

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM
PERIOD BETWEEN 1 JANUARY - 30 SEPTEMBER 2009**

(ORIGINALLY ISSUED IN TURKISH)

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

**CONDENSED FINANCIAL STATEMENTS AND SELECTED
EXPLANATORY NOTES FOR THE INTERIM PERIOD BETWEEN
1 JANUARY – 30 SEPTEMBER 2009**

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INTERIM FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH**

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

BALANCE SHEETS AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008

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

	Notes	Unaudited 30 September 2009	Audited 31 December 2008
ASSETS			
CURRENT ASSETS		525.729.363	721.732.176
Cash and cash equivalents	4	26.353.124	115.684.361
Trade receivables			
- Trade receivables	8	187.853.575	193.836.628
- Due from related parties	22	69.649.617	84.760.004
Inventories	9	175.046.815	275.109.457
Other current assets	12	66.826.232	52.341.726
NON-CURRENT ASSETS		193.052.258	241.412.927
Trade receivables	8	139.038.567	181.016.360
Financial assets	5	-	6.541.500
Property, plant and equipment	10	36.390.902	39.609.588
Intangible assets	11	8.242.424	5.655.667
Deferred tax assets	20	8.979.777	8.200.194
Other non-current assets	12	400.588	389.618
TOTAL ASSETS		718.781.621	963.145.103

The condensed interim financial statements prepared for the period ended at 30 September 2009 have been approved by the Board of Directors on 27 October 2009 and signed by Hakkı Akkan and Marco Votta on behalf of Board of Directors .

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

BALANCE SHEETS AT 30 SEPTEMBER 2009 AND 31 DECEMBER 2008

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

	Notes	Unaudited 30 September 2009	Audited 31 December 2008
LIABILITIES			
CURRENT LIABILITIES		307.769.039	649.380.378
Financial liabilities	6	233.587.606	504.795.652
Other financial liabilities	7	-	6.131.604
Trade payables			
- Trade payables	8	45.096.280	74.433.859
- Due to related parties	22	5.977.920	38.094.856
Provision for liabilities	13	10.727.372	12.360.035
Taxation on income	20	2.846.141	-
Other current liabilities	12	9.533.720	13.564.372
NON-CURRENT LIABILITIES		124.812.262	28.211.920
Financial liabilities	6	118.958.328	20.637.929
Provision for employment termination benefits	14	5.853.934	7.573.991
SHAREHOLDERS' EQUITY		286.200.320	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	-	3.634.098
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	16.454.410	66.791.556
TOTAL LIABILITIES		718.781.621	963.145.103

Provisions, contingent assets and contingent liabilities 13

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

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

	Notlar	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Sales (net)	16	475.418.768	149.183.743	631.511.117	186.639.556
Cost of sales (-)	16	(405.726.490)	(121.450.751)	(507.823.716)	(151.448.327)
GROSS PROFIT		69.692.278	27.732.992	123.687.401	35.191.229
Marketing, selling and distribution expenses (-)		(20.988.222)	(7.904.371)	(23.219.453)	(7.608.313)
General administrative expenses (-)		(13.320.396)	(4.220.727)	(19.879.078)	(6.272.791)
Research and development expenses (-)		(1.677.431)	(274.187)	(2.370.694)	(446.794)
Other operating income	17	6.157.288	3.981.768	2.177.065	920.233
Other operating expenses (-)	17	(6.132.032)	(2.402.282)	(2.172.931)	(233.427)
OPERATING PROFIT		33.731.485	16.913.193	78.222.310	21.550.137
Financial income	18	266.305.361	82.019.655	203.977.008	75.213.379
Finance costs (-)	19	(280.868.339)	(86.485.467)	(188.555.851)	(67.296.497)
PROFIT BEFORE TAXATION ON INCOME		19.168.507	12.447.381	93.643.467	29.467.019
Taxes on income	20	(4.528.733)	(2.826.509)	(21.110.885)	(4.936.001)
Deferred tax income/(expense)	20	1.814.636	1.317.191	2.743.567	(913.208)
NET PROFIT FOR THE PERIOD		16.454.410	10.938.063	75.276.149	23.617.810
Earnings per share (TL)	21	0,0031	0,0021	0,0141	0,0044
OTHER COMPREHENSIVE INCOME					
Change in financial asset value increase fund	5	(3.825.366)	(3.816.621)	1.865.687	-
Change in hedge reserves	7	6.131.604	-	2.860.793	(4.866.469)
Other comprehensive income related with tax (expense)/income	7	(1.035.053)	190.831	(665.442)	973.294
OTHER COMPREHENSIVE INCOME /(EXPENSE) (AFTER TAX)		1.271.185	(3.625.790)	4.061.038	(3.893.175)
TOTAL COMPREHENSIVE INCOME		17.725.595	7.312.273	79.337.187	19.724.635

