TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD BETWEEN 1 JANUARY – 31 MARCH 2011

(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 – 31 MARCH 2011

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

BALANCE SHEETS AT 31 MARCH 2011 AND 31 DECEMBER 2010

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

	Notes	Unaudited 31 March 2011	Audited 31 December 2010
ASSETS			
CURRENT ASSETS		**810.089.359**	**739.251.159**
Cash and cash equivalents	3	228.196.526	248.557.341
Trade receivables			
- Trade receivables	5	266.200.206	214.976.132
- Due from related parties	19	56.727.107	62.152.300
Inventories	6	174.824.807	129.799.394
Other current assets	9	84.140.713	83.765.992
NON-CURRENT ASSETS		**156.019.025**	**146.921.396**
Trade receivables	5	64.217.691	59.532.098
Property, plant and equipment	7	55.947.768	55.963.502
Intangible assets	8	19.265.552	18.326.444
Deferred tax assets	17	16.259.096	12.770.736
Other non-current assets	9	328.918	328.616
TOTAL ASSETS		**966.108.384**	**886.172.555**

The condensed interim financial statements prepared for the period ended at 31 March 2011 have been approved by the Board of Directors ("BOD") on 26 April 2011 and signed by General Manager, Marco Votta and Chief Financial Officer, Memet İlkan Kamber on behalf of BOD.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

BALANCE SHEETS AT 31 MARCH 2011 AND 31 DECEMBER 2010

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

	Notes	Unaudited 31 March 2011	Audited 31 December 2010
LIABILITIES			
CURRENT LIABILITIES		**544.538.351**	**369.380.804**
Financial liabilities	4	84.621.408	127.922.061
Trade payables			
- Trade payables	5	231.468.803	185.792.694
- Due to related parties	19	9.743.352	9.957.397
Taxation on income	17	20.937.980	12.156.512
Provisions	10	23.172.072	15.195.254
Other current liabilities			
- Other current liabilities	9	24.594.736	18.356.886
- Other due to related parties	19	150.000.000	-
NON-CURRENT LIABILITIES		**29.704.050**	**48.620.838**
Financial liabilities	4	22.022.791	41.032.794
Provision for employment termination benefits	11	7.681.259	7.588.044
SHAREHOLDERS' EQUITY		**391.865.983**	**468.170.913**
Share capital	12	53.369.000	53.369.000
Adjustments to share capital	12	39.014.356	39.014.356
Merger reserve	12	(5.569.000)	(5.569.000)
Restricted profit reserves	12	74.702.802	59.969.647
Retained earnings	12	156.653.755	141.669.814
Net profit for the period	12	73.695.070	179.717.096
TOTAL LIABILITIES		**966.108.384**	**886.172.555**

Provisions, contingent assets and liabilities	10

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 INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIODS BETWEEN 1 JANUARY-31 MARCH 2011 AND 2010

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

	Notes	Unaudited 1 January - 31 March 2011	Unaudited 1 January - 31 March 2010
Sales (net)	13	390.778.242	239.149.506
Cost of sales (-)	13	(276.769.090)	(183.209.847)
GROSS PROFIT		**114.009.152**	**55.939.659**
Marketing, selling and distribution expenses (-)		(14.778.636)	(8.615.031)
General administrative expenses (-)		(6.009.934)	(5.909.746)
Research and development expenses (-)		(710.891)	(505.686)
Other operating income	14	1.215.216	1.065.515
Other operating expenses (-)	14	(3.228.002)	(9.863.355)
OPERATING PROFIT		**90.496.905**	**32.111.356**
Financial income	15	82.689.453	87.394.362
Financial expenses (-)	16	(81.415.208)	(89.561.220)
PROFIT BEFORE TAXATION ON INCOME		**91.771.150**	**29.944.498**
Taxes on income	17	(21.564.440)	(8.714.694)
Deferred tax income	17	3.488.360	2.925.876
PROFIT FOR THE PERIOD		**73.695.070**	**24.155.680**
Earnings per share (TL)	18	0,0138	0,0045
OTHER COMPREHENSIVE INCOME			
Changes in financial assets appreciation fund		-	-
Change in hedge reserves		-	-
Deferred tax (expense)/income on other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME (AFTER TAX)		**73.695.070**	**24.155.680**
TOTAL COMPREHENSIVE INCOME		**73.695.070**	**24.155.680**

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 - 31 MARCH 2011 AND 2010

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

	Share capital	Adjustment to share capital	Merger reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Total shareholders' equity
1 January 2011	**53.369.000**	**39.014.356**	**(5.569.000)**	**59.969.647**	**141.669.814**	**179.717.096**	**468.170.913**
Transfers	-	-	-	14.733.155	164.983.941	(179.717.096)	-
Dividends paid	-	-	-	-	(150.000.000)	-	(150.000.000)
Net profit for the period	-	-	-	-	-	73.695.070	73.695.070
31 March 2011	**53.369.000**	**39.014.356**	**(5.569.000)**	**74.702.802**	**156.653.755**	**73.695.070**	**391.865.983**

	Share capital	Adjustment to share capital	Merger reserve	Restricted profit reserves	Retained earnings	Net profit for the period	Total shareholders' equity
1 January 2010	**53.369.000**	**39.014.356**	**(5.569.000)**	**59.011.780**	**123.919.774**	**30.955.024**	**300.700.934**
Transfers	-	-	-	957.867	29.997.157	(30.955.024)	-
Dividends will be paid	-	-	-	-	(12.247.117)	-	(12.247.117)
Net profit for the period	-	-	-	-	-	24.155.680	24.155.680
31 March 2010	**53.369.000**	**39.014.356**	**(5.569.000)**	**59.969.647**	**141.669.814**	**24.155.680**	**312.609.497**

