Türk Traktör ve Ziraat Makineleri A.Ş.

Convenience translation into English of condensed financial statements for the interim period between 1 January – 30 June 2012 (originally issued in Turkish)

(Convenience translation of a review report originally issued in Turkish – see additional paragraph below for convenience translation)

Report on review of condensed interim financial statements between 1 January – 30 June 2012

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

Introduction

We have reviewed the accompanying condensed balance sheet of Türk Traktör ve Ziraat Makineleri A.Ş. (the "Company") as of June 30 2012, and the related condensed statement of comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended. The Company management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with the financial reporting standards as accepted by the Capital Markets Board. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the principles and standards on the review of interim financial statements as stated in the auditing standards issued by the Capital Markets Board. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with independent auditing standards issued by the Capital Markets Board and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an independent audit opinion.

Conclusion

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

Additional paragraph for convenience translation to English:

The accounting principles described in Note 2 (defined as CMB Financial Reporting Standards) to the accompanying interim financial statements differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the final year of application of inflation accounting and the presentation of the basic financial statements and the notes to them. Accordingly, the accompanying interim financial statements are not intended to present the financial position and results of operations in accordance with IFRS.

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

Erdem Tecer, SMMM
Engagement Partner

August 7, 2012
Istanbul, Turkey

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TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

INTERIM BALANCE SHEET
AS OF 30 JUNE 2012

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

		Current period	Prior period
		Reviewed	Audited
	Notes	30 June 2012	31 December 2011
ASSETS			
CURRENT ASSETS		**1.209.518.980**	**1.068.781.411**
Cash and cash equivalents	3	255.195.359	245.351.627
Trade receivables			
- Trade receivables	5	350.509.311	236.217.681
- Due from related parties	19	161.146.720	142.470.708
Inventories	6	278.829.499	307.737.938
Other current assets	9	163.838.091	137.003.457
NON-CURRENT ASSETS		**184.676.428**	**171.176.261**
Trade receivables	5	6.237.732	20.236.571
Other receivables		325.687	318.608
Property, plant and equipment	7	118.695.848	109.971.285
Intangible assets	8	30.856.689	26.411.857
Other non-current assets		439.861	-
Deferred tax assets	17	28.120.611	14.237.940
TOTAL ASSETS		**1.394.195.408**	**1.239.957.672**

The financial statements prepared as at and for the period ended 30 June 2012 have been approved by the Board of Directors on 7 August 2012 and was signed by the General Manager Marco Votta and Vice President of Financial Affairs Memet İlkan Kamber on behalf of the Board of Directors.

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

INTERIM BALANCE SHEET
AS OF 30 JUNE 2012

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

		Current period	**Prior period**
		Reviewed	**Audited**
	Notes	**30 June 2012**	**31 December 2011**
LIABILITIES			
CURRENT LIABILITIES		**677.139.641**	**499.647.692**
Financial liabilities	4	296.369.331	112.244.438
Trade payables			
- Trade payables	5	301.776.997	314.885.930
- Due to related parties	19	9.361.222	19.088.320
Other payables		5.130.750	10.810.110
Taxation on income	17	25.828.742	10.145.898
Provision for employee benefits	11	8.108.562	4.511.377
Provisions	10	18.618.391	14.323.757
Other current liabilities	9	11.945.646	13.637.862
NON-CURRENT LIABILITIES		**155.413.095**	**144.717.498**
Financial liabilities	4	131.600.121	122.900.032
Provision for employee benefits	11	8.591.452	7.501.348
Provisions	10	15.221.522	14.316.118
SHAREHOLDERS' EQUITY		**561.642.672**	**595.592.482**
Share capital	12	53.369.000	53.369.000
Adjustments to share capital	12	39.014.356	39.014.356
Merger reserve		(5.569.000)	(5.569.000)
Restricted profit reserves		94.435.957	74.702.802
Retained earnings		214.342.169	156.653.755
Net profit for the period		166.050.190	277.421.569
TOTAL LIABILITIES		**1.394.195.408**	**1.239.957.672**
Provisions, contingent assets and contingent liabilities	10		

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE INTERIM PERIOD BETWEEN 1 JANUARY – 30 JUNE 2012

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

		Reviewed		Reviewed	
	Notes	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Sales (net)	13	1.181.458.630	646.025.204	894.343.430	503.565.188
Cost of sales (-)	13	(927.815.617)	(502.860.139)	(641.957.798)	(365.188.708)
GROSS PROFIT		**253.643.013**	**143.165.065**	**252.385.632**	**138.376.480**
Marketing, selling and distribution expenses (-)		(47.354.159)	(24.675.721)	(36.943.205)	(22.164.569)
General administrative expenses (-)		(18.216.265)	(10.623.493)	(11.774.356)	(5.764.422)
Research and development expenses (-)		(3.742.574)	(1.948.478)	(1.380.974)	(670.083)
Other operating income	14	9.725.438	8.465.705	6.568.800	5.353.584
Other operating expenses (-)	14	(6.755.291)	(858.303)	(5.325.724)	(2.097.722)
OPERATING PROFIT		**187.300.162**	**113.524.775**	**203.530.173**	**113.033.268**
Financial income	15	136.320.984	58.827.122	159.663.066	76.973.613
Finance expenses (-)	16	(124.220.900)	(49.525.125)	(154.001.178)	(72.585.970)
PROFIT BEFORE TAXATION ON INCOME		**199.400.246**	**122.826.772**	**209.192.061**	**117.420.911**
Taxes on income (-)	17	(47.232.727)	(24.592.484)	(45.245.784)	(23.681.344)
Deferred tax income	17	13.882.671	3.754.031	4.105.751	617.391
PROFIT FOR THE PERIOD		**166.050.190**	**101.988.319**	**168.052.028**	**94.356.958**
OTHER COMPREHENSIVE INCOME		**-**	**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME		**166.050.190**	**101.988.319**	**168.052.028**	**94.356.958**
Earnings per share (TL)	18	0,0311	0,0191	0,0315	0,0177

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

TÜRK TRAKTÖR VE ZİRAAT MAKİNELERİ A.Ş.

CONDENSED CHANGES IN SHAREHOLDERS' EQUITY
FOR THE INTERIM PERIOD BETWEEN 1 JANUARY – 30 JUNE 2012

(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 2012	**53.369.000**	**39.014.356**	**(5.569.000)**	**74.702.802**	**156.653.755**	**277.421.569**	**595.592.482**
Transfers	-	-	-	19.733.155	257.688.414	(277.421.569)	-
Dividends paid	-	-	-	-	(200.000.000)	-	(200.000.000)
Net profit for the period	-	-	-	-	-	166.050.190	166.050.190
30 June 2012	**53.369.000**	**39.014.356**	**(5.569.000)**	**94.435.957**	**214.342.169**	**166.050.190**	**561.642.672**

	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	-	-	-	-	-	168.052.028	168.052.028
30 June 2011	**53.369.000**	**39.014.356**	**(5.569.000)**	**74.702.802**	**156.653.755**	**168.052.028**	**486.222.941**

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 PERIOD BETWEEN 1 JANUARY – 30 JUNE 2012

