

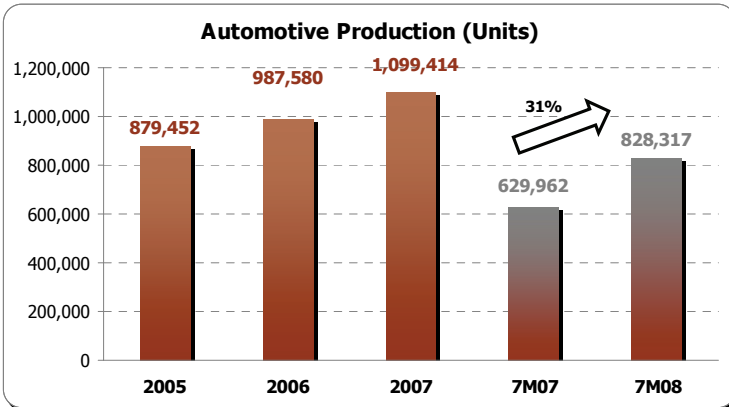
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## Turkish Automotive Industry

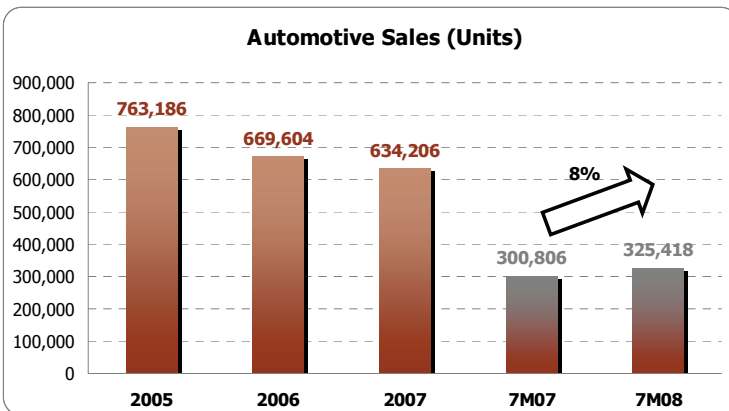
July 2008

Sep 8, 2008



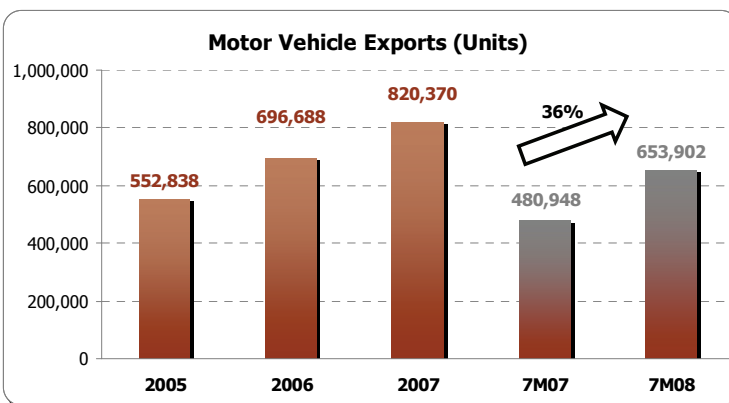
### Production

**Total automotive sector (excluding the tractors) completed the first seven months of 2008 with 828,317 units of production which highlights 31% y-o-y upswing compared to the same period of the previous year.** The corresponding period's data came up with a concomitant capacity utilisation ratio (CUR) of 97%, a ten percentage point amelioration compared to 7M07's CUR. Oyak-Renault is again the leader both in passenger car segment and in overall production as of 7M08 with 210,178 units.



### Domestic Retail Sales

**Even though retail sales kept progressing in periodic base (y-o-y), the volatility and the limbo reverberated in monthly figures.** Automotive Sales tot up by 8% y-o-y in 7M08 to 325,418 units from 300,806 in the same period of 2007 as OSD figures demonstrates. Domestic retail sales bid down by 11% in July compared to the same month of the previous year and realized as 44,701 units.



### Domestic Factory Sales

**In the seven months of 2008, total domestic wholesales escalated by 11% and came out as 153,771 units.** Looking at July only data, domestic factory sales tumbled by 12% compared to the same month of the previous year and 14% compared to June 2008.