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

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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 SEPTEMBER 2009 AND 2008**

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

	Share capital	Adjustments to share capital	Fair value reserves	Hedge reserve	Merger reserves	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
Sales of available-for-sale investments	-	-	(3.625.790)	-	-	-	-	-	(3.625.790)
Amortization of derivative financial instruments	-	-	-	4.905.283	-	-	-	-	4.905.283
Net profit for the period	-	-	-	-	-	-	-	16.454.410	16.454.410
30 September 2009	53.369.000	39.014.356	-	-	(5.569.000)	59.011.780	123.919.774	16.454.410	286.200.320
	Share capital	Adjustments to share capital	Fair value reserves	Hedge reserve	Merger reserves	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 - yeniden düzenlenmiş	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	-	-	-	2.860.793	-	-	-	-	2.860.793
Deferred tax calculated on increase in the fair value of derivative financial instruments	-	-	-	(572.158)	-	-	-	-	(572.158)
Net profit for the period	-	-	-	-	-	-	-	75.276.149	75.276.149
30 September 2008	53.369.000	39.014.356	3.760.923	(10.796.201)	(5.569.000)	56.617.017	76.601.061	75.276.149	288.273.305

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

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

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

	Notes	30 September 2009	30 September 2008
Operating activities:			
Profit before taxation on income		19.168.507	93.643.467
Depreciation	10	4.910.519	8.498.648
Amortisation	11	592.425	313.210
Provision for employment termination benefits	14	3.302.536	814.280
Loss/(gain) from sales of property, plant and equipment - net		87.880	(1.316.608)
Interest income	18	(5.985.667)	(5.047.616)
Interest expense	19	34.789.805	19.222.489
Expense accruals-net		(1.632.663)	5.383.956
Provision for doubtful receivables	17	5.469.427	1.976.597
Gain from available-for-sale investments		(3.825.366)	-
Net cash flow before changes in operating assets and liabilities		56.877.403	123.488.423
Changes in assets and liabilities - net:			
Decrease/(increase) in trade receivables		42.615.257	(133.890.947)
Decrease/(increase) in due from related parties		15.110.387	(13.749.349)
Decrease/(increase) in inventories		100.062.642	(88.202.377)
Increase in other current assets		(14.484.506)	(18.013.227)
(Increase)/decrease in other non-current assets		(10.970)	278.086
(Decrease)/increase in due to related parties		(32.116.936)	12.474.948
(Decrease)/increase in trade payables		(29.337.579)	24.026.771
(Decrease)/increase in other short-term liabilities		(4.030.652)	13.023.472
Employment termination benefits paid	14	(5.022.593)	(820.518)
Taxes paid	20	(1.682.592)	(20.063.038)
Net cash provided by/(used in) operating activities		127.979.861	(101.447.756)
Investing activities:			
Capital expenditures		(2.449.439)	(6.314.841)
Development expenditures		(3.123.944)	(1.614.722)
Proceeds from sales of tangible and intangible assets		614.488	1.440.597
Decrease in available-for-sale investments		6.541.500	-
Interest received		6.082.971	5.136.027
Net cash provided by/(used in) investing activities		7.665.576	(1.352.939)
Financing activities:			
Repayment of financial borrowings		(171.415.653)	189.302.186
Dividends paid		(17.078.080)	(94.000.000)
Interest paid		(36.261.798)	(15.068.109)
Net cash (used in)/provided by investing activities		(224.755.531)	80.234.077
Net decrease in cash and cash equivalents		(89.110.094)	(22.566.618)
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	26.338.504	25.084.472

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

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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 SEPTEMBER 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 September 2009, 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 September 2009 is 1.004 (31 December 2008: 1.476).

The Company conducts marketing and selling activities in the domestic market, through its 115 sales dealers and 73 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 September 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.

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.

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STATEMENTS FOR THE INTERIM PERIOD
BETWEEN 1 JANUARY - 30 SEPTEMBER 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, including the compulsory disclosures. In this content, the necessary revisions are done to the previous period financial statements.

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 September 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.

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**SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL
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(Amounts expressed in Turkish Lira ("TL"), unless otherwise indicated)

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

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.

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 IFRS 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.

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BETWEEN 1 JANUARY - 30 SEPTEMBER 2009**

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

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

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 September 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 September 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.