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

	Notes	Current period Reviewed 1 January - 30 June 2012	Prior period Reviewed 1 January - 30 June 2011
Operating activities:			
Profit before taxation on income		199.400.246	209.192.061
Depreciation	7	6.457.786	4.101.826
Amortisation	8	2.242.106	1.258.575
Provision for employment termination benefits	11	1.680.729	442.222
Gain from sales of property, plant and equipment - net	14	(5.098.668)	(177.400)
Interest income	15	(4.822.703)	(5.533.354)
Interest expense	16	6.861.995	1.721.300
Provision for impairment of inventory	6	3.094.053	(700.763)
Expense accruals-net		5.200.038	5.152.695
Provision for doubtful receivables	14	4.909.225	5.152.046
Other non-cash items		19.451.503	4.560.229
Net cash flow before changes in operating assets and liabilities		**239.376.310**	**225.169.437**
Changes in operating assets and liabilities - net:			
Increase in trade receivables		(104.123.690)	(54.678.511)
Increase in due from related parties		(22.071.016)	(24.038.771)
Decrease/ (increase) in inventories		25.248.051	(82.692.935)
Increase in other current assets		(26.834.634)	(7.774.978)
(Increase)/ decrease in other receivables		(7.079)	4.532
Increase in other non-current assets		(439.861)	
Decrease in due to related parties		(9.662.252)	(3.134.860)
(Decrease)/ increase in trade payables		(8.130.577)	105.089.928
(Decrease)/increase in other payables		(5.679.360)	11.278.496
Decrease in other short-term liabilities		(1.692.216)	(5.873.328)
Increase/(decrease) in employment termination benefit		3.597.185	(102.481)
Employment termination benefits paid	11	(590.625)	(450.510)
Taxes paid		(31.549.884)	(33.068.409)
Net cash provided by operating activities		**57.440.352**	**129.727.610**
Investing activities:			
Capital expenditures		(21.929.318)	(10.447.735)
Gain from sales of property, plant and equipment and intangible assets		5.158.699	195.903
Interest received		5.109.974	6.113.168
Net cash used in investing activities		**(11.660.645)**	**(4.138.664)**
Financing activities:			
Proceeds from bank borrowings		507.766.961	86.515.692
Repayment of financial borrowings		(333.891.251)	(168.744.631)
Dividends paid		(200.000.000)	(150.000.000)
Interest paid		(5.415.327)	(2.080.238)
Net cash used in investing activities		**(31.539.617)**	**(234.309.177)**
Effect of change of exchange rate on cash and cash equivalent		**(4.389.677)**	**1.933.695**
Increase/(decrease) in cash and cash equivalents		14.240.090	(108.720.231)
Cash and cash equivalents at the beginning of the period	**3**	**244.528.553**	**247.556.860**
Cash and cash equivalents at the end of the period	**3**	**254.378.966**	**140.770.324**

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 30 June 2012, 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 30 June 2012 is 2.609 (31 December 2011: 2.491).

The Company and New Holland Trakmak Traktör ve Ziraat Makinaları A.Ş. ("Trakmak"), was merged in relation to the merger agreement registered on 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 Reporting Standards. Merger ratio based on the equity method was determined by an independent expert firm as 88,067% and by dividing the previous share capital of the Company amounting to TL47.000.000 by the merger ratio, reaching share capital amounting to TL53.369.000 after the merger.

CNH Global NV("CNH Global"), centered in Netherland, one of the "Company" shareholders has transferred its fully paid 2.001.337.500 Group B shares with a nominal of TL 20.013.375 to its 100% owned subsidiary CNH Osterreich,centered in Austria on 16 February, 2011.

The Company conducts marketing and selling activities in the domestic market, through its 127 sales dealers and 94 spare part dealers.

The Company is registered in Turkey in the following address:

Güvercin Yolu No: 111-112
06560 - Gazi Ankara

As of June 30, 2012, the free float of the Company whose shares are traded in the Istanbul Stock Exchange ("ISE") is 24,93% (31 December 2011: 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 condensed interim financial statements have been prepared within the framework of Communiqué XI, No: 29 (referred as "CMB Accounting Standards") and the related notes to them are presented in accordance with the formats recommended by the CMB.

In accordance with the Communiqué No: XI-29, entities are allowed to prepare a complete or condensed set of interim financial statements in accordance with IAS 34, "Interim Financial Reporting". In this respect, the Group has preferred to prepare condensed financial statements in the interim periods and prepared the aforementioned condensed financial statements in compliance with CMB Financial Reporting Standards. Condensed financial statements does no included all notes and disclosures that are required for yearend financial statements, therefore, condensed financial statements have to be read in conjunction with financial statements as of 31 December 2011.

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

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, including the compulsory disclosures.

Functional and representative currency of the Company is TL.

2.2 Comparatives and restatement of prior periods' financial statements

The financial statements of the Company include comparative financial information to enable the determination of the financial position and performance. Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current year financial statements and the significant changes are explained. Comparative figures have no reclassification as of June 30, 2012.

2.3 New and amended standards and interpretations:

The accounting policies adopted in preparation of the interim financial statements as at 30 June 2012 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of 1 January 2012. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at 1 January 2012 are as follows:

- IAS 12 "Income Taxes: Recovery of Underlying Assets (Amendment)" (These amendments will be applied retrospectively. This standard has not yet been endorsed by the EU. Adoption of this amendment did not have any impact on the financial position or performance of the Company.)
- IFRS 7 "Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements (Amended)" (The amendment affects disclosures only and did not have any impact on the financial position or performance of the Company.)

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, after the new standards and interpretations become in effect.

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

- IAS 1 "Presentation of Financial Statements (Amended) – Presentation of Items of Other Comprehensive Income", (The amendments are effective for annual periods beginning on or after 1 July 2012, but earlier application is permitted. The amendment affects presentation only and will have no impact on the financial position or performance of the Company.)
- IAS 19 "Employee Benefits (Amended)", (Amended standard is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. With very few exceptions retrospective application is required. The Company is in the process of assessing the impact of the amended standard on the financial position or performance of the Company.)
- IAS 27 "Separate Financial Statements (Amended)", (This standard has not yet been endorsed by the EU. This amendment will not have any impact on the financial position or performance of the Company.)
- IAS 28 "Investments in Associates and Joint Ventures (Amended)", (This standard has not yet been endorsed by the EU. The Company does not expect that this amendment will have any impact on the financial position or performance.)
- IAS 32 "Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities (Amended)", (These amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2014. The Company does not expect that these amendments will have significant impact on the financial position or performance.)
- IFRS 7 "Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amended)", (This standard has not yet been endorsed by the EU. The amendments are to be retrospectively applied for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The amendment affects disclosures only and will have no impact on the financial position or performance of the Company.)
- IFRS 9 "Financial Instruments – Classification and measurement", (As amended in December 2011, the new standard is effective for annual periods beginning on or after 1 January 2015. This standard has not yet been endorsed by the EU. The amendment will have no impact on the financial position or performance of the Company.)
- IFRS 10 "Consolidated Financial Statements", (The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This standard has not yet been endorsed by the EU. The amendment will have no impact on the financial position or performance of the Company.)
- IFRS 11 "Joint Arrangements", (The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This standard has not yet been endorsed by the EU. The amendment will have no impact on the financial position or performance of the Company.)
- IFRS 12 "Disclosure of Interests in Other Entities", (The standard is effective for annual periods beginning on or after 1 January 2013 and is applied on a modified retrospective basis. This standard has not yet been endorsed by the EU. The amendment will have no impact on the financial position or performance of the Company.)