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

CONDENSED CASH FLOWS FOR THE INTERIM PERIODS BETWEEN 1 JANUARY – 31 MARCH 2011 AND 2010

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

	Notes	Unaudited 31 March 2011	Unaudited 31 March 2010
Cash flows from operating activities:			
Profit before taxation on income		91.771.150	29.944.498
Depreciation	7	1.934.450	1.607.695
Amortisation	8	621.801	427.513
Provision for employment termination benefits	11	290.350	734.725
Gain from sales of property, plant and equipment - net	14	(59.227)	(77.440)
Interest income	15	(3.610.419)	(806.667)
Interest expense	16	843.789	2.620.783
Provision for impairment of inventory	6	(669.178)	506.250
Expense accruals-net		7.976.823	3.297.527
Provision for doubtful receivables	14	3.191.448	9.320.614
Other non-cash items		4.455.230	(11.120.756)
Net cash flow before changes in operating assets and liabilities		**106.746.217**	**36.454.742**
Changes in operating assets and liabilities - net:			
Increase in trade receivables		(56.541.851)	(15.519.944)
Decrease/ (increase) in due from related parties		5.425.193	(20.622.090)
Increase in inventories		(44.018.855)	(4.676.407)
Increase in other current assets		(374.726)	(3.281.643)
(Increase)/decrease in other non-current assets		(301)	50.968
(Decrease)/ increase in due to related parties		(214.045)	14.232.283
Increase in trade payables		42.930.235	69.686.397
Increase in other short-term liabilites		156.237.848	5.325.956
Employment termination benefits paid	11	(197.135)	(193.364)
Taxes paid		(12.782.972)	(2.159.535)
Net cash provided by operating activities		**197.209.608**	**79.297.363**
Investing activities:			
Capital expenditures		(3.492.330)	(1.856.267)
Gain from sales of property, plant and equipment and intangible assets		71.934	105.550
Interest received		4.176.398	613.814
Net cash (used in)/provided by investing activities		**756.002**	**(1.136.903)**
Financing activities:			
Proceeds from bank borrowings		67.792.247	104.413.113
Repayments of bank borrowings		(134.797.681)	(166.481.860)
Dividends will be paid		(150.000.000)	(12.247.117)
Interest paid		(1.877.212)	(2.794.535)
Net cash used in financing activities		**(218.882.646)**	**(77.110.399)**
Effect of change of exchange rate on cash and cash equivalent		**531.145**	**(463.149)**
(Decrease)/increase in cash and cash equivalents		(20.917.036)	1.050.061
Cash and cash equivalents at the beginning of the period	**3**	**247.556.860**	**80.396.303**
Cash and cash equivalents at the end of the period	**3**	**227.170.969**	**80.983.215**

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

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 group company of the Koç Holding A.Ş. (“Koç Holding”). As of 31 March 2011, major shareholders of the Company are Koç Holding and CNH Osterreich GmbH. (“CNH Osterreich”) (Note 12). The number of personnel working within the Company as of 31 March 2011 is 2.164 (31 December 2010: 1.817).

The Company has merged with New Holland Trakmak Traktör ve Ziraat Makinaları Ticaret 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 method adopted in the business combination of the Company and Trakmak, was merger over adjusted equities in accordance with the International Financial Report Standards. Merger ratio based on the equity method that 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

CNH Global NV, a Company shareholder based in the Netherlands, transferred 2.001.337.500 Group B shares, in the Company's share capital, which were paid up in full and with a nominal value of TL20.013.375, to its 100% owned subsidiary CNH Österreich GmbH, based in Austria, on 16 February 2011.

The Company conducts marketing and selling activities in the domestic market, through its 119 sales dealers and 83 spare part dealers.

The Company is registered in Turkey in the following address:

Güvercin Yolu No: 111-112
06560 - Gazi Ankara

As of 31 March 2011, the free float of the Company whose shares are traded in the Istanbul Stock Exchange (“ISE”) is 24,93% (31 December 2010: 24,3%) (Note 12).

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”). 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

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

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 years starting 1 January 2005.

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.

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 Amendments in IFRS

- IAS 36 “Impairment of Assets” (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)
- IAS 27 “Consolidated and Separate Financial Statements” (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 July 2010)
- IFRS 3 “Business Combinations” (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 July 2009)
- IAS 38 “Intangible Assets” (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)
- IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)
- IAS 1 “Presentation of Financial Statements” (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)

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

- IFRS 2 "Share-based Payment"(Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2010)
- IFRIC 17 "Distributions of Non-cash Assets to Owners" (Applicable to all unexpired contracts for annual periods beginning on or after 1 July 2009)
- IFRIC 13 "Customer Loyalty Programmes", (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2011)
- IFRIC 18 "Transfers of Assets from" (Applicable to all unexpired contracts for annual periods beginning on or after 1 July 2009)
- IFRS 9 "Financial Instruments" (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2013)
- IAS 24 "Related Party Disclosures" (Amended) (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2011)
- IFRS 7 "Financial Instruments: Disclosures" (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2011)
- IAS 32 "Financial Instruments: Presentation" (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 February 2010)
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amended) (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2011)
- IAS 34 Interim Financial Reporting (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 January 2011)
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"(Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 July 2009)
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments" (Amended), (Applicable to all unexpired contracts for annual periods beginning on or after 1 July 2010)

2.3 Errors and changes in accounting policies/estimations

Material changes in accounting policies or material errors are corrected, retrospectively; restating the prior year financial statements

Effect of changes in accounting estimates affecting current year is recognized in the current year; effect of changes in accounting estimates affecting current and future years is recognised in the current year and also in future years.

2.4 Seasonality of the operations

In the interim condensed financial statements of the Company, there is not any effect arising from the seasonality of the Company's operations.

2.5 Summary of significant accounting policies

The condensed interim financial statements for the period ended 31 March 2011 have been prepared in accordance with IAS 34, which is related to interim financial reporting. In addition, the condensed interim financial statements as of 31 March 2011 are prepared by using accounting policies that are consistent with the accounting policies used in preparation of the financial statements for the year ended 31 December 2010. Therefore, these condensed interim financial statements shall be considered together with the financial statements for the year ended 31 December 2010.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

	31 March 2011	31 December 2010
Banks		
- TL denominated demand deposits	4.390.450	3.116.444
- TL denominated time deposits	216.683.490	191.454.665
- Foreign currency denominated demand deposits	1.908.065	1.998.046
- Foreign currency denominated time deposits	5.214.521	51.988.186
	228.196.526	**248.557.341**

As of 31 March 2011, the weighted average effective annual interest rate for the TL and Euro time deposits is 7,33% and 3,48% (31 December 2010: TL: 8,92%, EUR: 3,24%). As of 31 March 2011 and 31 December 2010, 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 31 March 2011, 31 December 2010, 31 March 2010 and 31 December 2009 are as follows:

	31 March 2011	31 December 2010	31 March 2010	31 December 2009
Banks	228.196.526	248.557.341	81.279.588	80.690.192
Less: Interest accruals	(43.987)	(609.969)	(251.788)	(58.935)
Less: Restricted bank deposits	(981.570)	(390.512)	(44.585)	(234.954)
Cash and cash equivalents	**227.170.969**	**247.556.860**	**80.983.215**	**80.396.303**

NOTE 4 - FINANCIAL LIABILITIES

a) Short-term financial liabilities

Short-term bank borrowings

	Original currency amount		Weighted average effective interest rate p.a. (%)		TL Equivalent	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
TL bank borrowings	29.822.698	3.528.457	6,88	7,00	29.822.698	3.528.457
EUR bank borrowings	10.001.504	60.706.458	1,80	2,25	21.819.281	114.146.396
					51.641.979	**117.674.853**

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

NOTE 4 - FINANCIAL LIABILITIES (Continued)