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.SP.K.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 September 2009	31 December 2008
Banks		
- TL denominated demand deposits	5.670.496	2.018.949
- TL denominated time deposits	11.002.727	72.740.058
- Foreign currency denominated demand deposits	9.679.901	1.805.278
- Foreign currency denominated time deposits	-	39.120.076
	26.353.124	115.684.361

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**SELECTED EXPLANATORY NOTES TO THE CONDENSED FINANCIAL
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BETWEEN 1 JANUARY - 30 SEPTEMBER 2009**

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

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

As of 30 September 2009, the weighted average effective annual interest rate for the TL time deposits are 9,05%. (31 December 2008: TL: 16,52%, U.S. Dollar ("USD"): 1.00%, EUR: 3,01%). As of 30 September 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 September 2009, 31 December 2008, 30 September 2008 and 31 December 2007 is as follows:

	30 September 2009	31 December 2008	30 September 2008	31 December 2007
Banks	26.353.124	115.684.361	25.130.546	48.041.301
Less: Interest accruals	(2.727)	(100.032)	(36.401)	(124.812)
Less: Restricted bank deposits	(11.893)	(135.731)	(9.673)	(265.399)
Cash and cash equivalents	26.338.504	115.448.598	25.084.472	47.651.090

NOTE 5 - FINANCIAL ASSETS

Short and long-term available for sale financial assets:

	<u>30 September 2009</u>		<u>31 December 2008</u>	
	Hisse oranı	TL	Hisse oranı	TL
Entek Elektrik Üretim A.Ş. ("Entek")	-	-	%2,67	6.541.500

The Company sold 2,67% of Entek shares to Temel Ticaret ve Yatırım A.Ş. ("Temel Ticaret") on 21 July 2009 (Note 22).

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 September 2009	31 December 2008	30 September 2009	31 December 2008	30 September 2009	31 December 2008
TL bank borrowings	68.224.556	164.987.867	8,70	23,48	68.224.556	164.987.867
EUR bank borrowings	74.716.990	117.059.506	6,69	9,06	161.411.113	250.600.991
					229.635.669	415.588.858

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

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>	
	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
EUR bank borrowings	1.815.232	41.669.840	7,07	5,5	3.921.445	89.206.794
					3.921.445	89.206.794

Short-term financial lease obligations

	<u>Original currency amount</u>		<u>TL equivalent</u>	
	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
TL financial lease obligations	30.492	-	30.492	-
			30.492	-
			233.587.606	504.795.652

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 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
EUR bank borrowings	55.000.000	9.640.288	7,07	5,66	118.816.500	20.637.929
					118.816.500	20.637.929

Long-term financial lease obligations

	<u>Original currency amount</u>		<u>TL equivalent</u>	
	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
TL financial lease obligations	141.828	-	141.828	-
			141.828	-
			118.958.328	20.637.929

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

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

	30 September 2009
2012	118.816.500
	118.816.500

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

	<u>Carrying value</u>		<u>Fair value</u>	
	<u>30 September 2009</u>	<u>31 December 2008</u>	<u>30 September 2009</u>	<u>31 December 2008</u>
Bank borrowings	352.373.614	525.433.581	352.336.249	538.869.550

As of 30 September 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 4,72% and 7,96%, respectively (31 December 2008: EUR and TL bank borrowings of 4,32% and 16,26% p.a., respectively).

NOTE 7 - OTHER FINANCIAL LIABILITIES

As of 30 September 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 September 2009	31 December 2008
Short-term obligations arising from derivative financial instruments	-	6.131.604
Total obligations arising from derivative financial instruments	-	6.131.604

	<u>30 September 2009</u>			<u>31 December 2008</u>		
	<u>Contract value</u>	<u>Fair value</u>	<u>Fair value difference</u>	<u>Contract value</u>	<u>Fair value</u>	<u>Fair value difference</u>
Forward foreign currency-buy transactions	-	-	-	64.343.525	58.211.921	(6.131.604)

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NOTE 7 - OTHER FINANCIAL LIABILITIES (Continued)

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	-	2.860.793
Deferred tax calculated over the increase in the fair value of derivative financial instruments	-	(572.158)
30 September	-	(10.796.201)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES

30 September 2009 31 December 2008

Short-term trade receivables:

Customer current accounts	111.728.378	113.600.059
Notes receivables	100.935.980	102.037.266
	212.664.358	215.637.325
Less: Provision for doubtful receivables	(19.574.972)	(14.114.059)
Unearned financial income	(5.235.811)	(7.686.638)
Total short-term trade receivables	187.853.575	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 September 2009 and 2008 are as shown below:

	2009	2008
1 January	14.114.059	1.714.405
Additions - net (Note 17)	5.469.427	1.976.597
Collections (Note 17)	(8.514)	(98.328)
30 September	19.574.972	3.592.674

30 September 2009 31 December 2008

Long-term trade receivables:

Notes receivable	152.359.877	201.545.324
Less: Unearned financial income	(13.321.310)	(20.528.964)
Total long-term trade receivables	139.038.567	181.016.360

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NOTE 8 - TRADE RECEIVABLES AND PAYABLES (Continued)

	30 September 2009	31 December 2008
Trade payables:		
Supplier current accounts	45.307.090	74.993.571
Less: Unincurred finance costs	(210.810)	(559.712)
	45.096.280	74.433.859

NOTE 9 - INVENTORIES

	30 September 2009	31 December 2008
Raw materials	46.662.812	73.741.003
Work in progress	6.894.979	3.954.714
Finished goods	23.833.617	41.008.605
Trade goods	61.818.258	79.583.074
Spare parts	13.994.648	11.783.174
Goods in transit	23.894.753	66.038.183
	177.099.067	276.108.753
Provision for impairment of inventory	(2.052.252)	(999.296)
	175.046.815	275.109.457

The cost of inventories recognised as expense in the current period is amounting to TL345.245.643 (30 September 2008: TL441.513.834).