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

- IFRS 13 "Fair Value Measurement", (The new Standard provides guidance on how to measure fair value under IFRS but does not change when an entity is required to use fair value. It is a single source of guidance under IFRS for all fair value measurements. The new standard also brings new disclosure requirements for fair value measurements. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 and will be adopted prospectively. Early application is permitted. The new disclosures are only required for periods beginning after IFRS 13 is adopted — that is, comparative disclosures for prior periods are not required. This standard has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the new standard on the financial position or performance of the Company.)
- IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine", (The Interpretation is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. The interpretation is not applicable for the Company and will not have any impact on the financial position or performance of the Company.)
- Transition Guidance "Amendments to IFRS 10, IFRS 11 and IFRS 12", (The guidance is effective for annual periods beginning on or after 1 January 2013. The amendments change the transition guidance to provide further relief from full retrospective application. For the same reasons IASB has also amended IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide transition relief. This guidance has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the guidance on the financial position or performance of the Company.

Improvements to IFRSs

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. Earlier application is permitted in all cases, provided that fact is disclosed. This project has not yet been endorsed by the EU. The Company is in the process of assessing the impact of the project on the financial position or performance of the Company.

- IAS 1 Financial Statement Presentation:

Clarifies the difference between voluntary additional comparative information and the minimum required comparative information.

- IAS 16 Property, Plant and Equipment:

Clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

- IAS 32 Financial Instruments: Presentation:

Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

- IAS 34 Interim Financial Reporting:

Clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment. Total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual financial statements for that reportable segment.

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

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

2.4 Summary of significant accounting policies

The principal accounting policies, consistently applied with prior period.

2. 5 Convenience translation into English of financial statements originally issued in Turkish

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

NOTE 3 - CASH AND CASH EQUIVALENTS

	30 June 2012	31 December 2011
Banks		
- TL denominated demand deposits	8.237.197	7.799.712
- TL denominated time deposits	7.704.387	84.247.297
- Foreign currency denominated demand deposits	640.287	1.112.369
- Foreign currency denominated time deposits	238.613.488	152.192.249
	255.195.359	**245.351.627**

As of 30 June 2012, the weighted average effective annual interest rate for TL and Euro ("EUR") time deposits is 10,43% and 3,83% (As of 31 December, 2011: TL: 10,19%, EUR: 5,22%, US Dollars ("USD"): 4,40%). As of 30 June 2012 and 31 December 2011, remaining time to maturity of time deposits is less than three months.

The cash and cash equivalents included in the statement of cash flows at 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012	31 December 2011
Banks	255.195.359	245.351.627
Less: Interest accruals	(54.300)	(341.570)
Less: Restricted bank deposits (*)	(762.093)	(481.504)
Cash and cash equivalents	**254.378.966**	**244.528.553**

(*)This account consists of receivables collected via the direct debit system. The blockage on this account is terminated following the closure of the term.

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

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	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**	**30 June 2012**	**31 December 2011**
TL bank borrowings (*)	62.312.307	2.503	11,30	-	62.312.307	2.503
EUR bank borrowings	65.869.913	27.767.782	4,26	3,66	149.801.356	67.858.906
USD bank borrowings	5.014.375	10.181.448	4,50	4,60	9.058.468	19.231.736
					221.172.131	**87.093.145**

(*) Bank borrowings amounting to TL 2.274.640 (31 December 2011: TL 2.503) are used for the Social Security and other tax payments without bearing any interest and with three days maturity (31 December 2011: three days maturity).

Current portion of long term bank borrowings

	Original currency amount		Weighted average effective interest rate p.a. (%)		TL Equivalent	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**	**30 June 2012**	**31 December 2011**
EUR bank borrowings	33.059.618	10.285.000	5,69	2,70	75.184.184	25.134.483
					75.184.184	**25.134.483**

Short-term financial lease obligations

	Original currency amount		TL Equivalent	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
TL financial lease obligations	13.016	16.810	13.016	16.810
			13.016	**16.810**
Total short-term financial liabilities			**296.369.331**	**112.244.438**

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

NOTE 4 - FINANCIAL LIABILITIES (Continued)

b) Long-term financial liabilities

Long-term bank borrowings

	Original currency amount		Weighted average effective interest rate p.a. (%)		TL Equivalent	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011
EUR bank borrowings	57.866.556	50.289.914	6,04	6,55	131.600.121	122.898.491
Total long-term financial liabilities					**131.600.121**	**122.898.491**

Long-term financial lease obligations

	Original currency amount		TL Equivalent	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
TL financial lease obligations	-	1.541	-	1.541
			-	**1.541**
Total long-term financial liabilities			**131.600.121**	**122.900.032**

Redemption schedule of the long-term bank borrowings as of 30 June 2012 is as follows:

	30 June 2012
2013	39.819.906
2014	72.287.071
2015	9.746.572
2016	9.746.572
	131.600.121

As of 30 June 2012 and 31 December 2011 the Company does not have any floating rate loan.

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

	Carrying value		Fair value	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Bank borrowings	427.956.436	235.126.119	424.717.421	233.649.127

As of 30 June 2012, fair values of the EUR, USD and TL denominated bank borrowings are determined by using the discounted cash flow method over annual average effective discount rates of 4,92%, 4,50% and 11,30%, respectively (31 December 2011: EUR and USD bank borrowings 6,35% ve 6,10% p.a, respectively).

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES

	30 June 2012	31 December 2011
Short-term trade receivables:		
Customer current accounts	313.579.712	180.260.410
Notes receivables	67.368.994	85.983.860
Protested notes	6.041.984	6.459.419
	386.990.690	272.703.689
Less: Provision for doubtful receivables	(33.123.312)	(33.039.870)
Unearned financial income	(3.358.067)	(3.446.138)
Short-term trade receivables	**350.509.311**	**236.217.681**
Due from related parties (Note 19)	161.146.720	142.470.708
Total short-term trade receivables	**511.656.031**	**378.688.389**

Movements of the provisions for short term doubtful receivables for the years ended 30 June 2012 and 2011 are as shown below:

	2012	2011
1 January	**(33.039.870)**	**(36.483.616)**
Transfer from long term	-	(828.404)
Cancellations during the year (Note 14)	4.231.840	5.766.636
Charge during the year (Note 14)	(4.315.282)	(2.093.211)
30 June	**(33.123.312)**	**(33.638.595)**

	30 June 2012	31 December 2011
Long-term trade receivables:		
Notes receivables	13.481.330	27.635.471
Less: Provision for doubtful receivables	(6.882.119)	(6.288.176)
Unearned financial income	(361.479)	(1.110.724)
Long-term trade receivables	**6.237.732**	**20.236.571**

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

NOTE 5 - TRADE RECEIVABLES AND PAYABLES (Continued)

Movements of the provisions for long term doubtful receivables for the years ended 30 June 2012 and 2011 are as shown below:

	30 June 2012	31 December 2011
1 January	**(6.288.176)**	**(6.552.363)**
Transfer to short term	-	828.404
Cancellations during the year (Note 14)	-	-
Charge during the year (Note 14)	(593.943)	(3.058.835)
30 June	**(6.882.119)**	**(8.782.794)**

	30 June 2012	31 December 2011
Trade payables:		
Supplier current accounts	302.309.251	316.057.902
Less: Unincurred financial expense	(532.254)	(1.171.972)
Trade payables	**301.776.997**	**314.885.930**
Due to related parties (Note 19)	9.361.222	19.088.320
Total trade payables	**311.138.219**	**333.974.250**

NOTE 6 - INVENTORIES

	30 June 2012	31 December 2011
Raw materials	102.625.794	133.402.427
Work in progress	15.402.684	6.528.610
Finished goods	77.852.602	43.941.293
Commercial goods	33.948.641	48.472.282
Spare parts	17.636.296	16.238.486
Goods in transit (*)	36.119.535	60.816.840
	283.585.552	309.399.938
Provision for impairment of inventory	(4.756.053)	(1.662.000)
	278.829.499	**307.737.938**

The cost of inventories recognised as expense in the current year, amounted to TL 880.082.999 (30 June 2011: TL 612.628.411).