### Exports

**According to Turkish Export Association (TIM), motor vehicles, parts and accessories sector was the leader with \$17.1bn amounted annual exports with the share of 21.58%. Total exports eventuated as 653,902 units in the first seven months of 2008, representing a 36% y-o-y hike.** Oyak-Renault maintained its leader position in total exports with 174,624 units.

	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%
<b>Production</b>	879,452	987,580	1,099,414	629,962	828,317	31%	92,007	115,191	25%
<b>Retail Sales</b>	763,186	669,604	634,206	300,806	325,418	8%	50,117	44,701	-11%
<b>Domestic Factory Sales</b>	332,238	288,145	276,408	138,864	153,771	11%	22,587	19,901	-12%
<b>Exports</b>	552,838	696,688	820,370	480,948	653,902	36%	70,909	96,369	36%
<b>CUR</b>	<b>76%</b>	<b>82%</b>	<b>89%</b>	<b>87%</b>	<b>97%</b>		<b>89%</b>	<b>94%</b>	

## Production

**Total automotive sector (excluding the tractors) completed the first seven months of 2008 with 828,317 units of production** according to Automotiv Manufacturer's Association, which highlights 31% y-o-y upswing compared to the same period of the previous year. The corresponding period's data came up with a concomitant capacity utilisation ratio (CUR) of 97%, a ten percentage point amelioration compared to 7M07's CUR. Improvement (y-o-y) experienced in all segments, where the major contribution again originated from the commercial vehicle segments, as in the preceding months of this year. Growth rate in the commercial vehicle manufacturing more than doubled the passenger cars', where the rates were 47% and 21%, respectively. The driving forces within the commercial vehicles were midibus and pick-up subsegments with 98% and 52% growth, in turn.

**Monthly figure (y-o-m) exhibited nearly the same performance with the seven months period, where the total vehicle production materialized as 115,191 units in July 2008, by surging 25%.** Passenger cars production performance was the same as 7M08 period and grew by 21%; whereas the commercial vehicle production growth rate was below the 7M08, but again satisfactory, and it soared by 32%. The monthly CUR was 94%, 5 percentage point above the July 2007. Automotive production presented a meagre m-o-m growth of 2%, which could easily be attributed to the most the automotive factories maintenance period in July.

**Oyak-Renault is again the leader both in passenger car segment and in overall production as of 7M08 with 210,178 units.** Ford Otosan, followed him with 202,485 units. Ford has lowered their year-end expectations 2-3 months ago due to the ambiguous environment in Turkey. Since the political uncertainty was vanished, we believe that Ford Otosan will raise their forecast and implement new investments. Tofaş and Toyota kept their stance in four big manufacturers by producing 195,322 and 97,362 units of vehicle.

### Exhibit: 1 Automotive Production in Turkey

(Units)	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%	Jun-08	Jul-Jun %
<b>Passenger Car</b>	<b>453,663</b>	<b>545,682</b>	<b>634,883</b>	<b>371,389</b>	<b>447,898</b>	<b>21%</b>	<b>56,273</b>	<b>67,891</b>	<b>21%</b>	<b>58,954</b>	<b>15%</b>
<b>Commercial Vehicle</b>	<b>425,789</b>	<b>441,898</b>	<b>464,531</b>	<b>258,573</b>	<b>380,419</b>	<b>47%</b>	<b>35,734</b>	<b>47,300</b>	<b>32%</b>	<b>54,214</b>	<b>-13%</b>
Minibus	26,162	20,728	21,999	11,758	13,644	16%	1,582	1,690	7%	2,501	-32%
Midibus	7,109	8,263	9,305	3,445	6,812	98%	502	769	53%	1,125	-32%
Bus	5,406	6,019	6,946	3,994	4,551	14%	605	610	1%	666	-8%
Pick-Up	349,885	369,862	391,737	220,223	334,047	52%	30,557	41,374	35%	46,774	-12%
Truck	37,227	37,026	34,544	19,153	21,365	12%	2,488	2,857	15%	3,148	-9%
<b>TOTAL</b>	<b>879,452</b>	<b>987,580</b>	<b>1,099,414</b>	<b>629,962</b>	<b>828,317</b>	<b>31%</b>	<b>92,007</b>	<b>115,191</b>	<b>25%</b>	<b>113,168</b>	<b>2%</b>
<b>CUR (%)</b>	<b>73%</b>	<b>81%</b>	<b>89%</b>	<b>87%</b>	<b>97%</b>		<b>89%</b>	<b>94%</b>		<b>93%</b>	