Short term portion of long term bank borrowings

	Original currency amount		Weighted average effective interest rate p.a. (%)		TL Equivalent	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
EUR bank borrowings	15.117.083	5.000.000	2,80	3,00	32.979.429	10.247.208
					32.979.429	**10.247.208**
Total short-term financial liabilities					**84.621.408**	**127.922.061**

b) Long-term financial liabilities

Long-term bank borrowings

	Original currency amount		Weighted average effective interest rate p.a. (%)		TL Equivalent	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
EUR bank borrowings	10.094.789	20.024.788	3,25	2,98	22.022.791	41.032.794
Total long-term financial liabilities					**22.022.791**	**41.032.794**

Redemption schedule of the long-term bank borrowings as of 31 March 2011 is as follows:

	2011
2012	22.022.791
	22.022.791

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

	Carrying value		Fair value	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Bank borrowings	106.644.199	168.954.855	104.242.923	167.419.021

As of 31 March 2011, 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 3,23% and 7,14%, respectively (31 December 2010: EUR and TL bank borrowings 2,66% and 6,50% p.a., respectively).

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

	31 March 2011	31 December 2010
Short-term trade receivables:		
Customer current accounts	213.222.198	164.100.405
Notes receivables	83.259.348	81.088.271
Protested notes	19.082.796	16.772.681
	315.564.342	261.961.357
Less: Provision for doubtful receivables	(45.418.314)	(43.035.979)
Unearned financial income	(3.945.822)	(3.949.246)
Short-term trade receivables	**266.200.206**	**214.976.132**
Due from related parties (Note 19)	56.727.107	62.152.300
Total short-term trade receivables	**322.927.313**	**277.128.432**

Movements of the provisions for doubtful receivables for the periods ended 31 March 2011 and 31 March 2010 are as shown below:

	2011	2010
1 January	**43.035.979**	**20.817.960**
Collections during the period (Note 14)	(809.113)	(921.050)
Charge during the period (Note 14)	3.191.448	9.320.614
31 March	**45.418.314**	**29.217.524**

	31 March 2011	31 December 2010
Long-term trade receivables:		
Notes receivables	67.691.646	63.998.219
Less: Unearned financial income	(3.473.955)	(4.466.121)
Long-term trade receivables	**64.217.691**	**59.532.098**

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES (Continued)

	31 March 2011	31 December 2010
Trade payables:		
Supplier current accounts	233.165.388	186.504.161
Less: Unincurred financial expense	(1.696.585)	(711.467)
Trade payables	**231.468.803**	**185.792.694**
Due to related parties (Note 19)	9.743.352	9.957.397
Total trade payables	**241.212.155**	**195.750.091**

NOTE 6 – INVENTORIES

	31 March 2011	31 December 2010
Raw materials	90.190.007	55.807.795
Work in progress	2.553.144	2.968.411
Finished goods	17.941.748	12.823.091
Commercial goods	22.956.592	23.235.584
Spare parts	17.288.160	13.933.438
Goods in transit	25.747.075	23.552.172
	176.676.726	132.320.491
Provision for impairment of inventory	(1.851.919)	(2.521.097)
	174.824.807	**129.799.394**

The cost of inventories recognised as expense and included in production costs during the current period, amounting to TL 256.048.823 (31 March 2010: TL174.478.634).

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

	2011	2010
1 January	(2.521.097)	(4.246.237)
Released during the period	849.178	-
Charge during the period for impairment of inventory	(180.000)	(506.250)
31 March	**(1.851.919)**	**(4.752.487)**

During the year 2011, the Company sold commercial goods that were impaired in 2009, the amount was credited to the cost of goods sold account.

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

NOTE 7- PROPERTY, PLANT AND EQUIPMENT

	1 January 2011	Additions	Disposals	Transfers	31 March 2011
Cost					
Land	373.095	-	-	-	373.095
Land improvements	4.745.435	-	-	-	4.745.435
Buildings	49.149.170	3.250	-	-	49.152.420
Machinery and equipment	322.507.484	1.502.911	(734.714)	-	323.275.681
Special costs	2.705.188	-	-	-	2.705.188
Motor vehicles	1.918.149	-	(32.248)	-	1.885.901
Furniture and fixtures	23.389.573	228.159	(1.171.209)	420.787	22.867.310
Construction in progress	11.998.368	521.051	-	(744.735)	11.774.684
	416.786.462	**2.255.371**	**(1.938.171)**	**(323.948)**	**416.779.714**

	1 January 2011	Additions	Disposals	Transfers	31 March 2011
Accumulated depreciation					
Land improvements	3.066.503	30.817	-	-	3.097.320
Buildings	33.572.888	373.561	-	-	33.946.449
Machinery and equipment	300.991.225	1.162.090	(734.714)	-	301.418.601
Special costs	2.581.685	10.939	-	-	2.592.624
Motor vehicles	1.307.407	63.986	(32.248)	-	1.339.145
Furniture and fixtures	19.303.252	293.057	(1.158.502)	-	18.437.807
	360.822.960	**1.934.450**	**(1.925.464)**	**-**	**360.831.946**
Net book value	**55.963.502**				**55.947.768**

	1 January 2010	Additions	Disposals	Transfers	31 March 2010
Cost					
Land	373.095	-	-	-	373.095
Land improvements	4.479.678	-	-	-	4.479.678
Buildings	48.419.992	-	-	-	48.419.992
Machinery and equipment	313.056.236	458.274	-	-	313.514.510
Special costs	2.623.444	65.533	-	-	2.688.977
Motor vehicles	2.230.392	-	(132.392)	-	2.098.000
Furniture and fixtures	20.772.330	40.009	(6.984)	-	20.805.355
Construction in progress	2.042.878	26.741	-	-	2.069.619
	393.998.045	**590.557**	**(139.376)**	**-**	**394.449.226**
Accumulated depreciation					
Land improvements	2.950.217	28.401	-	-	2.978.618
Buildings	32.102.848	365.404	-	-	32.468.252
Machinery and equipment	298.507.356	936.257	-	-	299.443.613
Special costs	2.535.582	12.249	-	-	2.547.831
Motor vehicles	1.335.861	74.214	(104.282)	-	1.305.793
Furniture and fixtures	18.658.822	191.170	(6.984)	-	18.843.008
	356.090.686	**1.607.695**	**(111.266)**	**-**	**357.587.115**
Net book value	**37.907.359**				**36.862.111**

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

NOTE 7- PROPERTY, PLANT AND EQUIPMENT (Continued)

For the period ended at 31 March 2011, of the total depreciation expense amounting to TL1.934.450 (31 March 2010: TL1.607.695), TL1.314.438 (31 March 2010: TL1.144.227) is allocated to production costs, TL409.154 (31 March 2010: TL341.137) is allocated to general administrative expenses, TL129.092 (31 March 2010: TL85.626) is allocated to research and development expenses and TL81.766 (31 March 2010: TL36.705) is allocated to marketting, selling and distribution expenses. The depreciation expense amounting to TL135.850 (31 March 2010: TL88.995) is capitalized during the period as it is related to the development costs.