(*) Goods in transit comprised of commercial goods and spare parts are not arrived, but invoices are received as of period end.

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

NOTE 6 – INVENTORIES (Continued)

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

	2012	2011
1 January	(1.662.000)	(2.521.097)
Released of inventory sold during the period	799.351	988.314
Charge during the period for impairment of inventory	(3.893.404)	(287.551)
30 June	**(4.756.053)**	**(1.820.334)**

Allocation of the provision for impairment on inventories in terms of inventory type is as follows:

	30 June 2012	30 June 2011
Raw materials	(362.539)	(1.580.665)
Finished goods	(3.530.865)	(239.669)
Spare parts	(862.649)	-
	(4.756.053)	**(1.820.334)**

NOTE 7- PROPERTY, PLANT AND EQUIPMENT

	1 January 2012	Additions	Disposals	Transfers	30 June 2012
Cost					
Land	22.240.313	1.547.114	(6.066)	-	23.781.361
Land improvements	5.329.126	21.750	-	-	5.350.876
Buildings	51.177.099	106.232	-	-	51.283.331
Machinery and equipment	351.600.074	6.959.113	(3.841.528)	7.070.514	361.788.173
Special costs	2.705.188	-	-	-	2.705.188
Motor vehicles	1.791.445	-	(129.617)	-	1.661.828
Furniture and fixtures	27.882.315	920.960	(72.516)	929.704	29.660.463
Construction in progress	9.655.625	5.737.211	-	(8.050.218)	7.342.618
	472.381.185	**15.292.380**	**(4.049.727)**	**(50.000) (*)**	**483.573.838**
Accumulated depreciation					
Land improvements	3.197.561	73.038	-	-	3.270.599
Buildings	35.102.741	777.639	-	-	35.880.380
Machinery and equipment	301.110.058	4.358.968	(3.816.344)	-	301.652.682
Special costs	2.620.160	12.721	-	-	2.632.881
Motor vehicles	1.105.003	122.318	(110.084)	-	1.117.237
Furniture and fixtures	19.274.377	1.113.102	(63.268)	-	20.324.211
	362.409.900	**6.457.786**	**(3.989.696)**		**364.877.990**
Net book value	**109.971.285**				**118.695.848**

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

NOT 7 - PROPERTY, PLANT AND EQUIPMENT (Continued)

Cost	**1 January 2011**	**Additions**	**Disposals**	**Transfers**	**30 June 2011**
Land	373.095	-	-	-	373.095
Land improvements	4.745.435	14.783	-	-	4.760.218
Buildings	49.149.170	19.600	-	775.870	49.944.640
Machinery and equipment	322.507.484	4.006.136	(3.209.361)	3.754.976	327.059.235
Special costs	2.705.188	-	-	-	2.705.188
Motor vehicles	1.918.149	497.723	(32.248)	-	2.383.624
Furniture and fixtures	23.389.573	617.999	(1.295.827)	2.669.333	25.381.078
Construction in progress	11.998.368	2.466.743	-	(7.702.660)	6.762.451
	416.786.462	**7.622.984**	**(4.537.436)**	**(502.481) (*)**	**419.369.529**

Accumulated depreciation	**1 January 2011**	**Additions**	**Disposals**	**Transfers**	**30 June 2011**
Land improvements	3.066.503	61.577	-	-	3.128.080
Buildings	33.572.888	753.450	-	-	34.326.338
Machinery and equipment	300.991.225	2.459.083	(3.203.828)	-	300.246.480
Special costs	2.581.685	21.204	-	-	2.602.889
Motor vehicles	1.307.407	149.238	(32.248)	-	1.424.397
Furniture and fixtures	19.303.252	657.274	(1.282.857)	-	18.677.669
	360.822.960	**4.101.826**	**(4.518.933)**	**-**	**360.405.853**
Net book value	**55.963.502**				**58.963.676**

(*) Transferred to intangible assets.

For the period ended at 30 June 2012, of the total depreciation expense amounting to TL 6.457.786 (30 June 2011: TL 4.101.826), TL 4.685.295 (30 June 2011: TL 2.760.714) is allocated to production costs, TL 1.076.676 (30 June 2011: TL 823.514) is allocated to general administrative expenses, TL 406.255 (30 June 2011: TL 268.419) is allocated to research and development expenses and TL 289.560 (30 June 2011: TL 249.179) is allocated to marketing, selling and distribution expenses. The depreciation expense amounting to TL 287.583 (30 June 2011: TL 283.241) is capitalized during the period as it is related to the development costs.

There is no mortgage on property, plant and equipment as of June 30, 2012 (December 31, 2011: none)

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

NOTE 8 - INTANGIBLE ASSETS

	1 January 2012	Additions	Disposals	Transfers	30 June 2012
Cost					
Rights	6.093.469	1.044.717	-	50.000	7.188.186
Development costs	10.088.545	-	-	16.790.416	26.878.961
Development costs in progress	18.905.977	5.592.221	-	(16.790.416)	7.707.782
	35.087.991	**6.636.938**	**-**	**50.000**	**41.774.929**
Accumulated amortisation					
Rights	4.389.345	352.935	-	-	4.742.280
Development costs	4.286.789	1.889.171	-	-	6.175.960
	8.676.134	**2.242.106**	**-**	**-**	**10.918.240**
Net book value	**26.411.857**				**30.856.689**

	1 January 2011	Additions	Disposals	Transfers	30 June 2011
Cost					
Rights	4.845.814	85.106	-	502.481	5.433.401
Development costs	10.088.545	-	-	-	10.088.545
Development costs in progress	9.489.048	2.739.645	-	-	12.228.693
	24.423.407	**2.824.751**	**-**	**502.481**	**27.750.639**
Accumulated amortisation					
Rights	3.827.883	249.721	-	-	4.077.604
Development costs	2.269.080	1.008.854	-	-	3.277.934
	6.096.963	**1.258.575**	**-**	**-**	**7.355.538**
Net book value	**18.326.444**				**20.395.101**

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.

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 30 June 2012, of the total amortisation expenses amounting to TL2.242.106 (30 June 2011: TL1.258.575), TL 256.064 (30 June 2011: TL168.074) is allocated to production costs, TL58.843 (30 June 2011: TL 50.136) is allocated to general administrative expenses, TL 1.911.374 (30 June 2011: TL 1.025.195) is allocated to research and development expenses and TL 15.825 (30 June 2011: TL 15.170) is allocated to marketing, selling and distribution expenses.

