

FORD OTOMOTİV SANAYİ A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
FINANCIAL STATEMENTS AT 31 MARCH 2012
(ORIGINALLY ISSUED IN TURKISH)**

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

FORD OTOMOTİV SANAYİ A.Ş.

BALANCE SHEETS AT 31 MARCH 2012 AND 31 DECEMBER 2011

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

	Notes	31 March 2012	31 December 2011
ASSETS			
Current assets		3,024,363,449	3,089,000,716
Cash and cash equivalents	4	849,233,752	808,849,078
Trade receivables			
- Due from related parties	26	694,631,264	877,374,203
- Other trade receivables	7	438,113,129	521,587,032
Other receivables	8	4,664,319	4,346,575
Inventories	9	833,037,453	724,972,219
Other current assets	16	204,683,532	151,871,609
Non-current assets		1,420,053,291	1,332,458,953
Trade receivables	7	560,813	474,645
Financial assets	5	4,077,376	3,458,740
Property, plant and equipment	10	1,150,031,884	1,108,089,000
Intangible assets	11	23,972,832	28,777,170
Other non-current assets	16	241,410,386	191,659,398
Total assets		4,444,416,740	4,421,459,669

The financial statements were approved for issue by the Board of Directors on 27 April 2012 and signed on behalf of the Board of Directors by Oğuz Toprakoğlu, Assistant General Manager - Financial Affairs (CFO) and Devrim Kılıçoğlu, Finance and Accounting Director.

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

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

FORD OTOMOTİV SANAYİ A.Ş.

BALANCE SHEETS AT 31 MARCH 2012 AND 31 DECEMBER 2011

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

	Notes	31 March 2012	31 December 2011
LIABILITIES			
Current liabilities		1,969,021,255	1,730,705,260
Financial liabilities	6	228,603,099	226,836,996
Trade payables			
- Due to related parties	26	276,183,689	340,785,262
- Other trade payables	7	771,012,900	900,664,471
Other payables			
- Due to related parties	26	354,051,198	16,468,196
- Other payables	8	278,040,296	150,137,511
Current income tax payable	24	30,402,224	56,963,729
Provisions	13	30,727,849	38,849,095
Non-current liabilities		761,445,396	792,535,926
Financial liabilities	6	644,173,683	650,052,940
Provision for employee benefits	15	58,775,930	55,081,174
Deferred tax liabilities	24	4,712,401	40,304,565
Provisions	13	53,051,877	46,672,397
Derivative financial instruments	28	731,505	424,850
Equity	17	1,713,950,089	1,898,218,483
Capital and reserves attributable to the equity holders of the Company	17	1,713,950,089	1,898,218,483
Share capital		350,910,000	350,910,000
Adjustment to share capital		27,920,283	27,920,283
Share premium		8,252	8,252
Revaluation funds		2,922,795	2,335,091
Net loss on cash flow hedge		(614,678)	(345,806)
Restricted reserves		424,300,969	390,964,519
Retained earnings		742,179,694	464,337,418
Net income for the period		166,322,774	662,088,726
Total equity and liabilities		4,444,416,740	4,421,459,669

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

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

FORD OTOMOTİV SANAYİ A.Ş.

**STATEMENTS OF INCOME
FOR THE PERIOD ENDED 31 MARCH 2012 AND 2011**

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

	Notes	31 March 2012	31 March 2011
Operating revenue			
Sales	18	2,409,285,038	2,229,628,783
Cost of sales	18	(2,144,181,888)	(1,929,934,246)
Gross profit		265,103,150	299,694,537
Sales and marketing expenses	19	(51,084,905)	(58,781,029)
General administrative expenses	19	(36,004,398)	(62,682,638)
Research and development expenses	19	(28,386,893)	(25,969,984)
Other income	21	7,838,687	6,849,069
Other expenses	21	(412,889)	(507,538)
Operating profit		157,052,752	158,602,417
Financial income	22	97,898,714	76,684,330
Financial expenses	23	(93,782,345)	(51,821,024)
Income before tax from continuing operations		161,169,121	183,465,723
Income tax from continuing operations		5,153,653	(40,680,195)
- Taxes on income	24	(30,402,224)	(52,825,168)
- Deferred tax income	24	35,555,877	12,144,973
Net income for the period		166,322,774	142,785,528
Earnings per share with a nominal value of Kr 1	25	0.47	0.41

The accompanying notes form an integral part of these financial statements

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH**

FORD OTOMOTİV SANAYİ A.Ş.