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	(1.052.956)	(845.727)
30 September	(2.052.252)	(1.113.116)

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NOTE 10 - PROPERTY, PLANT AND EQUIPMENT

	1 January 2009	Additions	Disposals		Transfers30 September 2009
<u>Cost</u>					
Land	373.095	-	-	-	373.095
Land improvements	4.479.678	-	-	-	4.479.678
Buildings	48.193.297	226.695	-	-	48.419.992
Machinery and equipment	313.339.143	1.421.107	(3.099.325)	394.408	312.055.333
Special costs	2.614.694	-	-	-	2.614.694
Motor vehicles	2.661.564	463.741	(894.913)	-	2.230.392
Furniture and fixtures	20.714.636	136.683	(221.096)	-	20.630.223
Construction in progress	376.218	145.975	-	(394.408)	127.785
	392.752.325	2.394.201	(4.215.334)	-	390.931.192
<u>Accumulated depreciation</u>					
Land improvements	2.833.060	87.895	-	-	2.920.955
Buildings	30.636.092	1.099.823	-	-	31.735.915
Machinery and equipment	297.594.831	2.853.480	(2.880.482)	-	297.567.829
Special costs	2.487.738	35.912	-	-	2.523.650
Motor vehicles	1.429.626	239.721	(413.295)	-	1.256.052
Furniture and fixtures	18.161.390	593.688	(219.189)	-	18.535.889
	353.142.737	4.910.519	(3.512.966)	-	354.540.290
Net book value	39.609.588				36.390.902
	1 January 2008	Additions	Disposals		Transferler30 September 2008
<u>Cost</u>					
Land	373.095	-	-	-	373.095
Land improvements	4.367.819	111.859	-	-	4.479.678
Buildings	47.797.431	132.139	-	194.104	48.123.674
Machinery and equipment	317.004.923	3.222.782	(10.288.779)	1.054.936	310.993.862
Special costs	2.614.694	-	-	-	2.614.694
Motor vehicles	3.124.761	231.626	(198.662)	-	3.157.725
Furniture and fixtures	19.693.220	720.374	(28.231)	-	20.385.363
Construction in progress	416.300	1.714.031	-	(1.249.040)	881.291
	395.392.243	6.132.811	(10.515.672)	-	391.009.382
<u>Accumulated depreciation</u>					
Land improvements	2.714.198	134.863	-	-	2.849.061
Buildings	29.106.848	1.324.145	-	-	30.430.993
Machinery and equipment	300.521.054	5.916.382	(10.288.779)	-	296.148.657
Special costs	2.435.776	39.874	-	-	2.475.650
Motor vehicles	1.296.845	369.916	(74.671)	-	1.592.090
Furniture and fixtures	17.381.481	713.468	(28.231)	-	18.066.718
	353.456.202	8.498.648	(10.391.681)	-	351.563.169
Net book value	41.936.041				39.446.213

For the period ended at 30 September 2009, the total depreciation expense is amounting to TL4.910.519 (30 September 2008: TL8.498.648), of the total depreciation expense TL3.269.485 is allocated to cost of sales (30 September 2008: 6.627.251 TL), TL940.027 (30 September 2008: TL1.480.064) is allocated to general administrative expenses, TL640.829 (30 September 2008: TL385.516) is allocated to research and development expenses and TL60.178 (30 September 2008: TL5.817) is allocated to marketing, selling and distribution expenses.

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NOT 11 - MADDİ OLMAYAN DURAN VARLIKLAR

	1 January 2009	Additions	Disposals	30 September 2009
<u>Cost</u>				
Rights	4.568.981	55.238	-	4.624.219
Development costs	2.592.034	-	-	2.592.034
Development costs in progress	2.627.088	3.123.944	-	5.751.032
	9.788.103	3.179.182	-	12.967.285
<u>Accumulated amortisation</u>				
Rights	4.029.857	203.620	-	4.233.477
Development costs	102.579	388.805	-	491.384
	4.132.436	592.425	-	4.724.861
Net book value	5.655.667			8.242.424
	1 January 2008	Additions	Disposals	30 September 2008
<u>Cost</u>				
Rights	4.350.914	182.030	-	4.532.944
Development costs	512.897	-	-	512.897
Development costs in progress	1.454.846	1.614.722	-	3.069.568
	6.318.657	1.796.752	-	8.115.409
<u>Accumulated amortisation</u>				
Rights	3.718.739	236.275	-	3.955.014
Development costs	-	76.935	-	76.935
	3.718.739	313.210	-	4.031.949
Net book value	2.599.918			4.083.460

