retained earnings	123.919.774	76.601.061
Net profit for the period	5.516.347	66.791.556
Total shareholders' equity	278.888.047	285.552.805

NOTE 16 - SALES AND COST OF SALES

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Domestic sales	182.028.892	125.950.414	317.457.203	169.089.322
Export sales	166.265.671	60.566.475	164.556.027	92.194.034
	348.294.563	186.516.889	482.013.230	261.283.356
Less: Discounts and returns	(22.059.538)	(16.255.722)	(37.141.669)	(20.438.767)
Sales (net)	326.235.025	170.261.167	444.871.561	240.844.589
Cost of sales	(284.275.739)	(141.776.689)	(356.375.389)	(196.605.165)
Gross profit	41.959.286	28.484.478	88.496.172	44.239.424

NOTE 17 - OTHER OPERATING INCOME/EXPENSES

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Termination of provision for lawsuits	1.751.978	1.751.978	-	-
Gain on sales of property, plant and equipment	158.020	94.816	742.190	719.557
Termination of provision for doubtful receivables	8.514	8.514	41.848	41.848
Commission income	-	-	176.905	-
Other	257.008	133.315	295.889	146.515
Other operating income	2.175.520	1.988.623	1.256.832	907.920
Provision for allowance for doubtful receivables	(3.375.065)	(3.375.065)	(1.812.522)	(1.410.248)
Loss on sales of property, plant and equipment	(263.149)	(241.194)	(1.415)	-
Provision for lawsuits	(78.829)	(49.138)	(60.043)	(30.022)
Other	(12.707)	(9)	(65.524)	(756)
Other operating expenses	(3.729.750)	(3.665.406)	(1.939.504)	(1.441.026)

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NOTE 18 - FINANCIAL INCOME

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Foreign exchange gain	161.850.146	83.780.391	73.284.818	34.950.374
Financial income from credit sales	16.996.356	7.031.163	50.909.720	25.839.940
Interest income	5.439.204	1.801.836	4.569.091	2.013.665
Financial income	184.285.706	92.613.390	128.763.629	62.803.979

NOTE 19 - FINANCE COSTS

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Foreign exchange loss	(161.151.435)	(77.142.896)	(77.096.937)	(29.719.140)
Interest expenses on bank borrowings	(27.033.677)	(12.625.108)	(11.635.455)	(6.519.744)
Finance cost on credit purchases	(3.957.530)	(859.531)	(32.160.724)	(14.796.282)
Other	(2.240.230)	(398.903)	(366.238)	(183.485)
Finance costs	(194.382.872)	(91.026.438)	(121.259.354)	(51.218.651)

NOTE 20 - TAX ASSETS AND LIABILITIES

	30 June 2009	31 December 2008
Corporation and income taxes payable	1.702.224	17.086.228
Less: Prepaid taxes	(779.157)	(17.086.228)
Total tax payable - net	923.067	-

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Current period corporate tax expense	(1.702.224)	(1.702.224)	(16.174.884)	(9.584.398)
Deferred tax income	497.445	87.141	3.656.775	1.993.574
Tax expense	(1.204.779)	(1.615.083)	(12.518.109)	(7.590.824)

In Turkey, the corporation tax rate is 20% for 2009 (31 December 2008: 20%). Corporation tax is payable on the total income of the companies registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances.

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

Deferred Taxes:

The Company recognizes deferred assets and liabilities based on all temporary differences arising between the tax bases of balance sheet items and their carrying values in the financial statements prepared in accordance with the CMB Financial Reporting Standarts. Those temporary differences are generally arising from accounting of profit and loss in the different periods in accordance with CMB Financial Reporting Standarts and Tax Laws. The currently enacted tax rate for temporary differences is 20% (31 December 2008: 20%).