NOTE 8 - INTANGIBLE ASSETS

	1 January 2011	Additions	Disposals	Transfers	31 March 2011
Cost					
Rights	4.845.814	38.195	-	323.948	5.207.957
Development costs	10.088.545	-	-	-	10.088.545
Development costs in progress	9.489.048	1.198.766	-	-	10.687.814
	24.423.407	**1.236.961**	**-**	**323.948**	**25.984.316**
Accumulated amortisation					
Rights	3.827.883	117.374	-	-	3.945.257
Development costs	2.269.080	504.427	-	-	2.773.507
	6.096.963	**621.801**	**-**	**-**	**6.718.764**
Net book value	**18.326.444**				**19.265.552**

	1 January 2010	Additions	Disposals	Transfers	31 March 2010
Cost					
Rights	4.877.291	160.053	-	-	5.037.344
Development costs	6.989.807	-	-	-	6.989.807
Development costs in progress	3.356.748	1.105.657	-	-	4.462.405
	15.223.846	**1.265.710**	**-**	**-**	**16.489.556**
Accumulated amortisation					
Rights	4.302.099	78.023	-	-	4.380.122
Development costs	819.473	349.490	-	-	1.168.963
	5.121.572	**427.513**	**-**	**-**	**5.549.085**
Net book value	**10.102.274**				**10.940.471**

Development costs includes intangible assets generated by the Company. Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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

NOTE 8 - INTANGIBLE ASSETS (Continued)

The amortisation is not calculated for the development costs in progress as the development process has not yet been completed.

For the period ended at 31 March 2011, of the total amortisation expenses amounting to TL621.801 (31 March 2010: TL427.513), TL79.754 (31 March 2010: TL55.529) is allocated to production costs, TL24.826 (31 March 2010: TL16.555) is allocated to general administrative expenses, TL512.260 (31 March 2010: TL353.646) is allocated to research and development expenses and TL4.961 (31 March 2010: TL1.783) is allocated to marketting, selling and distribution expenses.

NOTE 9 - OTHER ASSETS AND LIABILITIES

a) **Other current assets:**	**31 March 2011**	**31 December 2010**
Reclaimed value added tax ("VAT")	46.284.024	48.639.204
Deferred VAT	37.119.559	34.849.308
Prepaid expenses	618.623	234.068
Other	118.507	43.412
	84.140.713	**83.765.992**

b) **Other non-current assets:**	**31 March 2011**	**31 December 2010**
Deposits and guarantees given	328.918	328.616
	328.918	**328.616**

c) **Other short-term liabilities:**	**31 March 2011**	**31 December 2010**
Advances taken (*)	14.966.878	5.513.820
Taxes, funds and other related payable	2.886.533	4.883.631
Payables to personnel	2.363.364	2.469.233
Deferred income (**)	1.291.785	2.494.899
Incentive income for future periods (***)	786.046	842.192
Other	2.300.130	2.153.111
Other short-term liabilities:	**24.594.736**	**18.356.886**
Due to related parties		
Other payables (Note 19)	150.000.000	-
Total other short-term liabilities:	**174.594.736**	**18.356.886**

(*) Advances taken represents advances, due pre-pay campaign done for 2011 combine sales.

(**) Deferred income represents the sales amount of the tractors for which the invoices are issued but are not yet shipped to customers as of 31 March 2011 and 31 December 2010.

(***) Incentive income for future periods based on completed development projects in 2010, refers to the amount of incentive received from The Scientific and Technological Research Council of Turkey. Amount of incentive taken is reflected to income statement in accordance with related project's useful life.

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

NOTE 10 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Provisions

	31 March 2011	31 December 2010
Warranty provisions	18.119.789	14.763.037
Provision for lawsuits (*)	349.429	324.419
Other provisions (**)	4.702.854	107.798
	23.172.072	**15.195.254**

(*) The balance represents provision for business cases which were opened against the Company.
(**) As of 31 March 2011, the balance consists of personnel premium provisions, donations and other expense provisions which the related invoices are not received, yet.

As of 31 March 2011 and 2010, the movement of provision for warranty expenses is as follows:

	2011	2010
1 January	**14.763.037**	**7.258.630**
Released during the period	(2.592.521)	(2.274.995)
Charge for the period	5.949.273	2.880.651
31 March	**18.119.789**	**7.864.286**

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

	2011	2010
1 January	**324.419**	**119.916**
Charge for the period (Note 14)	25.010	542.477
Released during the period (Note 14) (*)	-	-
31 March	**349.429**	**662.393**

(*) In case of lawsuits against company will be favour of the Company, based on view of law advisors regarding appeal process, provisions for lawsuit is cancelled.

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

	2011	2010
1 January	**107.798**	**50.406**
Released during the period	(107.798)	(50.406)
Charge for the period	4.702.854	2.199.800
31 March	**4.702.854**	**2.199.800**

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

NOTE 10 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

b) Contingent Liabilities

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

	31 March 2011	31 December 2010
A. The total amount of collaterals given on behalf of its own legal entity	49.592.256	40.554.828
B. The total amount of collaterals given in favor of the companies in the scope of full consolidation	-	-
C. The total amount of collaterals given for the purpose of providing debt to third parties in the course of ordinary business activities	-	-
D. The total amount of other collaterals given	-	-
i. The total amount of collaterals given in favor of the parent companies	-	-
ii. The total amount of collaterals given in favor of other group companies which are not in the scope of items B and C	-	-
iii. The total amount of collaterals given in favor of third parties other than the parties stated in item C	-	-
	49.592.256	**40.554.828**

As of 31 March 2011 the original amount of guarantees given by the corporate name of the company are EUR 14.049.995 and US Dollar 41.444 (31 December 2010: EUR 17.124.995 and US Dollar 26.444).

c) Contingent Assets

	Original Amounts						TL equivalent	
	31 March 2011			31 December 2010				
	Euro	US Dollar	TL	Euro	US Dollar	TL	31 March 2011	31 December 2010
Letters of guarantees received	14.375	580.400	186.845.550	69.245	660.400	176.697.724	187.775.544	177.860.592
Mortgages	-	-	7.719.980	-	-	7.719.980	7.719.980	7.719.980
Security bonds	-	-	1.750.000	-	-	1.750.000	1.750.000	1.750.000
TL guarantees in cash	-	-	131.168	-	-	387.099	131.168	387.099
Foreign currency guarantees in cash	-	8.172	-	-	8.153	-	12.653	12.605
							197.389.345	**187.730.276**

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

NOTE 11 - PROVISION FOR EMPLOYMENT TERMINATION BENEFITS

	31 March 2011	**31 December 2010**
Provision for employment termination benefits	7.681.259	7.588.044
	7.681.259	**7.588.044**

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

Under the Turkish 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 TL2.623,23 for each year of service as of 31 March 2011 (31 December 2010: TL2.517,01).

