

**FORD OTOMOTİV SANAYİ A.Ş.**

**INTERIM FINANCIAL STATEMENTS  
AT 30 JUNE 2008**

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

**FORD OTOMOTİV SANAYİ A.Ş.**

**BALANCE SHEETS AT 30 JUNE 2008 AND 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("YTL") unless otherwise indicated)

	Notes	Audited 30 June 2008	31 December 2007
<b>ASSETS</b>			
<b>Current assets</b>		<b>1,847,161,985</b>	<b>1,633,374,539</b>
Cash and cash equivalents	4	169,090,992	360,121,747
Trade receivables			
- Trade receivables from related parties	26	466,577,383	329,568,385
- Other trade receivables	7	300,518,825	408,552,654
Other receivables			
- Other receivables from related parties	26	83,279,318	77,375,290
- Other receivables	8	2,963,484	1,674,550
Inventories	9	667,135,624	373,422,349
Other current assets	16	157,596,359	82,659,564
<b>Non-current assets</b>		<b>1,341,037,633</b>	<b>1,404,502,192</b>
Trade receivables	7	46,224	40,694
Financial investments	5	1,687,190	2,826,043
Property, plant and equipment	10	1,260,611,543	1,307,753,327
Intangible assets	11	78,692,676	93,882,128
<b>Total assets</b>		<b>3,188,199,618</b>	<b>3,037,876,731</b>

The financial statements were approved for issue by the Board of Directors on 5 August 2008 and signed on its behalf by Oğuz Toprakoğlu, Assistant General Manager – Finance (CFO) and by Tuncay Selçuk, Assistant General Manager – Treasury.

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

**BALANCE SHEETS AT 30 JUNE 2008 AND 31 DECEMBER 2007**

(Amounts expressed in New Turkish lira ("YTL") unless otherwise indicated)

	Notes	Audited 30 June 2008	31 December 2007
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>1,065,529,916</b>	<b>958,610,052</b>
Short-term borrowings	6	154,637,306	116,624,888
Trade payables			
- Trade payables to related parties	26	96,276,626	86,808,017
- Other trade payables	7	448,144,977	461,531,338
Other payables			
- Other payables to related parties	26	2,162,450	3,673,602
- Other payables	8	204,496,562	95,759,545
Tax liabilities from net income for the period	24	83,075,837	119,500,848
Provisions	13	76,736,158	74,711,814
<b>Non-current liabilities</b>		<b>354,568,444</b>	<b>363,449,075</b>
Long-term borrowings	6	250,921,226	299,387,123
Provision for termination indemnities	15	25,216,167	23,797,859
Deferred tax liabilities	24	78,431,051	40,264,093
<b>Shareholders' equity</b>	<b>17</b>	<b>1,768,101,258</b>	<b>1,715,817,604</b>
<b>Parent Company's equity</b>		<b>1,768,101,258</b>	<b>1,715,817,604</b>
Paid-in share capital		350,910,000	350,910,000
Treasury shares		27,920,283	27,920,283
Share premium		8,252	8,252
Fair value reserves		586,037	1,724,890
Restricted reserves		245,371,960	222,562,810
Retained earnings		844,245,219	628,449,248
Current year profit		299,059,507	484,242,121
<b>Total shareholders' equity and liabilities</b>		<b>3,188,199,618</b>	<b>3,037,876,731</b>

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

**FORD OTOMOTİV SANAYİ A.Ş.**

**STATEMENTS OF INCOME  
FOR THE PERIODS ENDED 30 JUNE 2008 AND 2007**

(Amounts expressed in New Turkish lira ("YTL") unless otherwise indicated)

	Notes	Audited 1 January 2008 - 30 June 2008	1 April 2008 - 30 June 2008	Audited 1 January 2007 - 30 June 2007	1 April 2007 - 30 June 2007
<b>Continuing Operations</b>					
Net sales	18	4,168,225,793	2,143,369,730	3,334,298,513	1,751,369,674
Cost of sales	18	(3,559,398,148)	(1,844,581,222)	(2,909,442,208)	(1,505,380,741)
<b>Gross profit</b>		<b>608,827,645</b>	<b>298,788,508</b>	<b>424,856,305</b>	<b>245,988,933</b>
Selling, marketing and distribution expenses (-)	19	(115,425,795)	(58,454,269)	(89,572,088)	(47,864,075)
General administrative expenses (-)	19	(41,811,522)	(22,586,625)	(35,349,578)	(18,696,222)
Research and development expenses	19	(50,501,744)	(33,106,989)	(22,829,720)	(13,909,270)
Other operating income	21	14,343,502	7,231,997	17,800,604	10,262,651
Other operating expenses	21	(1,296,443)	(746,509)	(529,138)	(402,457)
<b>Operating profit</b>		<b>414,135,643</b>	<b>191,126,113</b>	<b>294,376,385</b>	<b>175,379,560</b>
(Non-operating)Financial income	22	150,250,543	48,163,713	39,212,624	31,255,126
(Non-operating)Financial expenses	23	(144,083,884)	(58,550,421)	(51,333,124)	(33,577,324)
<b>Net income before provisions for taxes from continuing operations</b>		<b>420,302,302</b>	<b>180,739,405</b>	<b>282,255,885</b>	<b>173,057,362</b>
<b>Tax expense for continuing operations</b>		<b>(121,242,795)</b>	<b>(49,549,760)</b>	<b>(78,981,461)</b>	<b>(50,546,538)</b>
- Tax expense for the period	24	(83,075,837)	(35,211,336)	(54,140,337)	(31,703,983)
- Deferred tax expense	24	(38,166,958)	(14,338,424)	(24,841,124)	(18,842,555)
<b>Net income</b>		<b>299,059,507</b>	<b>131,189,645</b>	<b>203,274,424</b>	<b>122,510,824</b>
<b>Earnings per share with a nominal value of YKr 1</b>	<b>25</b>	<b>0.85</b>	<b>0.37</b>	<b>0.58</b>	<b>0.35</b>