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 September 2009, the total amortisation expense is amounting to TL592.425 (30 September 2008: TL313.210). Of the total amortisation expenses TL428.361 (30 September 2008: TL184.374) is allocated to cost of sales, TL123.160 (30 September 2008: TL41.176) is allocated to general administrative expenses, TL33.020 (30 September 2008: TL87.660) is allocated to research and development expenses and TL7.884 (30 September 2008: None) is allocated to marketing, selling and distribution expenses.

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NOTE 12 - OTHER ASSETS AND LIABILITIES

	30 September 2009	31 December 2008
a) Other current assets:		
Refundable value added tax ("VAT")	38.967.623	19.602.813
Deductable VAT	22.690.242	27.844.205
Refundable corporate tax	4.407.116	4.315.001
Prepaid expenses	475.656	160.523
Other	285.595	419.184
	66.826.232	52.341.726
b) Other non-current assets:		
Deposits and guarantees given	381.635	389.185
Prepaid expenses	18.953	433
	400.588	389.618
c) Other short term liabilities:		
Deferred income (*)	5.906.168	6.087.574
Taxes and funds payable	1.682.506	3.260.609
Payables to personnel	771.572	1.666.618
Other	1.173.474	2.549.571
	9.533.720	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 September 2009 and 2008.

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NOTE 13 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

	30 September 2009	31 December 2008
Warranty provisions	7.494.947	9.997.787
Personnel premium provision	1.520.785	-
Donation provisions	500.000	-
Management fee provisions	237.399	608.099
Provision for lawsuits (*)	81.000	1.754.149
Other provisions	893.241	-
	10.727.372	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.

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

	2009	2008
1 January	9.997.787	9.494.108
Released during the period	(7.341.216)	(6.138.232)
Charge for the period	4.838.376	6.786.715
30 September	7.494.947	10.142.591

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)	93.557	129.817
Released during the period (Note 17) (*)	(1.766.706)	-
30 September	81.000	1.723.797

(*) 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.

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

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 September 2009	31 December 2008
Letters of guarantee given	27.007.890	11.355.505
Letters of bail given	7.407.014	7.340.155
	34.414.904	18.695.660

c) Contingent Assets

	30 September 2009	31 December 2008
Letters of guarantee received	150.762.042	139.435.262
Security bonds	1.500.000	1.550.000
Mortgages	1.335.480	1.335.480
Foreign currency guarantees in cash	11.893	11.960
	153.609.415	142.332.702

NOTE 14 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	30 September 2009	31 December 2008
Provision for employment termination benefits	5.853.934	7.573.991
	5.853.934	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 TL2.365,16 for each year of service as of 30 September 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.

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NOTE 14 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS (Continued)

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 September 2009	31 December 2008
Discount rate (%)	6,26	6,26
Turnover rate to estimate the probability of retirement (%)	96,10	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.

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	3.302.536	814.280
Paid during the period	(5.022.593)	(820.518)
30 September	5.853.934	7.469.352

NOTE 15 - SHAREHOLDERS' EQUITY

Share Capital

The Company's registered share capital ceiling 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 September 2009 and 31 December 2008 are as follows:

	30 September 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

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NOT 15 - ÖZKAYNAKLAR (Devamı)

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.

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

	30 September 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	-	3.634.098
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	16.454.410	66.791.556
Total shareholders' equity	286.200.320	285.552.805

NOTE 16 - SALES AND COST OF SALES

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Domestic sales	273.212.534	91.183.642	458.804.862	141.347.659
Export sales	235.659.754	69.394.083	223.695.963	59.139.936
	508.872.288	160.577.725	682.500.825	200.487.595
Less: Discounts and returns	(33.453.520)	(11.393.982)	(50.989.708)	(13.848.039)
Sales (net)	475.418.768	149.183.743	631.511.117	186.639.556
Cost of sales	(405.726.490)	(121.450.751)	(507.823.716)	(151.448.327)
Gross profit	69.692.278	27.732.992	123.687.401	35.191.229

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NOTE 17 - OTHER OPERATING INCOME/EXPENSES