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:

	31 March 2011	**31 December 2010**
Discount rate (%)	4,66	4,66
Turnover rate to estimate the probability of retirement (%)	97,38	95,51

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 TL2.623,23 which is effective from 1 April 2011 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 year are as follows:

	2011	**2010**
1 January	**7.588.044**	**6.301.237**
Charge for the period	290.350	734.725
Paid during the period	(197.135)	(193.364)
31 March	**7.681.259**	**6.842.598**

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

NOTE 12 - SHAREHOLDERS' EQUITY

Paid-in Share Capital

The Company's registered share capital amounts to TL250.000.000(31 December 2010:TL250.000.000).

The Company's share capital is composed of 5.336.900.000 units of shares each Kr1 nominal value. The nominal value of share capital is TL53.369.000.

The composition of the Company's statutory share capital at 31 March 2011 and 31 December 2010 are as follows:

	31 March 2011		31 December 2010	
	Participation (%)	**Share Amount (TL)**	**Participation (%)**	**Share Amount (TL)**
Koç Holding	37,50	20.013.375	37,50	20.013.375
CNH Osterreich	37,50	20.013.375	-	-
CNH Global NV	-	-	37,50	20.013.375
Public quotation	24,93	13.306.859	24,30	12.981.957
Other	0,07	35.391	0,70	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 restatement effect of cash and cash equivalent contributions to share capital.

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 four Board members are selected from Group A's and four Board members are selected from Group B's nominated candidates.

As of 15 October 2010; according to the decision taken during the BOD meeting of Koç Holding that was held at 31 March 2009; following the merger between business partners, Company and New Holland Trakmak, in order to equalize the shares held by Koç Group and CNH at the Company, Koç Holding shares with TL756.318,75 nominal value which equals to 2,312% of Company's capital, were sold to investors for TL13.235.578,13 and Temel Ticaret shares with TL477.675 nominal value, were sold to investors for TL8.359.312,50.

Furthermore, Temel Ticaret shares with TL636.900 nominal value were bought by Koç Holding, for TL11.145.750. Following these transactions, Temel Ticaret has no shares in the Company's capital.

NOTE 12 - SHAREHOLDERS’ EQUITY (Continued)

CNH Global NV, a Company shareholder based in the Netherlands, transferred 2.001.337.500 Group B shares, in the Company's share capital, which were paid up in full and with a nominal value of TL20.013.375, to its 100% owned subsidiary CNH Österreich GmbH, based in Austria, on 16 February 2011.

As of 11 June 2004, the Company has been quoted to ISE and its shares started to be traded in the stock exchange market from that date. As of 31 March 2011, 24,93% (31 December 2010: 24,3%) of the Company shares are quoted at ISE.

Retained Earnings, Restricted Profit Reserves, Fair Value Reserves, and Other Capital Reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in capital. These amounts are classified as “Restricted profit reserves” according to the CMB Financial Reporting Standards.

In accordance with the Communiqué No:XI-29 and related announcements of CMB, effective from 1 January 2008, “Share capital”, “Restricted Reserves” and “Share Premiums” shall be carried at their statutory amounts. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is due to the inflation adjustment of “share capital” and not yet been transfered to capital should be classified under “Adjusments to Share Capital”;

- If the difference is due to the inflation adjustment of “Restricted Reserves” and “Share Premium” and the amount has not been utilised in dividend distribution or capital increase yet, it shall be classified under “Retained Earnings”.

Other equity items shall be carried at the amounts calculated based on CMB Financial Reporting Standards.

Capital adjustment differences have no other use other than being transferred to share capital.

Profit Distribution

The decision of dividend payment amounting to TL150.000.000, taken in the Company’s General Assembly dated 25 March 2011 (Note 19). Dividend payment distribution began at the date of 1 April 2011.

In the statutory financial statements of the Company, in addition to the statutory profit amounting to TL78.801.001 for the period ended 31 March 2011, there are other resources that can be subject to a possible dividend distribution amounting to TL201.678.913.

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

NOTE 12 - SHAREHOLDERS' EQUITY (Continued)

The Company's shareholders' equity as of 31 March 2011 and 31 December 2010 is as follows:

	31 March 2011	**31 December 2010**
Share capital	53.369.000	53.369.000
Adjustments to share capital	39.014.356	39.014.356
Merger reserve	(5.569.000)	(5.569.000)
Restricted profit reserves	74.702.802	59.969.647
Retained earnings	156.653.755	141.669.814
Net profit for the period	73.695.070	179.717.096
Total shareholders' equity	**391.865.983**	**468.170.913**

NOT 13 - SALES AND COST OF SALES

	1 January - 31 March 2011	**1 January - 31 March 2010**
Domestic sales	368.870.548	155.592.019
Export sales	54.716.332	97.703.179
	423.586.880	253.295.198
Less: Discounts and returns	(32.808.638)	(14.145.692)
Sales income (net)	**390.778.242**	**239.149.506**
Cost of sales	(276.769.090)	(183.209.847)
Gross profit	**114.009.152**	**55.939.659**

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

NOTE 14 - OTHER OPERATING INCOME/EXPENSES

	1 January - 31 March 2011	1 January - 31 March 2010
Termination of provision for doubtful receivables (Note 5)	809.113	921.050
Gain on sales of property, plant and equipment	69.671	77.440
Incentive income	56.146	-
Other income	280.286	67.025
Other operating income	**1.215.216**	**1.065.515**
Provision for doubtful receivables (Note 5)	(3.191.448)	(9.320.614)
Provision for lawsuits (Note 10)	(25.010)	(542.477)
Loss on sales of property, plant and equipment	(10.444)	-
Other expenses	(1.100)	(264)
Other operating expenses	**(3.228.002)**	**(9.863.355)**

NOTE 15 - FINANCIAL INCOME

	1 January - 31 March 2011	1 January - 31 March 2010
Foreign exchange gain	71.670.591	81.924.072
Financial income from credit sales	7.408.443	4.663.623
Interest income	3.610.419	806.667
Financial income	**82.689.453**	**87.394.362**

NOTE 16 - FINANCIAL EXPENSES

	1 January - 31 March 2011	1 Ocak - 31 March 2010
Foreign exchange loss	(74.804.815)	(84.304.792)
Financial expense on credit purchases	(5.510.894)	(1.706.039)
Interest expenses of bank borrowings	(843.789)	(2.620.783)
Other	(255.710)	(929.606)
Financial expenses	**(81.415.208)**	**(89.561.220)**

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

NOTE 17 - TAX ASSETS AND LIABILITIES

	31 March 2011	31 December 2010
Corporation and income taxes payable	21.564.440	47.776.397
Less: Prepaid taxes	(626.460)	(35.619.885)
Total tax payable - net	**20.937.980**	**12.156.512**

	1 January - 31 March 2011	1 January - 31 March 2010
Current period corporate tax expense	(21.564.440)	(8.714.694)
Deferred tax income	3.488.360	2.925.876
Tax expense	**(18.076.080)**	**(5.788.818)**

Corporation tax is payable, at a rate of 20% (31 December 2010: 20%) on the total income of the companies registered in Turkey after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. R&D allowance).