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

NOTE 9 - OTHER ASSETS AND LIABILITIES

a) Other current assets:

	30 June 2012	31 December 2011
Deferred value added tax ("VAT")	100.485.585	61.763.621
Reclaimed VAT	60.633.053	72.786.817
Prepaid expenses	1.555.933	1.826.780
Other	1.163.520	626.239
	163.838.091	**137.003.457**

b) Other short-term liabilities:

	30 June 2012	31 December 2011
Deferred incentive income (***)	1.473.146	1.375.444
Deferred income (**)	759.853	4.635.188
Advance received (*)	-	7.569.830
Other accrued expenses (****)	9.712.647	57.400
Other short-term liabilities	**11.945.646**	**13.637.862**

(*) Advances have been received in relation to the pre-paid campaign of the combines that will be sold in 2012.

(**) Deferred income represents the sales amount of the tractors for which the invoices are issued but are not yet shipped to customers as of 30 June 2012 and 31 December 2011.

(***) Deferred incentive income, based on completed development projects, 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.

(****) As of 30 June 2012, the account consists of donations payables and accrued liabilities with unreceived invoices.

NOTE 10 - PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Short term provisions

	30 June 2012	31 December 2011
Warranty provision	18.068.334	13.773.700
Provision for legal cases (*)	550.057	550.057
	18.618.391	**14.323.757**

(*) The balance represents provision for business cases which were opened against the Company.

b) Long term provisions

	30 June 2012	31 December 2011
Warranty provision	15.221.522	14.316.118
	15.221.522	**14.316.118**

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

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

Movements of the short term and long term warranty provisions for the periods ended 30 June 2012 and 2011 are as shown below:

	2012	**2011**
1 January	**28.089.818**	**14.763.037**
Released during the period	(6.534.178)	(6.370.786)
Charge for the period	11.734.216	13.830.991
30 June	**33.289.856**	**22.223.242**

Movements of the lawsuit provisions are as shown below:

	2012	**2011**
1 January	**550.057**	**324.419**
Charge for the period	-	59.243
30 June	**550.057**	**383.662**

c) Contingent Liabilities

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

	30 June 2012	**31 December 2011**
A. The total amount of collaterals given on behalf of its own legal entity	91.781.770	28.979.898
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	-	-
	91.781.770	**28.979.898**

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

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

As at 30 June 2012, the Company has given its own legal entity on behalf of the original collateral denominated in foreign currency amounts of EUR39.567.848 and USD26.444. (31 December 2011: EUR11.552.968 and USD26.444).

d) Contingent Assets

	Foreign Currency amount						TL Equivalent	
	30 June 2012			31 December 2011				
	EUR	**USD**	**TL**	**EUR**	**USD**	**TL**	**30 June 2012**	**31 December 2011**
Letters of guarantees received	-	470.000	262.793.871	252.226	470.000	225.926.980	263.642.926	227.431.153
Direct debit	-	-	148.350.557	-	-	115.793.711	148.350.557	115.793.711
Mortgages	-	-	6.178.980	-	-	6.178.980	6.178.980	6.178.980
Security bonds	-	-	1.750.000	-	-	1.750.000	1.750.000	1.750.000
Cash TL guarantees	-	-	31.462	-	-	31.462	31.462	31.462
Cash foreign currency guarantees	-	8.257	-	-	8.257	-	14.917	15.597
							419.968.842	**351.200.903**

NOT 11 - PROVISION FOR EMPLOYEE BENEFITS

Short term provision for employee benefits

	30 June 2012	**31 December 2011**
Due to personnel	5.993.530	3.951.934
Provision for unused vacation rights	2.115.032	559.443
	8.108.562	**4.511.377**

Movements of the provision for unused vacation rights:

	2012	**2011**
1 January	**559.443**	**-**
Charge for the period	1.555.589	-
30 June	**2.115.032**	**-**

Long term provision for employee benefits	**30 June 2012**	**31 December 2011**
Provision for employment termination benefits	8.591.452	7.501.348
	8.591.452	**7.501.348**

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

NOTE 11 - PROVISION FOR EMPLOYEE BENEFITS (Continued)

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 TL2.917,27 for each year of service as of 30 June 2012 (31 December 2011: TL2.623,23).

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

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

	30 June 2012	**31 December 2011**
Discount rate (%)	4,63	4,63
Turnover rate to estimate the probability of retirement (%)	94,80	94,41

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 TL3.033,98 which is effective from 1 July 2012 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:

	2012	**2011**
1 January	**7.501.348**	**7.588.044**
Charge for the period	1.680.729	442.222
Paid during the period	(590.625)	(450.510)
30 June	**8.591.452**	**7.579.756**

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

NOT 12 - SHAREHOLDERS' EQUITY

Paid-in Share Capital

The Company's registered share capital amounts to TL250.000.000 (31 December 2011: 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 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012		31 December 2011	
	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	37,50	20.013.375
Public quotation	24,93	13.306.859	24,93	13.306.859
Other	0,07	35.391	0,07	35.391
	100,00	**53.369.000**	**100,00**	**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 five Board members are selected from Group A's and five Board members are selected from Group B's nominated candidates. One of the each A and B Group shares has to have independence qualities which are defined in CMB regulations.

CNH Global, centered in Netherland, one of the "Company" shareholders has transferred its fully paid 2.001.337.500 Group B shares with a nominal of TL 20.013.375 to its 100% owned subsidiary CNH Osterreich, centered in Austria on February 16, 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 30 June 2012, 24,93% (31 December 2011: 24,93%) of the Company shares are quoted at ISE.

NOTE 12 - SHAREHOLDERS' EQUITY (Continued)

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 2009, "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 transferred to capital should be classified under "Adjustments 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.

Dividend Distribution

In the statutory financial statements of the Company, in addition to the statutory profit amounting to TL170.027.013 for the period ended 30 June 2012; there are other resources that can be subject to a possible dividend distribution amounting to TL 254.603.887.

The decision of dividend payment amounting to TL200.000.000, taken in the Company's General Assembly dated 2 April 2012 (Note 19). Dividend payment distribution began at the date of 9 April 2012.

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

NOTE 13 - SALES AND COST OF SALES

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Domestic sales	936.210.963	503.805.955	837.555.143	468.684.595
Export sales	349.442.066	197.983.110	141.120.911	86.404.579
	1.285.653.029	**701.789.065**	**978.676.054**	**555.089.174**
Less: Discounts and returns	(104.194.399)	(55.763.861)	(84.332.624)	(51.523.986)
Sales income (net)	**1.181.458.630**	**646.025.204**	**894.343.430**	**503.565.188**
Cost of sales	(927.815.617)	(502.860.139)	(641.957.798)	(365.188.708)
Gross profit	**253.643.013**	**143.165.065**	**252.385.632**	**138.376.480**

NOTE 14 – OTHER OPERATING INCOME/EXPENSES

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Gain on sales of property, plant and equipment	5.113.161	4.905.815	187.852	118.181
Termination of provision for doubtful receivables (Note 5)	4.231.840	3.457.556	5.766.636	4.957.523
Incentive income	122.537	66.391	112.292	56.146
Other income	257.900	35.943	502.020	221.734
Other operating income	**9.725.438**	**8.465.705**	**6.568.800**	**5.353.584**
Provision for doubtful receivables (Note 5)	(4.909.225)	(396.923)	(5.152.046)	(1.960.598)
Loss on sales of property, plant and equipment	(14.493)	-	(10.452)	(8)
Other expense	(1.831.573)	(461.380)	(163.226)	(137.116)
Other operating expenses	**(6.755.291)**	**(858.303)**	**(5.325.724)**	**(2.097.722)**