**COMPREHENSIVE STATEMENTS OF INCOME
FOR THE PERIOD ENDED 31 MARCH 2012 AND 2011**

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

	Notes	31 March 2012	31 March 2011
Net income for the period		166,322,774	142,785,528
Other comprehensive income			
Change in revaluation funds of financial assets, net of deferred tax	17	587,704	731,116
Accumulated (loss) from cash flow Hedge, net of deferred tax	17	(268,872)	-
Comprehensive income		166,641,606	143,516,644

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**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
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FORD OTOMOTİV SANAYİ A.Ş.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2012 AND 2011**

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

	Share capital	Adjustment to share capital	Share Premium	Revaluation fund	Net loss on cash flow hedge	Restricted reserves	Retained earnings	Net income	Total equity
Balance at 1 January 2011	350,910,000	27,920,283	8,252	1,907,669	-	340,819,480	528,870,084	504,608,263	1,755,044,031
Transfers	-	-	-	-	-	28,423,710	476,184,553	(504,608,263)	-
Dividends paid	-	-	-	-	-	-	(301,782,600)	-	(301,782,600)
Comprehensive income	-	-	-	731,116	-	-	-	142,785,528	143,516,644
Balance at 31 March 2011	350,910,000	27,920,283	8,252	2,638,785	-	369,243,190	703,272,037	142,785,528	1,596,778,075
Balance at 1 January 2012	350,910,000	27,920,283	8,252	2,335,091	(345,806)	390,964,519	464,337,418	662,088,726	1,898,218,483
Transfers	-	-	-	-	-	33,336,450	628,752,276	(662,088,726)	-
Dividends to be paid	-	-	-	-	-	-	(350,910,000)	-	(350,910,000)
Comprehensive income	-	-	-	587,704	(268,872)	-	-	166,322,774	166,641,606
Balance at 31 March 2012	350,910,000	27,920,283	8,252	2,922,795	(614,678)	424,300,969	742,179,694	166,322,774	1,713,950,089

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

**CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS
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FORD OTOMOTİV SANAYİ A.Ş.

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2012 AND 2011**

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

	Notes	31 March 2012	31 March 2011
Cash flows from operating activities:			
Net income for the period		166,322,774	142,785,528
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	10	31,312,943	30,776,946
Amortisation	11	5,156,263	5,126,413
Provision for employee benefits	15	5,310,785	6,712,859
Warranty expense provision	13	12,564,524	21,015,548
Taxation	24	(5,153,653)	40,680,195
Interest income	22	(12,282,799)	(11,262,455)
Interest expense	23	2,883,885	2,047,664
Foreign exchange (gain) / loss		(28,159,372)	31,665,817
Provision expense / (income)		5,972,844	(1,869,943)
(Profit) / loss on sale of property, plant and equipment-net	21	(959,149)	65,427
Dividend income	21	(281,198)	(87,874)
Unrealised gain on derivative instruments		(29,436)	-
Operating profit before changes in operating assets and liabilities		182,658,411	267,656,125
Decrease in accounts receivable		266,216,842	74,853,779
(Increase) in inventories		(107,029,063)	(213,849,009)
(Increase) in other current assets		(53,129,667)	(54,131,446)
(Decrease) / increase in accounts payable		(194,253,144)	200,689,813
Increase in other current liabilities		414,857,541	426,962,965
Income tax paid		(7,500,054)	(36,279,319)
Warranty expenses paid	13	(14,306,290)	(12,196,139)
Employee benefits paid	15	(1,616,029)	(1,404,099)
Dividend payable		(350,910,000)	(301,782,600)
Net cash generated from operating activities		134,988,547	350,520,070
Cash flows used in investing activities:			
Purchase of property, plant and equipment	10	(73,662,175)	(16,078,174)
Purchase of intangible assets	11	(351,925)	(985,490)
Proceeds from sale of property, plant and equipment		1,365,497	930,605
(Increase) in other non-current assets		(49,837,156)	(2,341,863)
Interest received		10,895,088	11,262,455
Dividend received		281,198	87,874
Net cash used in investing activities		(111,309,473)	(7,124,593)
Cash flows from financing activities:			
Interest paid		(1,878,241)	(1,104,625)
Proceeds from borrowings		32,552,321	-
Repayments of borrowings		(13,968,480)	(22,540,523)
Net cash used in financing activities		16,705,600	(23,645,148)
Net increase in cash and cash equivalents		40,384,674	319,750,329
Cash and cash equivalents at beginning of the period	4	808,849,078	520,944,034
Cash and cash equivalents at end of the period	4	849,233,752	840,694,363

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