The breakdown of cumulative temporary differences and the resulting deferred tax assets/(liabilities) at 30 June 2009 and 31 December 2008 are as follows:

	<u>Temporary differences</u>		<u>Deferred tax assets/(liabilities)</u>	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Provision for doubtful receivables	(11.364.023)	(7.988.958)	2.272.805	1.597.792
Warranty provision	(8.294.600)	(9.997.787)	1.658.920	1.999.557
Unearned financial income on trade receivables	(6.545.632)	(6.492.122)	1.309.126	1.298.424
Provision for employment termination benefits	(5.802.817)	(7.573.991)	1.160.563	1.514.798
Provision for impairment of inventories	(5.126.953)	(999.296)	1.025.392	199.859
Fair value differences on financial assets	3.816.614	3.825.359	(190.831)	(191.268)
Income accrual on related parties	3.086.068	-	(617.213)	-
Other expense provisions	(2.227.450)	(608.099)	445.490	121.619
Sales premiums	(1.990.001)	(280.031)	398.000	56.006
Elimination of profit margin of sales to free-trade zone branch	(1.326.258)	(1.500.021)	265.252	300.006
Unearned financial income on due from related parties	(111.611)	(404.540)	22.322	80.908
Provision for lawsuits	(81.000)	(1.754.149)	16.200	350.830
Capitalized unincurred finance cost on inventory	42.124	(622.126)	(8.425)	124.425
Net differences between carrying amounts and tax bases of property, plant and equipment and intangible assets	(9.850)	807.674	1.970	(161.535)
Derivative financial instruments fair value differences	-	(6.131.604)	-	1.226.321
Other	1.439.080	1.587.742	(287.816)	(317.548)
Deferred tax asset			7.471.755	8.200.194

Movements of deferred tax assets during the period are as follows:

	2009	2008
1 January	8.200.194	9.157.545
Deferred tax income	497.445	3.656.775
Charged to fair value reserve	437	(93.284)
Charged to hedge reserve	(1.226.321)	(1.545.452)
30 June	7.471.755	11.175.584

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NOTE 21 - EARNINGS PER SHARE

Earnings per share stated in the income statement are calculated by dividing the net income to the weighted average number of ordinary shares outstanding during the period.

Companies can increase their share capital by making a pro-rata distribution of shares (“Bonus Shares”) to existing shareholders from statutory retained earnings and statutory revaluation surplus. For the purpose of earnings per share computations, the weighted average number of shares in existence during the year has been adjusted in respect of bonus share issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

Basic earnings per share is calculated by dividing the net income attributable to shareholders by the weighted average number of ordinary shares in issue.

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Net profit for the period	5.516.347	14.425.961	51.658.339	33.234.057
Weighted average number of the ordinary shares	5.336.900.000	5.336.900.000	5.336.900.000	5.336.900.000
Earnings per share (in full TL per share)	0,0010	0,0027	0,0097	0,0062

There is no difference between basic and diluted earnings per share in any periods.

NOTE 22 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

i) Balances with related parties as of 30 June 2009 and 31 December 2008:

	30 June 2009	31 December 2008
a) Bank deposits		
Yapı ve Kredi Bankası A.Ş. (“Yapı Kredi”)	2.178.780	39.504.246
	2.178.780	39.504.246

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

	30 June 2009	31 December 2008
b) Due from related parties		
CNH International S.A. ("CNH International")	57.806.285	81.404.378
CNH Italy SPA ("CNH Italy")	3.173.377	730.003
Yapı Kredi Finansal Kiralama A.O. ("Yapı Kredi Finansal Kiralama")	986.070	986.264
CNH France S.A. ("CNH France")	345.299	338.710
Otokoç Otomotiv Tic. ve San. A.Ş. ("Otokoç")	277.197	53.980
Harranova Besi ve Tarım A.Ş.	179.663	241.400
New Holland Fiat India Pvt. Ltd. (*)	165.609	907.154
Fiat Group Purchasing SRL	124.644	124.290
New Holland India Ag	-	133.987
Other	292.017	244.378
	63.350.161	85.164.544
Less: Unearned financial income	(111.611)	(404.540)
	63.238.550	84.760.004

(*) As of 1 January 2009, Fiat India Pvt. Ltd.'s trade name is changed as New Holland Fiat India Pvt. Ltd.