NOTE 15 - FINANCIAL INCOME

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Foreign exchange gain	108.818.245	47.522.759	140.176.602	68.506.011
Financial income from credit sales	22.680.036	9.204.866	13.953.110	6.544.667
Interest income	4.822.703	2.099.497	5.533.354	1.922.935
Financial income	**136.320.984**	**58.827.122**	**159.663.066**	**76.973.613**

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

NOTE 16 - FINANCIAL EXPENSES

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Foreign exchange loss	(98.510.656)	(39.572.441)	(140.543.490)	(65.738.675)
Financial expense on credit purchases	(18.023.291)	(5.643.328)	(11.201.806)	(5.690.912)
Interest expenses on bank borrowings	(6.861.995)	(3.891.680)	(1.721.300)	(877.511)
Other	(824.958)	(417.676)	(534.582)	(278.872)
Financial expenses	**(124.220.900)**	**(49.525.125)**	**(154.001.178)**	**(72.585.970)**

NOTE 17 - TAX ASSETS AND LIABILITIES

	30 June 2012	31 December 2011
Corporate taxes payable	47.232.727	65.875.698
Less: Prepaid taxes	(21.403.985)	(55.729.800)
Total tax payable - net	**25.828.742**	**10.145.898**

	1 January-30 June 2012	1 April-30 June 2012	1 January-30 June 2011	1 April-30 June 2011
Current period corporate tax expense	(47.232.727)	(24.592.484)	(45.245.784)	(23.681.344)
Deferred tax income	13.882.671	3.754.031	4.105.751	617.391
Tax expense	**(33.350.056)**	**(20.838.453)**	**(41.140.033)**	**(23.063.953)**

Corporation tax is payable, at a rate of 20% (31 December 2011: 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 2011: 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 30 June 2012 and 31 December 2011 are as follows:

	Temporary differences		Deferred tax assets/(liabilities)	
	30 June 2012	**31 December 2011**	**30 June 2012**	**31 December 2011**
Property, plant and equipment and intangible assets, restatement and useful life differences	14.955.925	13.710.807	(2.991.185)	(2.742.161)
Unearned finance income on due from related parties	(59.803)	(217.562)	11.961	43.512
Provision for employment termination benefits	(8.591.452)	(7.501.348)	1.718.290	1.500.270
Capitalized unincurred financial expense on inventory	(4.132.955)	(5.968.097)	826.591	1.193.619
Warranty provision	(33.289.856)	(28.089.818)	6.657.971	5.617.963
Provision for lawsuits	(550.057)	(550.057)	110.011	110.011
Unearned finance income on trade receivables	(3.212.901)	(3.186.187)	642.580	637.237
Provision for doubtful receivables	(24.067.058)	(25.764.118)	4.813.412	5.152.824
Provision for impairment of inventory	(4.756.053)	(1.662.000)	951.210	332.401
Sales premium accured	(42.708.641)	(9.192.328)	8.541.728	1.838.466
Other provisions	(13.775.468)	(616.843)	2.755.094	123.369
Elimination of profit margin of the sales to free zone branch	-	(2.107)	-	421
Investment incentive	(20.529.129)	-	4.105.826	-
Other	114.378	(2.150.036)	(22.878)	430.008
Deferred tax assets			**28.120.611**	**14.237.940**

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

	2012	**2011**
1 January	**14.237.940**	**12.770.736**
Deferred tax income	13.882.671	4.105.751
30 June	**28.120.611**	**16.876.487**

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

	30 June 2012	**30 June 2011**
Taxation on income	**199.400.246**	**209.192.061**
Tax calculated at enacted tax rate	39.880.049	41.838.412
Investment deduction	(5.346.149)	-
Research and development deductions	(1.102.540)	(625.753)
Disallowable expenses	261.799	10.269
Other	(343.103)	(82.895)
Total tax charge	**33.350.056**	**41.140.033**

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

NOT 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 year.

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 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Profit for the period	166.050.190	101.988.319	168.052.028	94.356.958
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 (1 Kr nominal value per share as TL)	0,0311	0,0191	0,0315	0,0177

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

NOT 19 - RELATED PARTY EXPLANATIONS

The Company is jointly controlled by Koç Holding and CNH Osterreich. Related party balances and transaction disclosure are grouped by joint venture companies and group companies of joint venture companies.

Summary of the intercompany balances as of 30 June 2012 and 31 December 2011 and significant intercompany transactions were as follows:

i) Balances with related parties as of 30 June 2012 and 31 December 2011:

	30 June 2012	31 December 2011
a) Bank deposits and borrowings		
Deposits with related parties:		
Yapı ve Kredi Bankası A.Ş. ("Yapı Kredi")	56.040.313	2.087.792
	56.040.313	**2.087.792**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

	30 June 2012	31 December 2011
b) Due from related parties		
Due from group companies		
CNH International SA ("CNH International") (*)	142.118.830	133.880.805
CNH Latin America Ltda.	15.572.085	3.291.874
CNH Italy SPA ("CNH Italy")	2.851.104	4.940.041
Yapı Kredi Finansal Kiralama A.O. ("Yapı Kredi Finansal")	455.493	494.395
CNH France S.A ("CNH France")	7.912	12.727
Other	201.099	68.428
	161.206.523	**142.688.270**
Less: Unearned financial income	(59.803)	(217.562)
	161.146.720	**142.470.708**

(*) Due from related parties is arising from export sales of the Company realized via CNH International. These receivables are collected on a regular basis in specified maturities within the business deals. The Company is collected from CNH amounting to TL 90.796.869 at the beginning of July 2012.

c) Due to related parties

	30 June 2012	31 December 2011
Trade payable to shareholders		
Koç Holding	1.237.348	1.679.738
	1.237.348	**1.679.738**
Due to group companies		
Opet Fuchs Madeni Yağ Sanayi ve Ticaret A.Ş. ("Opet Fuchs")	4.154.413	309.161
New Holland Fiat India Pvt. Ltd.	1.059.131	2.432.182
CNH Services srl	999.424	1.335.659
Zer Merkezi Hizmetler ve Ticaret A.Ş. ("Zer")	723.430	4.062.351
Otokar Otobüs Karoseri Sanayi A.Ş. ("Otokar")	591.433	583.795
Koçtaş Yapı Marketleri A.Ş. ("Koçtaş")	305.437	558.969
Otokoç Otomotiv San. ve Tic. A.Ş ("Otokoç")	100.572	140.478
Opet Petrolcülük A.Ş. ("Opet")	-	4.783.796
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. ("Koç Sistem")	-	1.530.380
Arçelik A.Ş.	-	930.989
Setur Servis Turistik A.Ş. ("Setur")	-	198.547
Other	255.136	694.403
	8.188.976	**17.560.710**
Less: Unearned financial expenses	(65.102)	(152.128)
	9.361.222	**19.088.320**

(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 periods between 1 January - 30 June 2012 and 2011:

a) Product sales to related parties

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Product sales to group companies				
CNH International (*)	320.424.272	182.033.017	129.806.071	81.518.007
CNH Latin America Ltda.	26.494.836	14.480.358	6.580.704	3.492.021
Zer	2.594.635	1.321.626	1.972.665	1.151.705
CNH Italy	2.174.606	1.347.259	4.258.630	1.954.012
Other	273.782	120.749	562.383	241.752
	351.962.131	**199.303.009**	**143.180.453**	**88.357.497**