Deferred Taxes

The Company recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements prepared in accordance with the CMB Financial Reporting Standards and their statutory financial statements, using the currently enacted tax rates. These temporary differences result in the recognition of revenue and expenses in different reporting periods for CMB Financial Reporting Standards and tax purposes. The currently enacted tax rate for deferred tax assets and liabilities is 20% (31 December 2010: 20%).

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

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

The breakdown of cumulative temporary differences and the resulting deferred tax assets/ (liabilities) at 31 March 2011 and 31 December 2010 are as follows:

	Temporary Differences		Deferred Tax assets/(liabilities)	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Property, plant and equipment and intangible assets, restatement and useful life differences	3.853.478	4.297.083	(770.696)	(859.417)
Unearned finance income on due from related parties	(626.486)	(92.155)	125.297	18.431
Provision for employment termination benefits	(7.681.259)	(7.588.044)	1.536.252	1.517.609
Capitalized unincurred financial expense on inventory	(3.188.642)	(2.323.850)	637.728	464.770
Warranty provision	(18.119.789)	(14.763.037)	3.623.958	2.952.607
Provision for lawsuits	(349.429)	(324.419)	69.886	64.884
Unearned finance income on trade receivables	(3.463.933)	(5.528.446)	692.788	1.105.689
Provision for doubtful receivables	(36.616.251)	(34.553.275)	7.323.250	6.910.655
Provision for impairment of inventory	(1.851.919)	(2.521.097)	370.384	504.219
Sales premiums	(9.764.422)	-	1.952.884	-
Other provisions	(3.966.968)	(58.974)	893.394	11.795
Elimination of profit margin of the sales to free zone branch	(66.228)	(176.999)	13.246	35.400
Other	1.282.270	(220.467)	(209.275)	44.094
Deferred tax assets			**16.259.096**	**12.770.736**

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

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

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

	2011	**2010**
1 January	**12.770.736**	**7.923.225**
Deferred tax income	3.488.360	2.925.876
31 March	**16.259.096**	**10.849.101**

The reconciliation of the current year tax charge is as follows:

	31 March 2011	**31 March 2010**
Profit before taxation on income	**91.771.150**	**29.944.498**
Tax calculated at enacted tax rate	18.354.230	5.988.900
Research and development deductions	(281.104)	(230.219)
Disallowable expenses	2.954	20.053
Other	-	10.084
Total tax charge	**18.076.080**	**5.788.818**

NOTE 18 - EARNINGS PER SHARE

Earnings per share stated in the income statement is 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. Nominal value of one share of company is 1 Kuruş. 1 Kr nominal value per share as TL.

	1 January - 31 March 2011	**1 January - 31 March 2010**
Profit for the period	73.695.070	24.115.680
Weighted average number of the ordinary shares	5.336.900.000	5.336.900.000
Earnings per share (1 Kr nominal value per share as TL)	0,0138	0,0045

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

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

NOTE 19 - RELATED PARTY EXPLANATIONS

i) Balances with related parties as of 31 March 2011 and 31 December 2010:

a) Bank deposits and borrowings	**31 March 2011**	**31 December 2010**
Deposits with related parties:		
Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi")	800.686	30.249.236
	800.686	**30.249.236**

b) Due from related parties	**31 March 2011**	**31 December 2010**
CNH International SA ("CNH International")	48.218.736	53.077.450
CNH Italy SPA ("CNH Italy")	3.567.542	2.738.205
CNH Latin America Ltda.	3.106.340	4.582.435
New Holland Fiat India Pvt. Ltd.	1.388.838	973.924
Yapı Kredi Finansal Kiralama	446.596	411.087
Fiat Group Purchasing SRL	126.659	118.966
CNH France S.A ("CNH France")	-	310.092
Other	498.882	32.296
	57.353.593	**62.244.455**
Less: Unearned financial income	(626.486)	(92.155)
	56.727.107	**62.152.300**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

c) Due to related parties	**31 March 2011**	**31 December 2010**
Opet Petrolcülük A.Ş. ("Opet")	5.466.517	2.421.872
CNH International	1.882.956	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer")	982.655	1.992.587
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş.	433.406	250.427
Koç Holding	255.229	768.797
New Holland Fiat India Pvt. Ltd.	174.108	141.939
Koçtaş Yapı Marketleri A.Ş.	141.475	209.077
Otokoç	134.963	142.564
Koç Net Haberleşme Teknolojileri ve İletişim Hizmetleri A.Ş. ("Koç Net")	2.986	45.762
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ("Koç Sistem")	-	2.387.896
Eltek Elektrik Enerjisi İth.İhr.ve Toptan Tic.A.Ş. ("Eltek")	-	658.434
Arçelik A.Ş.	-	350.048
Setur Servis Turistik A.Ş. ("Setur")	-	274.549
Other	379.294	461.579
	9.853.589	**10.105.531**
Less: Unearned financial expenses	(110.237)	(148.134)
	9.743.352	**9.957.397**

d) Other due to related parties

	31 March 2011	**31 December 2010**
Koç Holding	56.250.000	-
CNH Global NV.	56.250.000	-
Public quotation	36.487.354	-
Other	1.012.646	-
	150.000.000	**-**

The decision of dividend payment amounting to TL150.000.000, taken in the Company's General Assembly dated 25 March 2011.