As of 30 June 2009, weighted average annual effective interest rates for TL and EUR due from related party balances are 9,05%, and 0,92% (31 December 2008: TL 15,83%, EUR 2,69%, USD 0,77%), respectively and their maturities are 2 months (31 December 2008 : 2 months) on average.

	30 June 2009	31 December 2008
c) Due to related parties		
CNH International	7.630.139	33.779.543
Opet Petrolcülük A.Ş. ("Opet")	1.841.729	712.487
Koç Holding	742.678	933.923
Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer")	584.907	2.171.539
Otokoç	164.491	62.650
New Holland Fiat India Pvt. Ltd.	159.362	-
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş.	134.629	134.838
Koç Net Haberleşme Teknolojileri ve İletişim Hizmetleri A.Ş. ("Koç Net")	55.266	41.877
Setur Servis Turistik A.Ş. ("Setur")	41.494	105.162
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ("Koç Sistem")	31.666	315.164
Koçtaş Yapı Marketleri A.Ş.	24.616	60.652
Aygaz A.Ş.	13.194	-
Palmira Turizm Ticaret A.Ş. ("Palmira")	-	42.858
Koç Allianz Sigorta A.Ş. ("Koç Allianz") (*)	-	16.333
CNH Italy	-	4.605
Other	78.129	67.518
	11.502.300	38.449.149
Less: Unaccrued finance cost	(73.932)	(354.293)
	11.428.368	38.094.856

(*) On April 2008, Allianz A.G. bought all Koç Allianz Sigorta A.Ş. shares from Koç Holding. Accordingly, Koç Allianz is no more considered as a related party.

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

As of 30 June 2009, weighted average annual effective interest rates for TL, EUR and USD due to related party balances are 9,05%, 1,10% and 0,60% (31 December 2008: TL 15,83%, EUR 2,91%), respectively and their maturities are 3 months (31 December 2008 : 3 months) on average.

ii) Significant sales and purchases transactions with related parties for the interim periods between 1 January - 30 June 2009 and 2008

a) Product sales to related parties

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
CNH International	162.575.936	57.336.805	153.579.526	98.158.221
CNH Italy	3.203.395	1.893.211	1.860.882	713.992
Zer	434.038	239.144	127.286	127.286
Yapı Kredi Finansal Kiralama	-	-	2.582.569	1.435.679
Beldeyama	-	-	30.996	21.014
Other	1.447.194	796.563	1.091.617	782.458
	167.660.563	60.265.723	159.272.876	101.238.650

b) Other income from related parties

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
CNH International	12.582	2.563	238.888	39.995
Palmira	-	-	35.309	25.192
Other	40.695	35.522	32.888	4.269
	53.277	38.085	307.085	69.456

c) Product purchases from related parties

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
CNH International	18.362.051	3.088.810	21.950.570	6.362.404
Opet	3.109.286	1.839.851	4.260.748	3.246.942
Koçtaş	651.336	72.645	-	-
Akpa	290.962	101.516	1.038.615	439.258
Koç Sistem	105.394	19.956	164.682	85.198
CNH France	3.603	692	417.245	-
CNH Italy	-	-	804.486	-
Ford Otomotiv	-	-	9.538	-
Other	441.587	260.829	352.555	213.913
	22.964.219	5.384.299	28.998.439	10.347.715