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

b) Other income and expenses from related parties

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Other income from group companies				
CNH International	25.006	49	254.099	2.216
Other	-	-	5.235	263
	25.006	**49**	**259.334**	**2.479**

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Other expenses from group companies				
CNH Italy	(34.678)	-	-	-
	(34.678)	**-**	**-**	**-**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

c) Product purchases from related parties

Product purchases from group companies	**1 January-30 June 2012**	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
CNH International(*)	35.702.487	24.325.026	24.103.447	14.284.472
Opet Fuchs(**)	16.341.970	7.375.618	1.031.675	462.633
Zer	4.410.995	2.181.006	3.124.421	2.464.623
Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.	1.329.932	559.611	1.227.430	574.063
Opet	384.404	210.415	9.472.742	4.493.930
Other	1.937.731	1.158.300	1.108.929	927.255
	60.107.519	**35.809.976**	**40.068.644**	**23.206.976**

(*) The company purchases tractors, agricultural machinery,engine and spare parts.

(**) The company makes various oil purchases for use in production and fuel purchases for use in company vehicles. The company started to make oil purchases from Opet Fuchs beginning from 2012.

d) Service purchases from related parties

Service purchases from shareholders	**1 January-30 June 2012**	**1 April-30 June 2012**	**1 January-30 June 2011**	**1 April-30 June 2011**
Koç Holding (****)	1.048.600	548.800	648.888	324.444
	1.048.600	**548.800**	**648.888**	**324.444**
Service purchase from group companies				
Zer(*)	8.649.111	5.712.431	6.224.815	3.742.454
Otokar(**)	3.670.321	1.854.512	1.808.859	1.808.859
Setur (***)	1.781.355	556.018	2.286.857	1.603.777
CNH Services srl (****)	999.600	454.599	630.468	311.868
Otokoç	533.055	354.810	441.301	235.281
Ram Sigorta Aracılık Hizmetleri A.Ş. (*****)	477.855	58.472	491.698	455.986
Aygaz Doğal Gaz Toptan Satış A.Ş.	119.088	25.989	1.001.825	253.939
Eltek(******)	-	-	3.673.709	1.939.243
Opet	-	-	319.144	179.898
Koç Sistem	-	-	106.905	83.012
Other	525.135	320.355	906.101	456.637
	16.755.520	**9.337.186**	**17.891.682**	**11.070.954**
	17.804.120	**9.885.986**	**18.540.570**	**11.395.398**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

(*) Services purchased from Zer are related with security, cleaning, transportation and other services.
(**) Service purchased from Otokar is related with assembly and assembly support services.
(***) Services purchased from Setur are generally arising from plane tickets, accomodation and associated with various organizations within the sales and marketing activities.
(****) Services purchased from Koç Holding and CNH Services srl is related with human resources, strategy development, and brokerage and consultancy services.
(******) Balance reflects premium accrued and paid as of 30 June, 2012, arising from insurance policy signed with non related companies, through Ram Sigorta Aracılık Hizmetleri AŞ, which operates as an insurance agency,
(****) Service purchased form Eltek is related with the electricity purchase. As of June 2011, electricity is started to be purchased from Başkent Elektrik Dağıtım AŞ.

iii) Financial income and expenses arising from transactions with related parties for the periods between 1 January - 30 June 2012 and 2011:

Financial income and expense from group companies

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Interest income				
Yapı Kredi	211.254	211.254	224.879	145.525

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Interest expense				
Yapı Kredi Finansal	920	410	2.496	1.677
Yapı Kredi	454	-	-	-
	1.374	**410**	**2.496**	**1.677**

iv) Dividends paid to related parties:

	1 January - 30 June 2012	1 January - 30 June 2011
Koç Holding	75.000.000	56.250.000
CNH Osterreich	75.000.000	56.250.000
Public quotation	49.867.371	36.487.354
Other	132.629	1.012.646
	200.000.000	**150.000.000**

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

NOTE 19 - RELATED PARTY EXPLANATIONS (Continued)

v) Other transactions with related parties for the periods between 1 January - 30 June 2012 and 2010:

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Remuneration of key management personnel(*)	1.775.197	1.023.786	1.300.390	662.172

(*) Key management personnels are identified as Board of Directors, general manager and vice general managers.

Transactions with related parties

Gain / (loss) on sales of fixed asset

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Zer	311	420	38.084	30.626

NOT 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 23 - 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 30 June 2012 and 31 December 2011 are as follows:

	30 June 2012						
	TL Equivalent	**USD**	**EUR**	**GBP**	**DKK**	**CHF**	**YEN**
1. Trade Receivables	233.790.441	246.536	102.605.344	-	-	-	-
2. Monetary Financial Assets (Including cash, banks accounts)	239.253.775	46.772	105.164.827	1.072	-	219	-
3. Other	17.283.743	444.145	7.229.203	14.439	-	-	-
4. Current Assets (1+2+3)	**490.327.959**	**737.453**	**214.999.374**	**15.511**	**-**	**219**	**-**
5. Trade Receivables	6.074.848	154.000	2.548.873	-	-	-	-
6. Other	441.703	1.019	193.414	-	-	-	-
7. Non-current Assets (5+6)	**6.516.551**	**155.019**	**2.742.287**	**-**	**-**	**-**	**-**
8. Total Assets (4+7)	**496.844.510**	**892.472**	**217.741.661**	**15.511**	**-**	**219**	**-**
9. Trade Payables	220.733.371	-	96.943.278	93.907	-	-	-
10. Financial Liabilities	234.044.008	5.014.375	98.929.531	-	-	-	-
11. Other Monetary Liabilities	30.842	4.095	10.309	-	-	-	-
12. Current Liabilities (9+10+11)	**454.808.221**	**5.018.470**	**195.883.118**	**93.907**	**-**	**-**	**-**
13. Financial Liabilities	131.600.121	-	57.866.556	-	-	-	-
14. Non-current Liabilities (13)	**131.600.121**	**-**	**57.866.556**	**-**	**-**	**-**	**-**
15. Total Liabilities (12+14)	**586.408.342**	**5.018.470**	**253.749.674**	**93.907**	**-**	**-**	**-**
16. Net Foreign Currency Asset/(Liability) Position (8-15)	**(89.563.832)**	**(4.125.998)**	**(36.008.013)**	**(78.396)**	**-**	**219**	**-**
17. Net Monetary Foreign Currency Asset/(Liability) Position (8-15)	**(89.563.832)**	**(4.125.998)**	**(36.008.013)**	**(78.396)**	**-**	**219**	**-**