Source: Automotive Manufacturers Association (OSD), TSKB Research

### Exhibit: 2 Automotive Production by manufacturer

	P.Car	Minibus	Midibus	Bus	Pick Up	Truck	Total
Oyak Renault	210,178						210,178
Ford Otosan		11,579			186,536	4,370	202,485
Tofas	56,173				139,149		195,322
Toyota	97,362						97,362
Hyundai Assan	52,200						52,200
Honda Turkiye	31,985						31,985
M.Benz Turk				2,165		9,718	11,883
Karsan		1,277	3,018		2,549	432	7,276
A.Isuzu			1,697		2,211	1,969	5,877
B.M.C		477	51	785	941	3,235	5,489
Temsa			1,182	527	2,352	1,641	5,702
Otokar		311	864	138	309		1,622
M.A.N				936			936
<b>TOTAL</b>	<b>447,898</b>	<b>13,644</b>	<b>6,812</b>	<b>4,551</b>	<b>334,047</b>	<b>21,365</b>	<b>828,317</b>

Source: Automotive Producers Association (OSD), TSKB Research

## Domestic Retail Sales

We emphasized in our June Report that the unfavourable conditions (global and local volatility) has started to be reflected and the downturn would realized in forthcoming months. Even though retail sales kept progressing in periodic base (y-o-y), the volatility and the limbo reverberated in monthly figures.

**Automotive Sales tot up by 8% y-o-y in 7M08 to 325,418 units from 300,806 in the same period of 2007 as OSD figures demonstrates.** Imported vehicle disposal surged more than locally manufactured vehicle sales, which severally posted 10% and 6% y-o-y growth. The quantum of the imported automotive sales in overall stood at 57.1% as of 7M08, which was 56.1% in 7M07.

**As we mentioned above automotive sales presented a contraction in monthly figures.**

Domestic retail sales bid down by 11% in July compared to the same month of the previous year and realized as 44,701 units. Imported car share ascended and it eventuated as 59.5% in the corresponding month which was 54.3% a year ago. Within the m-o-m framework retail sales posted 9% deterioration.

**Ford is the top-notch in the imported passenger car sales** with 15,527 units, where Volkswagen set its position as a captain of the LCV segment by selling 12,930 units.

### Exhibit: 3 Automotive Sales in Turkey (Retail)

(Units)	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%	Jun-08	Jul-Jun %
Local	325,072	285,430	278,454	131,980	139,666	6%	22,915	18,094	-21%	20,829	-13%
Import	438,114	384,174	355,752	168,826	185,752	10%	27,202	26,607	-2%	28,564	-7%
Domestic Sales	763,186	669,604	634,206	300,806	325,418	8%	50,117	44,701	-11%	49,393	-9%
Imports as % of Total	57.4%	57.4%	56.1%	56.1%	57.1%		54.3%	59.5%		56.6%	

Source: Automotive Manufacturers Association (OSD), TSKB Research

## Domestic Factory Sales

**Domestic factory sales exhibited the same performance as retail sales. It recorded a growth in seven months period whereas there was a contraction on monthly basis.** In the seven months of 2008, total domestic wholesales escalated by 11% and came out as 153,771 units. Domestic passenger car and commercial vehicle factory sales posted 13% and 9% growth, respectively. Except truck car and minibus, all sub-segments wholesale kept progressing in the seven months of 2008.

**Looking at July only data, domestic factory sales tumbled by 12% compared to the same month of the previous year** and 14% compared to June 2008 with 19,901 units.

**Tofaş, Ford Otosan and Oyak-Renault were the top three companies** with 39,954, 30,820 and 28,787 units of wholesales as of 7M08. Tofaş's leadership performance could easily be attributed to 66% y-o-y growth in pick-up segment, mainly due to Fiorino sales.