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

d) Service purchases from related parties

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Koç Holding (*)	1.432.421	530.990	743.061	345.798
Zer	1.271.976	764.400	1.274.713	698.899
Ram Sigorta	823.349	36.991	1.611.908	944.097
CNH Italy (*)	625.200	312.600	137.616	-
Otokoç	395.586	199.777	384.273	104.501
Setur	349.480	163.246	1.467.455	403.360
Opet	181.335	107.552	251.546	98.163
Koç Net	164.311	84.254	320.456	138.671
Koç Sistem	163.229	82.756	136.408	43.405
Palmira	284	-	1.141.322	551.896
Koç Allianz Sigorta	-	-	61.875	3.099
Other	81.051	75.732	149.142	19.574
	5.488.222	2.358.298	7.679.775	3.351.463

(*) The services purchased from Koç Holding and CNH Italy are mainly related with human resources, strategic development, intervention and consultancy services.

iii) Financial income and finance costs arising from transactions with related parties for the interim periods between 1 January - 30 June 2009 and 2008:

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Interest income				
Yapı Kredi	2.321.169	902.348	521.171	72.699

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Interest expense				
Yapı Kredi	552.944	174.788	162.842	81.732

iv) Dividends paid to related parties:

	1 January - 30 June 2009	1 January - 30 June 2008
Koç Holding	6.442.494	35.460.335
CNH	6.404.280	35.250.000
Public quotation	3.759.348	20.691.948
Temel Ticaret	356.664	1.963.126
Other	115.294	634.591
	17.078.080	94.000.000

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

v) Other transactions with related parties for the interim periods between 1 January - 30 June 2009 and 2008:

	1 January- 30 June 2009	1 April- 30 June 2009	1 January- 30 June 2008	1 April- 30 June 2008
Renumeration of Board of Directors and key management personnel	1.042.563	523.600	917.198	360.704

NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company'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 Company'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 Company.

Risk management is carried out in accordance with the program set by the Board of Directors of the Company.

a) Market Risk

Foreign currency risk

The Company is exposed to foreign exchange risks through the impact of rate changes on translation into TL of foreign currency denominated assets and liabilities, resulted from the commercial activities in foreign companies. These risks are monitored and limited by analyses of the foreign currency position. In order to manage these risks, the Company also utilizes derivative financial instruments, where necessary.

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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The amounts of foreign currency assets, liabilities and TL equivalents of the Company as of 30 June 2009 and 31 December 2008 are as follows:

	30 June 2009						
	TL Equivalent	USD	EUR	GBP	DKK	CHF	YEN
Trade Receivables	163.371.907	195.573	75.957.269	-	-	-	-
Monetary Financial Assets (Cash and Banks included)	39.405.279	448.587	18.034.791	-	-	-	-
Non-Monetary Financial Assets	-	-	-	-	-	-	-
Current Assets	202.777.186	644.160	93.992.060	-	-	-	-
Trade Receivables	151.524.424	68.040	70.529.748	-	-	-	-
Monetary Financial Assets	-	-	-	-	-	-	-
Non-Monetary Financial Assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Non-current Assets	151.524.424	68.040	70.529.748	-	-	-	-
Total Assets	354.301.610	712.200	164.521.808	-	-	-	-
Trade Payables	42.277.527	476.039	19.353.085	-	-	-	-
Financial Liabilities	186.369.443	-	86.808.628	-	-	-	-
Other Monetary Liabilities	85.476	7.943	34.152	-	-	-	-
Other Non-Monetary Liabilities	-	-	-	-	-	-	-
Short Term Liabilities	228.732.446	483.982	106.195.865	-	-	-	-
Trade Payables	-	-	-	-	-	-	-
Financial Liabilities	135.257.085	-	63.001.111	-	-	-	-
Other Monetary Liabilities	-	-	-	-	-	-	-
Other Non-Monetary Liabilities	-	-	-	-	-	-	-
Long Term Liabilities	135.257.085	-	63.001.111	-	-	-	-
Total Liabilities	363.989.531	483.982	169.196.976	-	-	-	-
Total amount of Hedge Assets	-	-	-	-	-	-	-
Total amount of Hedge Liabilities	-	-	-	-	-	-	-
Net Asset/(Liability) Position of Off-balance Sheet Derivative Instruments	-	-	-	-	-	-	-
Net Foreign Currency Asset/(Liability) Position	(9.687.921)	228.218	(4.675.168)	-	-	-	-
Net Monetary Foreign Currency Asset/(Liability) Position	(9.687.921)	228.218	(4.675.168)	-	-	-	-