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

**FORD OTOMOTİV SANAYİ A.Ş.**

**STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY  
FOR THE PERIODS ENDED 30 JUNE 2008 AND 2007**

(Amounts expressed in New Turkish lira ("YTL") unless otherwise indicated)

	Share capital	Adjustment to share capital	Share premium	Fair value reserves	Cash flow reserves	Restricted reserves	Retained earnings	Current year profit	Total shareholders' equity
<b>Balance at 1 January 2007</b>	<b>350,910,000</b>	<b>27,920,283</b>	<b>8,252</b>	<b>9,400,935</b>	<b>(9,630,622)</b>	<b>168,441,410</b>	<b>583,512,248</b>	<b>500,850,350</b>	<b>1,631,412,856</b>
Transfers	-	-	-	-	-	27,249,916	473,600,434	(500,850,350)	-
Dividend paid	-	-	-	-	-	-	-(193,000,500)	-	(193,000,500)
Disposals and fair value increase/(decrease) of financial assets	-	-	-	984,195	-	-	-	-	984,195
Net income for the period	-	-	-	-	-	-	-	203,274,424	203,274,424
Cash flow hedge reserve	-	-	-	-	9,630,622	-	-	-	9,630,622
Addition to reserve	-	-	-	-	20,761	-	-	-	20,761
Charged to income statement	-	-	-	-	9,609,861	-	-	-	9,609,861
<b>Balance at 30 June 2007</b>	<b>350,910,000</b>	<b>27,920,283</b>	<b>8,252</b>	<b>10,385,130</b>	<b>-</b>	<b>195,691,326</b>	<b>864,112,182</b>	<b>203,274,424</b>	<b>1,652,301,597</b>
<b>Balance at 1 January 2008</b>	<b>350,910,000</b>	<b>27,920,283</b>	<b>8,252</b>	<b>1,724,890</b>	<b>-</b>	<b>222,562,810</b>	<b>628,449,248</b>	<b>484,242,121</b>	<b>1,715,817,604</b>
Transfers	-	-	-	-	-	22,809,150	461,432,971	(484,242,121)	-
Dividend paid	-	-	-	-	-	-	-(245,637,000)	-	(245,637,000)
Disposals and fair value increase/(decrease) of financial assets	-	-	-	(1,138,853)	-	-	-	-	(1,138,853)
Net income for the period	-	-	-	-	-	-	-	299,059,507	299,059,507
<b>Balance at 30 June 2008</b>	<b>350,910,000</b>	<b>27,920,283</b>	<b>8,252</b>	<b>586,037</b>	<b>-</b>	<b>245,371,960</b>	<b>844,245,219</b>	<b>299,059,507</b>	<b>1,768,101,258</b>

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

**FORD OTOMOTİV SANAYİ A.Ş.**

**STATEMENTS OF CASH FLOWS**

**FOR THE PERIODS ENDED 30 JUNE 2008 AND 2007**

(Amounts expressed in New Turkish lira (YTL) unless otherwise indicated)

	Notes	30 June 2008	30 June 2007
<b>Cash flows operating activities:</b>			
<b>Net income</b>		<b>299,059,507</b>	<b>203,274,424</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation	10	69,086,371	56,852,774
Amortisation	11	15,646,471	24,668,456
Provision for employment termination benefits	15	2,950,156	1,968,505
Taxation	24	121,242,795	78,981,461
Interest income	22	(15,305,783)	(2,592,731)
Interest expense	23	11,164,909	9,955,619
Foreign exchange (gain)/loss		50,944,857	(25,978,178)
Disposals from cash flow hedge reserve	23	-	9,630,622
Provision expenses/(Reversal of provisions)		1,340,392	(6,718,709)
Loss on sale of property, plant and equipment		268,494	(276,053)
Dividend received	21	(175,749)	(175,749)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>556,222,420</b>	<b>349,590,441</b>
Change in trade receivables		(28,975,169)	3,551,958
Change in inventories		(293,811,728)	(92,731,509)
Change in other current assets		(82,129,757)	11,108,007
Change in other non-current assets		(5,530)	(40,095)
Change in trade payables		(3,613,905)	(47,621,038)
Change in other current liabilities		107,704,423	69,156,911
Taxes to be paid		(119,500,848)	(100,661,663)
Employment termination benefits paid	15	(1,531,848)	(2,004,289)
<b>Net cash provided from operating activities</b>		<b>134,358,058</b>	<b>190,348,723</b>
<b>Cash flows used in investing activities:</b>			
Purchase of property, plant and equipment	10	(23,663,313)	(57,174,516)
Purchase of intangible assets	11	(457,019)	(9,986,926)
Proceeds from sale of property, plant and equipment		1,450,232	1,099,872
Interest received		15,343,699	2,747,046
Dividend received		175,749	175,749
<b>Net cash used in investing activities</b>		<b>(7,150,652)</b>	<b>(63,138,775)</b>
<b>Cash flows from financing activities:</b>			
Interest paid		(11,665,359)	(7,030,321)
Proceeds from borrowings		-	283,048,000
Repayments of borrowings		(60,897,886)	(196,816,791)
Dividend paid		(245,637,000)	(193,000,500)
<b>Net cash used in financing activities</b>		<b>(318,200,245)</b>	<b>(113,799,612)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(190,992,839)</b>	<b>13,410,336</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>4</b>	<b>359,691,494</b>	<b>211,486,208</b>
<b>Cash and cash equivalents at end of the period</b>	<b>4</b>	<b>168,698,655</b>	<b>224,896,544</b>