### Exhibit: 4 Domestic Automotive Sales (Wholesales Figures)

(Units)	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%Chg	Jun-08	Jul-Jun %
Passenger Car	135,585	115,681	121,181	60,976	68,877	13%	9,676	9,053	-6%	10,085	-10%
Commercial Vehicle	196,653	172,464	155,227	77,888	84,894	9%	12,911	10,848	-16%	12,983	-16%
Minibus	10,831	8,530	7,976	3,803	3,777	-1%	513	326	-36%	579	-44%
Midibus	5,180	5,374	7,006	2,768	4,134	49%	306	501	64%	846	-41%
Bus	1,736	1,694	1,547	772	1,138	47%	107	93	-13%	132	-30%
Pick-Up	145,878	124,607	113,332	56,711	62,546	10%	10,193	8,109	-20%	9,371	-13%
Truck	33,028	32,259	25,366	13,834	13,299	-4%	1,792	1,819	2%	2,055	-11%
<b>TOTAL</b>	<b>332,238</b>	<b>288,145</b>	<b>276,408</b>	<b>138,864</b>	<b>153,771</b>	<b>11%</b>	<b>22,587</b>	<b>19,901</b>	<b>-12%</b>	<b>23,068</b>	<b>-14%</b>

Source: OSD, TSKB Research

## Keep offsetting the negative look of the domestic sales...

According to Turkish Export Association (TIM), motor vehicles, parts and accessories sector was the leader with \$17.1bn amounted exports with the share of 21.58% in Turkey's overall exports as of 7M08. In the seven months of 2008, Ford Otosan, Oyak-Renault and Tofaş were 3 automotive companies in the top five.

Total exports eventuated as 653,902 units in the first seven months of 2008, representing a 36% y-o-y hike. All segments denoted a joyful growth where the triumphant contribution came from pick-up segment.

Evaluating y-o-m figures are compatible with y-o-y figures, which presented 36% growth. 96,369 units of automotive were exported in July 2008, which is 2% higher than the June. Pick-up was again the main contributor to the monthly figure.

Oyak-Renault maintained its leader position in total exports with 174,624 units, who has stripped from Ford Otosan a period ago. Ford Otosan and Tofaş, top 2 and 3 exporters, exported 164,820 and 154,344 units, in turn. (Exhibit 6)

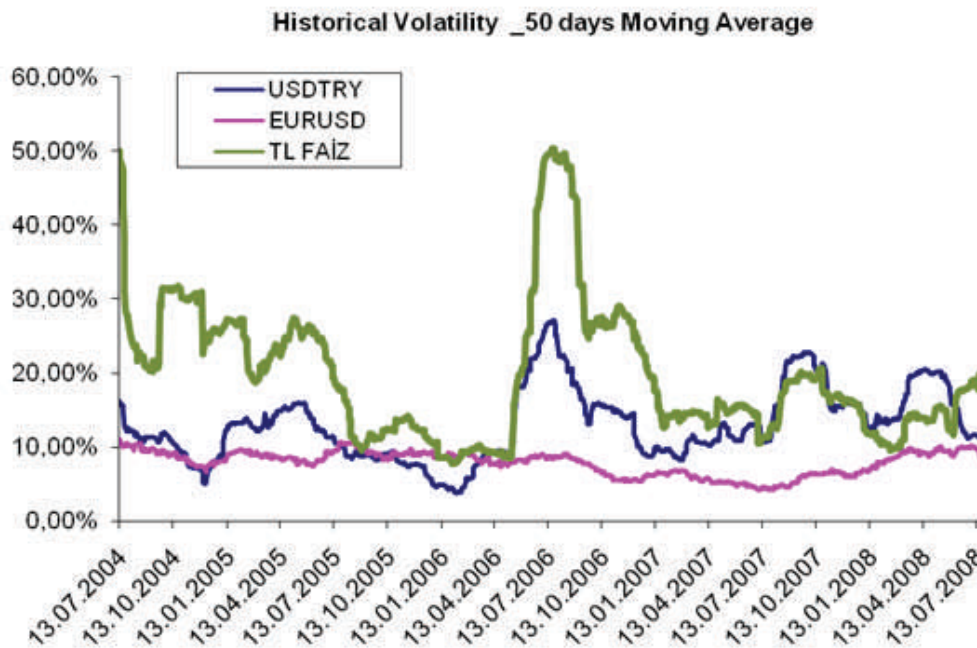
**Exhibit: 5 Motor Vehicle Export Figures**