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NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 December 2008						
	TL Equivalent	USD	EUR	GBP	DKK	CHF	YEN
Trade Receivables	172.883.415	1.494.152	79.685.885	10.382	33.083	-	-
Monetary Financial Assets (Cash and Banks included)	40.925.354	10.776.237	11.504.321	-	-	-	-
Non-Monetary Financial Assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Current Assets	213.808.769	12.270.389	91.190.206	10.382	33.083	-	-
Trade Receivables	165.051.139	68.040	77.049.814	-	-	-	-
Monetary Financial Assets	-	-	-	-	-	-	-
Non-Monetary Financial Assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Non-Current Assets	165.051.139	68.040	77.049.814	-	-	-	-
Total Assets	378.859.908	12.338.429	168.240.020	10.382	33.083	-	-
Trade Payables	97.475.377	10.258.246	38.168.051	60.989	160.874	1.143	4.189.906
Financial Liabilities	345.939.389	-	161.593.510	-	-	-	-
Other Monetary Liabilities	560.703	158.802	136.428	12.991	-	-	-
Other Non-Monetary Liabilities	-	-	-	-	-	-	-
Short Term Liabilities	443.975.469	10.417.048	199.897.989	73.980	160.874	1.143	4.189.906
Trade Payables	-	-	-	-	-	-	-
Financial Liabilities	20.637.929	-	9.640.288	-	-	-	-
Other Monetary Liabilities	-	-	-	-	-	-	-
Other Non-Monetary Liabilities	-	-	-	-	-	-	-
Long Term Liabilities	20.637.929	-	9.640.288	-	-	-	-
Total Liabilities	464.613.398	10.417.048	209.538.277	73.980	160.874	1.143	4.189.906
Total Amount of Hedged Assets	56.196.000	-	26.250.000	-	-	-	-
Total Amount of Hedged Liabilities	-	-	-	-	-	-	-
Net Asset/(Liability) Position of Off-balance Sheet Derivative Instruments	56.196.000	-	26.250.000	-	-	-	-
Net Foreign Currency Asset/(Liability) Position	(29.557.490)	1.921.381	(15.048.257)	(63.598)	(127.791)	(1.143)	(4.189.906)
Net Monetary Foreign Currency Asset/(Liability) Position	(85.753.490)	1.921.381	(41.298.257)	(63.598)	(127.791)	(1.143)	(4.189.906)

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD BETWEEN
1 JANUARY-30 JUNE 2009**

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

The import and export amounts of the Company for the period ended 30 June 2009 and 2008 are as follows:

	1 January- 30 June 2009	1 April- 30 June 2008	1 January- 30 June 2008	1 April- 30 June 2008
Total export amount	166.265.671	60.566.475	164.556.027	92.194.034
Total import amount	69.909.147	30.741.620	112.514.813	60.816.371

As of 30 June 2009 and 31 December 2008, percentage of hedging of foreign currency liabilities through the receivables from derivative financial assets are as follows:

	30 June 2009	31 December 2008
Percentage of hedging of total foreign currency liabilities	-	% 12

The Company is mainly exposed to foreign exchange risk through the impact of rate changes in the translation of USD and EUR denominated assets and liabilities to local currency. As of 30 June 2009 and 2008, had the TL appreciated or depreciated by 10% against USD and EUR with all other variables held constant, the effect over current period net income and shareholders' equity be as follows:

	30 June 2009			
	Profit/Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Had TL appreciate/depreciate by 10% against USD				
Profit/loss from USD net asset position	34.920	(34.920)	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net Effect of USD	34.920	(34.920)	-	-
Had TL appreciate/depreciate by 10% against EUR				
Profit/loss from EUR net liability position	(1.003.710)	1.003.710	-	-
Hedged amount against EUR risk (-)	-	-	-	-
Net Effect of EUR	(1.003.710)	1.003.710	-	-
Total Net Effect	(968.790)	968.790	-	-

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

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1 JANUARY-30 JUNE 2009**

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

	30 June 2008			
	Profit/Loss		Shareholders' Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Had TL appreciate/depreciate by 10% against USD				
Profit/loss from USD net asset position	42.888	(42.888)	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net Effect of USD	42.888	(42.888)	-	-
Had TL appreciate/depreciate by 10% against EUR				
Profit/loss from EUR net liability position	(5.858.370)	5.858.370	-	-
Hedged amount against EUR risk (-)	-	-	6.600.318	(6.600.318)
Net Effect of EUR	(5.858.370)	5.858.370	6.600.318	(6.600.318)
Total Net Effect	(5.815.482)	5.815.482	6.600.318	(6.600.318)

Price Risk

As the equity investments classified under financial assets of the Company are not quoted in an active market, the Company is not exposed to price risk.

Cash flow and fair value interest rate risk

As the Company has no interest-bearing debt with a variable interest rate, the Company is not exposed to cash flow interest rate risk. However, borrowings issued at fixed rates expose the Company to fair value interest rate risk and these exposures are managed by using natural hedges arising from offsetting interest rate sensitive assets and liabilities.

b) Credit Risk

Financial assets are in hand carrying the risk of the inability of fulfilling the requirements of the agreements by the counter parties. The Company management manages these risks by limiting the average risk to any individual counterparty, by obtaining guarantees where necessary. The Company limits these risks that may arise from its dealers, by restricting the credit limits determined for the dealers according to the amount of the guarantees received, by updating the guarantee amounts regularly and by receiving the pledge of ownership of the tractors sold. Credit limits are regularly monitored by the Company and the customers' credit quality are regularly evaluated by considering the customers' financial position, past experiences and other factors. Trade receivables are evaluated by the management of the Company depending on their past experiences and current economic conditions and are presented in financial statements net of provision for doubtful receivables (Note 8).

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED
INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN
1 JANUARY-30 JUNE 2009

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Credit risk (Continued)

As of 30 June 2009 and 31 December 2008, the Company's maximum exposure to credit risk is as follows:

	30 June 2009						
	Trade Receivables		Other Receivables		Bank Deposits	Derivative Instruments	Other (*)
	Related Party	Other Party	Related Party	Other Party			
Net book value of financial assets which are undue or not impaired	62.175.452	316.603.518	-	56.642.164	-	-	-
Net book value of restructured financial assets, otherwise that will be considered as due dated or impaired	-	-	-	-	-	-	-
Net book value of due dated but not impaired assets	1.063.098	37.238.568	-	-	-	-	-
Net book value of impaired assets	-	8.912.339	-	-	-	-	-
- Due dated (Gross book value)	-	25.955.948	-	-	-	-	-
- Provision (-)	-	(17.043.609)	-	-	-	-	-
- Undue (Gross book value)	-	437.001	-	-	-	-	-
- Provision (-)	-	(437.001)	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	30.985.581
Amount exposed to maximum credit risk (**)	63.238.550	362.754.425	-	-	56.642.164	-	30.985.581

(*) Other includes the letters of guarantee and bails given by the Company (Note 13b).

(**) The factors, increasing the credit reliability and the guarantees received are not taken into consideration during the calculation of the amount.

As of 30 June 2009, the guarantee amount that exposed to maximum credit risk is TL147.585.493 (Note 13c). Additionally, the guarantee amount of the assets which are due but not impaired and are impaired are TL116.029.821 and TL8.023.000, respectively.