(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 2011						
	TL Equivalent	**USD**	**EUR**	**GBP**	**DKK**	**CHF**	**YEN**
1. Trade Receivables	229.867.380	252.895	93.865.982	-	-	-	-
2. Monetary Financial Assets (Including cash, banks accounts)	153.304.618	753.040	62.149.580	362	-	-	-
3. Other	36.217.983	373.885	14.531.133	195	-	-	-
4. Current Assets (1+2+3)	**419.389.981**	**1.379.820**	**170.546.695**	**557**	**-**	**-**	**-**
5. Trade Receivables	19.895.587	231.000	7.962.702	-	-	-	-
6. Other	8.574	4.539	-	-	-	-	-
7. Non-current Assets (5+6)	**19.904.161**	**235.539**	**7.962.702**	**-**	**-**	**-**	**-**
8. Total Assets (4+7)	**439.294.142**	**1.615.359**	**178.509.397**	**557**	**-**	**-**	**-**
9. Trade Payables	240.544.427	734.247	97.704.318	132.909	-	-	-
10. Financial Liabilities	112.225.125	10.181.448	38.052.782	-	-	-	-
11. Other Monetary Liabilities	8.186.292	521	3.349.418	-	-	-	-
12. Current Liabilities (9+10+11)	**360.955.844**	**10.916.216**	**139.106.518**	**132.909**	**-**	**-**	**-**
13. Financial Liabilities	122.898.491	-	50.289.914	-	-	-	-
14. Non-current Liabilities (13)	**122.898.491**	**-**	**50.289.914**	**-**	**-**	**-**	**-**
15. Total Liabilities (12+14)	**483.854.335**	**10.916.216**	**189.396.432**	**132.909**	**-**	**-**	**-**
16. Net Foreign Currency Asset/(Liability) Position (8-15)	**(44.560.193)**	**(9.300.857)**	**(10.887.035)**	**(132.352)**	**-**	**-**	**-**
17. Net Monetary Foreign Currency Asset/(Liability) Position (8-15)	**(44.560.193)**	**(9.300.857)**	**(10.887.035)**	**(132.352)**	**-**	**-**	**-**

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

NOTE 23 - 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 30 June 2012 and 2011 are as follows:

	1 January- 30 June 2012	1 April- 30 June 2012	1 January- 30 June 2011	1 April- 30 June 2011
Total export amount	349.442.066	197.983.110	141.120.911	86.404.579
Total import amount	248.647.355	132.065.263	215.418.227	114.052.464

The Company is exposed to foreign exchange risk primarily with respect to EUR and USD. The effect of the Company's EUR and USD foreign currency position as of 30 June 2012 and 31 December 2011 under the assumption of the appreciation and depreciation of TL against other currencies by 10% with all other variables held constant, is as follows:

	30 June 2012			
	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	(745.362)	745.362	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net Effect of USD	**(745.362)**	**745.362**	**-**	**-**
Had TL appreciate/(depreciate) by 10% against EUR				
Profit/(loss) from EUR net liability position	(8.188.942)	8.188.942	-	-
Hedged amount against EUR risk (-)	-	-	-	-
Net Effect of EUR	**(8.188.942)**	**8.188.942**	**-**	**-**
Had TL appreciate/(depreciate) by 10% against other				
Profit/(loss) from other net liability position	(22.079)	22.079	-	-
Hedged amount against other (-)	-	-	-	-
Net Effect of other	(22.079)	22.079	-	-
Total Net Effect	**(8.956.383)**	**8.956.383**	**-**	**-**

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

NOTE 23 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 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 USD				
Profit/(loss) from USD net asset position	(1.756.838)	1.756.838	-	-
Hedged amount against USD risk (-)	-	-	-	-
Net Effect of USD	**(1.756.838)**	**1.756.838**	**-**	**-**
Had TL appreciate/(depreciate) by 10% against EUR				
Profit/(loss) from EUR net liability position	(2.660.574)	2.660.574	-	-
Hedged amount against EUR risk (-)	-	-	-	-
Net Effect of EUR	**(2.660.574)**	**2.660.574**	**-**	
Had TL appreciate/(depreciate) by 10% against other				
Profit/(loss) from other net liability position	(38.607)	38.607	-	-
Hedged amount against other (-)	-	-	-	-
Net Effect of other	**(38.607)**	**38.607**	**-**	**-**
Total Net Effect	**(4.456.019)**	**4.456.019**	**-**	**-**

Price Risk

The Company does not have financial assets exposed to price risk.

Cash flow and fair value interest rate risk

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

NOT 23 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The Company's maximum exposure to credit risk as of 30 June 2012 and 31 December 2011 is as follows:

	30 June 2012						
	Trade Receivables		**Other Receivables**				
	Related Party	**Third Party**	**Related Party**	**Third Party**	**Bank Deposits**	**Derivative Instruments**	**Other (*)**
Net book value of financial assets which are undue	161.146.720	326.590.742	-	325.687	255.195.359	-	-
and not impaired	-	-	-	-	-	-	-
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	-	16.737.919	-	-	-	-	-
Net book value of impaired assets	-	13.418.382	-	-	-	-	-
- Due dated (Gross book value)	-	26.666.855	-	-	-	-	-
- Provision (-)	-	(13.248.473)	-	-	-	-	-
- Undue (Gross book value)	-	26.756.959	-	-	-	-	-
- Provision (-)	-	(26.756.959)	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	91.781.770
Amount exposed to maximum credit risk (**)	**161.146.720**	**356.747.043**	**-**	**325.687**	**255.195.359**	**-**	**91.781.770**

(*) Other includes the letters of guarantees given by the Company (Not 11c).
(**) The factors, increasing the credit reliability and the guarantees received are not taken into consideration in calculation of the amount.

As of 30 June 2012, the guarantee amount of the maximum exposure to credit risk is TL 224.668.841. Besides, all assets which are due but not impaired and are impaired are guaranteed.

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

NOTE 23 - FINANCIAL INSTRUMENTS AND NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

	31 December 2011						
	Trade Receivables		Other Receivables				
	Related Party	Third Party	Related Party	Third Party	Bank Deposits	Derivative Instruments	Other (*)
Net book value of financial assets which are undue and not impaired	141.963.241	248.723.633	-	318.608	245.351.627	-	-
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	507.467	6.360.712	-	-	-	-	-
Net book value of impaired assets	-	1.369.907	-	-	-	-	-
- Due dated (Gross book value)	-	18.224.027	-	-	-	-	-
- Provision (-)	-	(16.854.120)	-	-	-	-	-
- Undue (Gross book value)	-	22.473.926	-	-	-	-	-
- Provision (-)	-	(22.473.926)	-	-	-	-	-
Off-balance sheet items exposed to credit risk	-	-	-	-	-	-	28.979.898
Amount exposed to maximum credit risk (**)	**142.470.708**	**256.454.252**	**-**	**318.608**	**245.351.627**		**28.979.898**

(*) Other includes the letters of guarantees given by the Company (Not 11c).
(**) The factors, increasing the credit reliability and the guarantees received are not taken into consideration in calculation of the amount.

As of 31 December 2011, the guarantee amount of the maximum exposure to credit risk is TL240.080.351. Besides, all assets which are due but not impaired and are impaired are guaranteed.

(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 continous 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.

Consistent with others in the industry, the Company monitors 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.

Since the Company has net financial asset position, related ratio is not calculated as of December 31, 2011.

	30 June 2012	**31 December 2011**
Cash and cash equivalents	255.195.359	245.351.627
Less: Financial liabilities	(427.969.452)	(235.144.470)
Net financial (debt)/asset	**(172.774.093)**	**10.207.157**
Total shareholders' equity	561.642.672	595.592.482
Net financial debt/shareholders' equity	**%(31)**	**-**

Fair value of financial assets

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

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, judgement 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.

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

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

Financial assets

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

The fair values of 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 EVENT

None.

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