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

ii) Significant sales and purchases transactions with related parties for the interim periods between 1 January - 31 March 2011 and 2010:

	1 January- 31 March 2011	1 January- 31 March 2010
a) Product sales to related parties		
CNH International (*)	48.288.064	95.032.507
CNH Latin America Ltda.	3.088.683	743.745
CNH Italy	2.304.618	1.453.861
Zer	820.960	335.317
Harranova	-	780.518
Other	320.631	699.701
	54.822.956	**99.045.649**

(*) The Company realizes export sales through CNH International.

b) Other income from related parties

CNH International	251.883	-
Other	4.972	12.697
	256.855	**12.697**

c) Product purchases from related parties

CNH International	9.818.975	9.488.805
Opet	4.978.812	2.934.956
Zer	659.798	93.302
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	653.367	292.941
Koç Sistem	39.087	160.131
Other	711.629	435.005
	16.861.668	**13.405.140**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

	1 January- 31 March 2011	1 January- 31 March 2010
d) Service purchases from related parties		
Zer	2.482.361	1.278.657
Eltek	1.734.466	-
Aygaz Doğal Gaz	747.886	-
Setur	683.080	310.307
Koç Holding (*)	324.444	936.694
CNH International (*)	318.600	276.000
Otokoç	206.020	192.706
Rahmi M. Koç Müze ve Kültür Vakfı	200.000	-
Opet	139.246	121.664
Ram Sigorta Aracılık Hizmetleri A.Ş. (**)	35.712	588.938
Other	273.357	185.233
	7.145.172	**3.890.199**

(*) Services purchased from Koç Holding and CNH International include consultancy services on human resources, strategy development, intermediation and advisory activities.

(**) Includes paid and accrued premium for the period ended 31 March 2011 in relation with the insurance policies that are signed by insurance agents that are not related parties, through Ram Sigorta Aracılık Hizmetleri A.Ş., acting as an insurance agent.

iii) Financial income and expenses arising from transactions with related parties for the interim periods between 1 January - 31 March 2011 and 2010:

	1 January- 31 March 2011	1 January- 31 March 2010
Interest Income		
Yapı Kredi	79.354	5.075

	1 Ocak- 31 March 2011	1 Ocak- 31 March 2010
Interest expense		
Yapı Kredi	-	1.012.690
Yapı Kredi Finansal Kiralama	819	10.724
	819	**1.023.414**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

iv) Dividends paid to related parties:

	1 January - 31 March 2011	1 January - 31 December 2010
Koç Holding	56.250.000	4.620.073
CNH Global NV.	56.250.000	4.592.669
Public quotation	36.487.354	2.695.922
Temel Ticaret	-	255.773
Other	1.012.646	82.680
	150.000.000	**12.247.117**

v) Other transactions with related parties for the interim periods between 1 January - 31 March 2011 and 2010:

	1 January- 31 March 2011	1 January- 31 March 2010
Remuneration of Board of Directors and key management personnel	638.218	1.795.236

Gain on sale of propert, plant and equipment	1 January- 31 March 2011	1 January- 31 March 2010
Zer	7.458	-

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks. These risks are market risk, currency risk, fair value interest rate risk, price risk and cash flow interest rate risk, credit risk and liquidity risk. 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 resulting from the foreign currency denominated commercial activities with the foreign companies. Currency risk arises due to foreign currency denominated recorded and prospective transactions resulting as assets and liabilities. These risks are monitored regularly and limited by analyses of the foreign currency position. The Company also utilizes derivative financial instruments to the extent necessary, to minimize the foreign currency risk.

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

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The amounts of foreign currency assets, liabilities and TL equivalents of the Company as of 31 March 2011 and 31 December 2010 are as follows:

	31 March 2011						
	TL Equivalent	**US Dollar**	**EUR**	**GBP**	**DKK**	**CHF**	**YEN**
Trade Receivables	170.758.821	507.139	77.912.366	-	-	-	-
Monetary Financial Assets (Including cash, banks accounts)	7.122.586	53.538	3.226.849		-	-	-
Non-monetary Financial Assets	-	-	-	-	-	-	-
Other	21.159.040	49.758	9.651.642	10.456	-	-	-
Current Assets	199.040.447	610.435	90.790.857	10.456			
Trade Receivables	63.114.927	253.680	28.750.529	-	-	-	-
Monetary Financial Assets	-	-	-	-	-	-	-
Non-monetary Financial Assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Non-current Assets	63.114.927	253.680	28.750.529	-	-	-	-
Total Assets	**262.155.374**	**864.115**	**119.541.386**	**10.456**	**-**	**-**	**-**
Trade Payables	184.667.236	705.791	84.109.415	32.747	-	-	-
Financial Liabilities	54.798.710	-	25.118.587	-	-	-	-
Other Monetary Liabilities	15.071.987	777.253	6.357.062	-	-	-	-
Other Non-monetary Liabilities	-	-	-	-	-	-	-
Current Liabilities	254.537.933	1.483.044	115.585.064	32.747	-	-	-
Trade Payables	-	-	-	-	-	-	-
Financial Liabilities	22.022.791	-	10.094.789	-	-	-	-
Other Monetary Liabilities	-	-	-	-	-	-	-
Other Non-monetary Liabilities	-	-	-	-	-	-	-
Non-current Liabilities	22.022.791	-	10.094.789	-	-	-	-
Total Liabilities	**276.560.724**	**1.483.044**	**125.679.853**	**32.747**	**-**	**-**	**-**
Total Amount of Hedged Assets	-	-	-	-	-	-	-
Total Amount of Hedged Liabilities	-	-	-	-	-	-	-
Net Asset/(Liability) Position of Off-balance Sheet Derivative Instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Foreign Currency Asset/(Liability) Position	**(14.405.350)**	**(618.929)**	**(6.138.467)**	**(22.291)**	**-**	**-**	**-**
Net Monetary Foreign Currency Asset/(Liability) Position	**(14.405.350)**	**(618.929)**	**(6.138.467)**	**(22.291)**	**-**	**-**	**-**

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

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2010						
	TL Equivalent	**US Dollar**	**EUR**	**GBP**	**DKK**	**CHF**	**YEN**
Trade Receivables	143.199.955	1.495.506	68.755.992	-	-	-	-
Monetary Financial Assets (Including cash, banks accounts)	53.986.232	162.809	26.223.337	121	-	-	-
Non-monetary Financial Assets	-	-	-	-	-	-	-
Other	18.382.526	187.920	8.495.873	195	62.594	-	35.146.868
Current Assets	215.568.713	1.846.235	103.475.202	316	62.594	-	35.146.868
Trade Receivables	58.392.007	22.680	28.479.305	-	-	-	-
Monetary Financial Assets	-	-	-	-	-	-	-
Non-monetary Financial Assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Non-current Assets	58.392.007	22.680	28.479.305	-	-	-	-
Total Assets	**273.960.720**	**1.868.915**	**131.954.507**	**316**	**62.594**	**-**	**35.146.868**
Trade Payables	141.066.059	640.616	68.279.181	68.993	-	-	-
Financial Liabilities	124.393.604	-	60.706.458	-	-	-	-
Other Monetary Liabilities	5.618.950	54.545	2.701.002	-	-	-	-
Other Non-monetary Liabilities	-	-	-	-	-	-	-
Current Liabilities	271.078.613	695.161	131.686.641	68.993	-	-	-
Trade Payables	-	-	-	-	-	-	-
Financial Liabilities	41.032.794	-	20.024.788	-	-	-	-
Other Monetary Liabilities	-	-	-	-	-	-	-
Other Non-monetary Liabilities	-	-	-	-	-	-	-
Non-current Liabilities	41.032.794	-	20.024.788	-	-	-	-
Total Liabilities	**312.111.407**	**695.161**	**151.711.429**	**68.993**	**-**	**-**	**-**
Total Amount of Hedged Assets	-	-	-	-	-	-	-
Total Amount of Hedged Liabilities	-	-	-	-	-	-	-
Net Asset/(Liability) Position of Off-balance Sheet Derivative Instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Foreign Currency Asset/(Liability) Position	**(38.150.687)**	**1.173.754**	**(19.756.922)**	**(68.677)**	**62.594**	**-**	**35.146.868**
Net Monetary Foreign Currency Asset/(Liability) Position	**(38.150.687)**	**1.173.754**	**(19.756.922)**	**(68.677)**	**62.594**	**-**	**35.146.868**