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Gain on available-for-sale investments	3.825.366	3.825.366	-	-
Termination of provision for lawsuits	1.766.706	14.727	-	-
Gain on sales of property, plant and equipment	175.680	17.660	1.318.023	575.833
Termination of provision for doubtful receivables	8.514	-	98.328	56.480
Commission income	-	-	176.905	-
Other	381.022	124.015	583.809	287.920
Other operating income	6.157.288	3.981.768	2.177.065	920.233
Provision for allowance for doubtful receivables	(5.469.427)	(2.094.361)	(1.976.597)	(164.075)
Loss on sales of property, plant and equipment	(263.560)	(411)	(1.415)	-
Provision for lawsuits	(93.557)	(14.728)	(129.817)	(69.774)
Other	(305.488)	(292.782)	(65.102)	422
Other operating expenses	(6.132.032)	(2.402.282)	(2.172.931)	(233.427)

NOTE 18 - FINANCIAL INCOME

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Foreign exchange gain	238.986.241	77.136.095	125.797.385	52.512.567
Financial income from credit sales	21.333.453	4.337.097	73.132.007	22.222.287
Interest income	5.985.667	546.463	5.047.616	478.525
Financial income	266.305.361	82.019.655	203.977.008	75.213.379

NOTE 19 - FINANCE COSTS

	1 January- 30 September 2009	1 July- 30 September 2009	1 January- 30 September 2008	1 July- 30 September 2008
Foreign exchange loss	(239.352.696)	(78.201.261)	(126.527.136)	(49.430.199)
Interest expenses on bank borrowings	(34.789.805)	(7.756.128)	(19.222.489)	(7.587.034)
Finance cost on credit purchases	(4.153.249)	(195.719)	(42.305.146)	(10.144.422)
Other	(2.572.589)	(332.359)	(501.080)	(134.842)
Finance costs	(280.868.339)	(86.485.467)	(188.555.851)	(67.296.497)

NOTE 20 - TAX ASSETS AND LIABILITIES

	30 September 2009	31 December 2008
Corporation and income taxes payable	4.528.733	17.086.228
Less: Prepaid taxes	(1.682.592)	(17.086.228)
Total tax payable - net	2.846.141	-

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Current period corporate tax expense	(4.528.733)	(2.826.509)	(21.110.885)	(4.936.001)
Deferred tax income	1.814.636	1.317.191	2.743.567	(913.208)
Tax expense	(2.714.097)	(1.509.318)	(18.367.318)	(5.849.209)

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.

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 Standards. Those temporary differences are generally arising from accounting of profit and loss in the different periods in accordance with CMB Financial Reporting Standards 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 September 2009 and 31 December 2008 are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
Provision for doubtful receivables	(13.458.384)	(7.988.958)	2.691.677	1.597.792
Warranty provision	(7.494.947)	(9.997.787)	1.498.989	1.999.557
Unearned financial income on trade receivables	(11.562.198)	(6.492.122)	2.312.440	1.298.424
Provision for employment termination benefits	(5.853.934)	(7.573.991)	1.170.787	1.514.798
Provision for impairment of inventories	(2.052.252)	(999.296)	410.450	199.859
Fair value differences on financial assets	-	3.825.359	-	(191.268)
Other expense provisions	(3.151.425)	(608.099)	630.285	121.619
Sales premiums	(2.379.171)	(280.031)	475.834	56.006
Elimination of profit margin of sales to free-trade zone branch	(744.983)	(1.500.021)	148.997	300.006
Unearned financial income on due from related parties	(74.975)	(404.540)	14.995	80.908
Provision for lawsuits	(81.000)	(1.754.149)	16.200	350.830
Capitalized unincurred finance cost on inventory	64.543	(622.126)	(12.909)	124.425
Net differences between carrying amounts and tax bases of property, plant and equipment and intangible assets	614.989	807.674	(122.998)	(161.535)
Derivative financial instruments fair value differences	-	(6.131.604)	-	1.226.321
Other	1.274.854	1.587.742	(254.970)	(317.548)
Deferred tax asset			8.979.777	8.200.194

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NOTE 20 - TAX ASSETS AND LIABILITIES (Continued)

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

	2009	2008
1 January	8.200.194	9.157.545
Deferred tax income	1.814.636	2.743.567
Charged to fair value reserve	191.268	(93.284)
Charged to hedge reserve	(1.226.321)	(572.158)
30 September	8.979.777	11.235.670

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 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Net profit for the period	16.454.410	10.938.063	75.276.149	23.617.810
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)	0,0031	0,0021	0,0141	0,0044

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 September 2009 and 31 December 2008:

	30 September 2009	31 December 2008
a) Bank deposits		
Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi")	605.144	39.504.246
	605.144	39.504.246