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SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN
1 JANUARY-30 JUNE 2009

(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Credit risk (Continues)

	30 June 2008						
	Trade Receivables		Other Receivables		Bank Deposits	Derivative Instruments	Other (*)
	Related Party	Other Party	Related Party	Other Party			
Net book value of financial assets which are undue or not impaired	56.522.358	314.471.183	-	-	115.684.361	-	-
Net book value of restructured financial assets, otherwise that will be considered as due dated or impaired	-	28.818.408	-	-	-	-	-
Net book value of due dated but not impaired assets	28.237.646	23.497.446	-	-	-	-	-
Net book value of impaired assets	-	8.065.951	-	-	-	-	-
- Due dated (Gross book value)	-	22.180.010	-	-	-	-	-
- Provision (-)	-	(14.114.059)	-	-	-	-	-
- Undue (Gross book value)	-	-	-	-	-	-	-
- Provision (-)	-	-	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	18.695.660
Amount exposed to maximum credit risk (**)	84.760.004	374.852.988	-	-	115.684.361	-	18.695.660

(*) Other includes the letters of guarantee and bails given by the Company (Note 13b).

(**) The factors, increasing the credit reliability and the guarantees received are not taken into consideration during the calculation of the amount.

As of 31 December 2008, the guarantee amount that exposed to maximum credit risk is TL142.332.702 (Note 13c). Additionally, the guarantee amount of the assets which are due but not impaired and are impaired are TL70.052.980 and TL8.721.000, respectively.

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(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

c) Liquidity Risk

Liquidity risk management is the ability to close out market positions by maintaining cash and marketable securities and the availability of adequate committed funding lines from lenders.

Funding risk of the current and future liabilities is managed by providing sustainability of the access to sufficient high quality creditors and the sustainability of the sufficient cash flows obtained from operating activities. The Company management closely follows up the timely collection of receivables, allocates high intensity focus to prevent any financial burden sourcing from late collections and determines cash and non-cash credit limits to be activated in case of any need by the Company.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is determined as total payables (including financial, trade, other payables and due to related parties as shown in the balance sheet) less cash and cash equivalents.

The gearing ratios at 30 June 2009 and 31 December 2008 were as follows:

	30 June 2009	31 December 2008
Total liabilities	491.510.114	651.526.668
Less: Cash and cash equivalents (Note 4)	(56.529.407)	(115.448.598)
Net debt	434.980.707	536.078.070
Total shareholder's equity	278.888.047	285.552.805
Total capital	713.868.754	821.630.875
Net debt/capital ratio	%61	%65

Fair value of financial assets

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

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realise in a current market exchange.

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

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(Amounts expressed in Turkish Lira (TL), unless otherwise indicated)

**NOTE 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

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

Financial assets

The fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying value.

The fair values of certain financial assets carried at amortised cost, including cash and cash equivalent are considered to approximate their respective carrying values due to their short-term nature.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

The fair value of financial instruments which are not traded in active markets is determined by using generally accepted valuation techniques or are carried at cost adjusted for impairment.

Financial liabilities

The fair values of bank borrowings and other monetary liabilities are considered to approximate their respective carrying values due to their short-term nature (Note 5).

Trade payables, which are measured at amortised cost, are considered to approximate their carrying value.

NOTE 24 - SUBSEQUENT EVENTS

The Company decided to sell its 52.752.000 units of registered shares, making 2,67% shares at Entek with a face value of 5Kkr each and with a nominal value of TL2.637.600 at an amount of TL6.532.755 to Temel Ticaret. The sales transaction is finalised on 21 July 2009, after completing the required procedures.

**NOTE 25 - EXPLANATION ADDED FOR CONVENIENCE TRANSLATION INTO
ENGLISH**

As of 30 June 2009, the CMB Financial Reporting Standards differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting for the period 1 January - 31 December 2005. Accordingly, the accompanying condensed interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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