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

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The import and export amounts of the Company for the periods ended 31 March 2011 and 2010 are as follows:

	1 January - 31 March 2011	**1 January - 31 March 2010**
Total export amount	54.716.332	97.703.179
Total import amount	101.365.763	44.875.692

The Company is exposed to foreign exchange risk primarily with respect to EUR and US Dollar. The effect of the Company's EUR and US Dollar foreign currency position as of 31 March 2011 and 31 December 2010 under the assumption of the appreciation and depreciation of TL against other currencies by 10% with all other variables held constant, is as follows:

	31 March 2011			
	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 US Dollar				
Profit/(loss) from US Dollar net asset position	(96.232)	96.232	-	-
Hedged amount against US Dollar risk (-)	-	-	-	-
Net Effect of US Dollar	**(96.232)**	**96.232**	**-**	**-**
Had TL appreciate/(depreciate) by 10% against EUR				
Profit/(loss) from EUR net liability position	(1.403.897)	1.403.897	-	-
Hedged amount against EUR risk (-)	-	-	-	-
Net Effect of EUR	**(1.403.897)**	**1.403.897**	**-**	**-**
Total Net Effect	**(1.500.129)**	**1.500.129**	**-**	**-**

	31 December 2010			
	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%				
Profit/(loss) from US Dollar net asset position	181.462	(181.462)	-	-
Hedged amount against US Dollar risk (-)	-	-	-	-
Net Effect of US Dollar	**181.462**	**(181.462)**	**-**	**-**
Had TL appreciate/(depreciate) by 10% against EUR				
Profit/(loss) from EUR net liability position	(4.048.392)	4.048.392	-	-
Hedged amount against EUR risk (-)	-	-	-	-
Net Effect of EUR	**(4.048.392)**	**4.048.392**	**-**	**-**
Total Net Effect	**(3.866.930)**	**3.866.930**	**-**	**-**

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Price Risk

The Company has no any financial assets which exposes 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 by 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 5).

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

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Company's maximum exposure to credit risk as of 31 March 2011 and 31 December 2010 is as follows:

	31 March 2011						
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party	Bank Deposit	Derivative Instruments	Other(*)
Net book value of financial assets which are undue and not impaired	56.147.704	307.554.917	-	-	228.196.526	-	-
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	579.403	14.447.770	-	-	-	-	-
Net book value of impaired assets	-	8.415.210	-	-	-	-	-
- Due dated (Gross book value)-	-	22.061.425	-	-	-	-	
- Provision (-)	-	(13.646.215)	-	-	-	-	-
- Undue (Gross book value)	-	31.772.099	-	-	-	-	-
- Provision (-)	-	(31.772.099)	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	49.592.256
Amount exposed to maximum credit risk (**)	**56.727.107**	**330.417.897**	**-**	**-**	**228.196.526**	**-**	**49.592.256**

(*) Other includes the letters of guarantee and bails given by the Company (Note 10b).
(**) The factors, increasing the credit reliability and the guarantees received are not taken into consideration in calculation of the amount.

As of 31 March 2011, the guarantee amount of the maximum exposure to credit risk is TL197.389.345. Besides, the guarantee amount of the assets which are due but not impaired and are impaired are TL123.980.419 and TL10.148.000.

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

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2010						
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party	Bank Deposit	Derivative Instruments	Other (*)
Net book value of financial assets which are undue and not impaired	61.610.405	254.647.515	-	-	248.557.341	-	-
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	541.895	10.977.118	-	-	-	-	-
Net book value of impaired assets		8.883.597	-	-	-	-	-
- Due dated (Gross book value)	-	30.112.964	-	-	-	-	-
- Provision (-)		(21.229.367)	-	-	-	-	-
- Undue (Gross book value)	-	21.806.612	-	-	-	-	-
- Provision (-)	-	(21.806.612)	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	40.554.828
Amount exposed to maximum credit risk (**)	**62.152.300**	**274.508.230**	**-**	**-**	**248.557.341**	**-**	**40.554.828**

(*) Other includes the letters of guarantees given by the Company (Note 10b).
(**) The factors, increasing the credit reliability and the guarantees received are not taken into consideration in calculation of the amount.

As of 31 December 2010, the guarantee amount of the maximum exposure to credit risk is TL187.730.276. Besides, the guarantee amount of the assets which are due but not impaired and are impaired are TL87.197.573 and TL8.948.000, respectively.

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

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c) Liquidity Risk

Liquidity risk is managed by mainintaining cash and marketable securities, the availability of funding through an adequate amount of committed credit lines and the ability to close out market positions.

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, in order to ensure continuous liquidity, 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 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.

The Company monitors its capital on the basis of the net financial debt/shareholder's equity ratio. Net financial debt calculated as total financial liabilities (including short and long term bank borrowings) less cash and cash equivalents. This ratio is calculated as net financial debt divided by total shareholders' equity.

Net financial debt/shareholders' equity ratio at 31 March 2011 and 31 December 2010 are as follows:

	31 March 2011	**31 December 2010**
Cash and cash equivalents (Note 3)	227.170.969	247.556.860
Less: Financial liabilities	(106.644.199)	(168.954.855)
Net financial debt	**120.526.770**	**78.602.005**
Total shareholders' equity	391.865.983	468.170.913
Net financial debt/ shareholders' equity	**31%**	**17%**

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.

NOTE 20 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. 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 cash and cash equivalent are considered to approximate their respective carrying values due to their short-term nature.

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

The fair value of available for sale financial investments, that are not quoted in active markets is determined using generally accepted valuation methods or is determined at cost less provision for impairment.

Financial liabilities

The fair values of short-term and long-term bank borrowings are presented in Note 4.

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

NOTE 21 - SUBSEQUENT EVENTS

None.

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