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

b) Due from related parties

	30 September 2009	31 December 2008
CNH International SA ("CNH International")	58.471.265	81.404.378
Case IH Machinery	5.584.652	-
CNH Italy SPA ("CNH Italy")	2.624.532	730.003
Yapı Kredi Finansal Kiralama A.O. ("Yapı Kredi Finansal Kiralama")	992.229	986.264
New Holland Fiat India Pvt. Ltd. (*)	771.467	907.154
Otokoç Otomotiv Tic ve San A.Ş. ("Otokoç")	502.026	53.980
CNH France S.A ("CNH France")	365.586	338.710
Fiat Group Purchasing SRL	125.422	124.290
Harranova Besi ve Tarım A.Ş.	49.653	241.400
New Holland India Ag	-	133.987
Other	237.760	244.378
	69.724.592	85.164.544
Less: Unearned financial income	(74.975)	(404.540)
	69.649.617	84.760.004

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

	30 September 2009	31 December 2008
c) Due to related parties		
CNH International	2.803.333	33.779.543
Opet Petrolçülük A.Ş. ("Opet")	1.238.142	712.487
Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer")	771.723	2.171.539
CNH Amerika LLC	348.942	-
Koç Holding	288.440	933.923
New Holland Fiat India Pvt. Ltd.	190.477	-
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş.	120.081	134.838
Otokoç	90.830	62.650
Koçtaş Yapı Marketleri A.Ş.	18.902	60.652
Aygaz A.Ş.	16.998	-
Setur Servis Turistik A.Ş. ("Setur")	15.247	105.162
Koç Net Haberleşme Teknolojileri ve İletişim Hizmetleri A.Ş. ("Koç Net")	10.605	41.877
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ("Koç Sistem")	4.123	315.164
Palmira Turizm Ticaret A.Ş. ("Palmira")	-	42.858
Koç Allianz Sigorta A.Ş. ("Koç Allianz") (*)	-	16.333
CNH Italy	-	4.605
Other	96.721	67.518
	6.014.564	38.449.149
Less: Unaccrued finance cost	(36.644)	(354.293)
	5.977.920	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)

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

a) Product sales to related parties

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
CNH International	223.698.722	61.122.786	218.493.090	64.913.564
Case IH Machinery	5.462.318	5.462.318	-	-
CNH Italy	4.691.257	1.487.862	2.314.661	453.779
Zer	614.320	180.282	683.478	556.192
Yapı Kredi Finansal Kiralama	-	-	2.946.119	363.550
Beldeyama	-	-	30.996	-
Other	2.580.457	1.133.263	2.574.570	1.482.953
	237.047.074	69.386.511	227.042.914	67.770.038

b) Other income from related parties

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
CNH International	28.783	16.201	266.011	27.123
Palmira	-	-	42.928	7.619
Other	42.483	1.788	39.991	7.103
	71.266	17.989	348.930	41.845

c) Product purchases from related parties

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
CNH International	26.558.002	8.195.951	34.989.360	13.038.790
Opet	4.661.396	1.552.110	6.798.500	2.537.752
Koçtaş	751.116	99.780	-	-
Akpa	427.654	136.692	1.392.039	353.424
Koç Sistem	163.072	57.678	214.193	49.511
CNH France	3.603	-	650.531	233.286
CNH Italy	-	-	1.262.183	457.697
Ford Otomotiv	-	-	37.984	28.446
Other	752.325	310.738	483.580	131.025
	33.317.168	10.352.949	45.828.370	16.829.931

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

d) Service purchases from related parties

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Zer	2.396.912	1.124.936	2.181.831	907.118
Koç Holding (*)	1.969.820	537.399	1.058.314	315.253
Ram Sigorta	895.552	72.203	2.619.322	1.007.414
CNH Italy (*)	862.599	237.399	877.209	739.593
Otokoç	603.547	207.961	683.911	299.638
Setur	478.611	129.131	1.735.770	268.315
Opet	306.678	125.343	407.503	155.957
Koç Sistem	259.290	96.061	193.058	56.650
Koç Net	254.845	90.534	404.798	84.342
Palmira	284	-	1.255.147	113.825
Koç Allianz Sigorta	-	-	61.875	-
Other	127.635	46.584	249.500	100.358
	8.155.773	2.667.551	11.728.238	4.048.463

(*) 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 September 2009 and 2008:

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Interest income				
Yapı Kredi	2.221.422	2.710	898.154	376.983

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
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Interest expense

Yapı Kredi	565.605	12.661	346.247	183.405
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iv) Dividends paid to related parties:

	1 January - 30 September 2009	1 January - 30 September 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 September 2009 and 2008:

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Remuneration of Board of Directors and key management personnel	1.560.039	517.476	1.378.523	461.325

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
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Sales of financial assets

Temel Ticaret (*)	6.532.755	6.532.755	-	-
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(*) The Company sold 2,67% of Entek shares to Temel Ticaret ve Yatırım A.Ş. ("Temel Ticaret") on 21 July 2009.

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 September 2009 and 31 December 2008 are as follows:

	30 September 2009						
	TL Equivalent	USD	EUR	GBP	DKK	CHF	YEN
Trade Receivables	173.358.251	4.574.812	77.108.911	-	-	-	-
Monetary Financial Assets (Cash and Banks included)	9.679.901	199.702	4.343.814	-	-	-	-
Non-Monetary Financial Assets	-	-	-	-	-	-	-
Current Assets	183.038.152	4.774.514	81.452.725	-	-	-	-
Trade Receivables	133.794.500	68.040	61.886.620	-	-	-	-
Monetary Financial Assets	-	-	-	-	-	-	-
Non-Monetary Financial Assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Non-current Assets	133.794.500	68.040	61.886.620	-	-	-	-
Total Assets	316.832.652	4.842.554	143.339.345	-	-	-	-
Trade Payables	35.145.964	831.526	15.698.580	-	-	-	-
Financial Liabilities	165.332.558	-	76.532.222	-	-	-	-
Other Monetary Liabilities	-	-	-	-	-	-	-
Other Non-Monetary Liabilities	-	-	-	-	-	-	-
Other	17.774	2.324	8.606	-	-	-	-
Short Term Liabilities	200.496.296	833.850	92.239.408	-	-	-	-
Trade Payables	-	-	-	-	-	-	-
Financial Liabilities	118.816.500	-	55.000.000	-	-	-	-
Other Monetary Liabilities	-	-	-	-	-	-	-
Other Non-Monetary Liabilities	-	-	-	-	-	-	-
Long Term Liabilities	118.816.500	-	55.000.000	-	-	-	-
Total Liabilities	319.312.796	833.850	147.239.408	-	-	-	-
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	(2.480.144)	4.008.704	(3.900.063)	-	-	-	-
Net Monetary Foreign Currency Asset/(Liability) Position	(2.480.144)	4.008.704	(3.900.063)	-	-	-	-

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

	31 December 2008						
	TL Karşılığı	Doları	Avro	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 Hedge Assets	56.196.000	-	26.250.000	-	-	-	-
Total amount of Hedge 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
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BETWEEN 1 JANUARY - 30 SEPTEMBER 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 September 2009 and 2008 are as follows:

	1 January - 30 September 2009	1 July - 30 September 2009	1 January - 30 September 2008	1 July - 30 September 2008
Total export amount	235.659.754	69.394.083	223.695.963	59.139.936
Total import amount	94.427.312	24.518.165	167.216.329	54.701.516

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

	30 September 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 September 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 September 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	594.090	(594.090)	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net Effect of USD	594.090	(594.090)	-	-
Had TL appreciate/depreciate by 10% against EUR				
Profit/loss from EUR net liability position	(842.531)	842.531	-	-
Hedged amount against EUR risk (-)	-	-	-	-
Net Effect of EUR	(842.531)	842.531	-	-
Total Net Effect	(248.441)	248.441	-	-

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

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

	30 September 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	(738.102)	738.102	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net Effect of USD	(738.102)	738.102	-	-
Had TL appreciate/depreciate by 10% against EUR				
Profit/loss from EUR net liability position	(4.988.514)	4.988.514	-	-
Hedged amount against EUR risk (-)	-	-	4.719.226	(4.719.226)
Net Effect of EUR	(4.988.514)	4.988.514	4.719.226	(4.719.226)
Total Net Effect	(5.726.616)	5.726.616	4.719.226	(4.719.226)

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).

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(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 September 2009 and 31 December 2008, the Company’s maximum exposure to credit risk is as follows:

	30 September 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	69.649.617	260.423.461	-	-	26.353.124	-	-
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	-	62.172.055	-	-	-	-	-
Net book value of impaired assets	-	4.296.626	-	-	-	-	-
- Due dated (Gross book value)	-	23.431.868	-	-	-	-	-
- Provision (-)	-	(19.135.242)	-	-	-	-	-
- Undue (Gross book value)	-	439.729	-	-	-	-	-
- Provision (-)	-	(439.729)	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	34.414.904
Amount exposed to maximum credit risk (**)	69.649.617	326.892.142	-	-	26.353.124	-	34.414.904

(*) 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 September 2009, the guarantee amount that exposed to maximum credit risk is TL153.609.415 (Note 13c). Additionally, the guarantee amount of the assets which are due but not impaired and are impaired are TL130.130.672 and TL4.673.000, respectively.

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

NOT 23 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

b) Credit risk (Continued)

	31 December 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 September 2009 and 31 December 2008 were as follows:

	30 September 2009	31 December 2008
Total liabilities	415.999.995	651.526.668
Less: Cash and cash equivalents (Note 4)	(26.338.504)	(115.448.598)
Net debt	389.661.491	536.078.070
Total shareholder's equity	286.200.320	285.552.805
Total capital	675.861.811	821.630.875
Net debt/capital ratio	%58	%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.

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

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

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.

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

No subsequent event noted after the balance sheet date.

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

As of 30 September 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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