(Units)	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%Chg	Jun-08	Jul-Jun %
<b>Passenger Car</b>	<b>319,825</b>	<b>430,420</b>	<b>504,353</b>	<b>297,785</b>	<b>367,967</b>	<b>24%</b>	<b>44,646</b>	<b>58,315</b>	<b>31%</b>	<b>54,247</b>	<b>7%</b>
<b>Commercial Vehicle</b>	<b>233,013</b>	<b>266,268</b>	<b>316,017</b>	<b>183,163</b>	<b>285,935</b>	<b>56%</b>	<b>26,263</b>	<b>38,054</b>	<b>45%</b>	<b>40,276</b>	<b>-6%</b>
<i>Minibus</i>	<i>3,720</i>	<i>1,809</i>	<i>2,695</i>	<i>1,444</i>	<i>700</i>	<i>-52%</i>	<i>338</i>	<i>110</i>	<i>-67%</i>	<i>160</i>	<i>-31%</i>
<i>Midibus</i>	<i>1,935</i>	<i>2,168</i>	<i>2,987</i>	<i>882</i>	<i>1,734</i>	<i>97%</i>	<i>197</i>	<i>76</i>	<i>-61%</i>	<i>96</i>	<i>-21%</i>
<i>Bus</i>	<i>3,830</i>	<i>4,125</i>	<i>5,352</i>	<i>3,274</i>	<i>3,365</i>	<i>3%</i>	<i>580</i>	<i>516</i>	<i>-11%</i>	<i>474</i>	<i>9%</i>
<i>Pick-Up</i>	<i>218,467</i>	<i>254,159</i>	<i>295,585</i>	<i>172,446</i>	<i>273,881</i>	<i>59%</i>	<i>24,242</i>	<i>36,287</i>	<i>50%</i>	<i>38,623</i>	<i>-6%</i>
<i>Truck</i>	<i>5,061</i>	<i>4,007</i>	<i>9,398</i>	<i>5,117</i>	<i>6,255</i>	<i>22%</i>	<i>906</i>	<i>1,065</i>	<i>18%</i>	<i>923</i>	<i>15%</i>
<b>TOTAL</b>	<b>552,838</b>	<b>696,688</b>	<b>820,370</b>	<b>480,948</b>	<b>653,902</b>	<b>36%</b>	<b>70,909</b>	<b>96,369</b>	<b>36%</b>	<b>94,523</b>	<b>2%</b>

Source: OSD, TSKB Research

We will talk about the basics of exchange rate, interest rate, equity markets, oil and other commodities, food prices, baking sector and strategy in the next couple of months. This is intended to be a sequel of snapshots in a very much bread-and-butter statistics. First, ordinarily people only look at the nominal USDTRY rate when it comes to mentioning the advent of the exchange rate and its impact on the economy. This is obviously wrong because one ought to consider the WARER (weighted average effective exchange rate), which is a basket of currencies weighted according as we trade them intensively or not. And second, if considering the nominal exchange rate is warranted for some purpose, as we do here, it is imperative to take a look at the euro-dollar basket. For instance, the nominal USDTRY rate is misleading in terms of trade competitiveness because Turkey imports in USD-weighted manner and its exports are mainly in EUR terms. Of course, the WARER itself as a single statistic does not constitute a theoretical argument and there are times when overvaluation of a currency could well be in the eye of the beholder only. As the base year changes, the terrain for comparison shifts accordingly.

Now take the nominal USDTRY rate. Between May 2004 and July 2008 the margin of fluctuation ranges from 1.417 to 1.15, hitting 1.694 in June 2006. Excluding the May-June 2006 turmoil, which did not last long, the nominal rate wandered between 1.4 and 1.2 approximately. A look at the EURUSD parity we see it begins with 1.1945, hits 1.1668 in November 2005, mildly errs in the vicinity of 1.25 for the better part of 2006 faces the July 2007 mortgage or CDO-originated crisis hit the world at 1.36. It pursued an upward trend since then. In the last (almost) five years, whereas USDTRY was generally confined to the 1.4-1.2 disciplinary box, the EURUSD moved between 1.2 and 1.6. The USDTRY have seen higher levels, but only temporarily, whereas the EURUSD seems to have been anchored in the 1.50s recently in a durable way. When the euro was instituted in January 1999, the first reading ever was 1.18, but in November 2000 even 0.84 was seen. **In a time span of almost ten years, the EURUSD rolled between 0.84 and 1.60. Almost twice as high or low for that matter.**

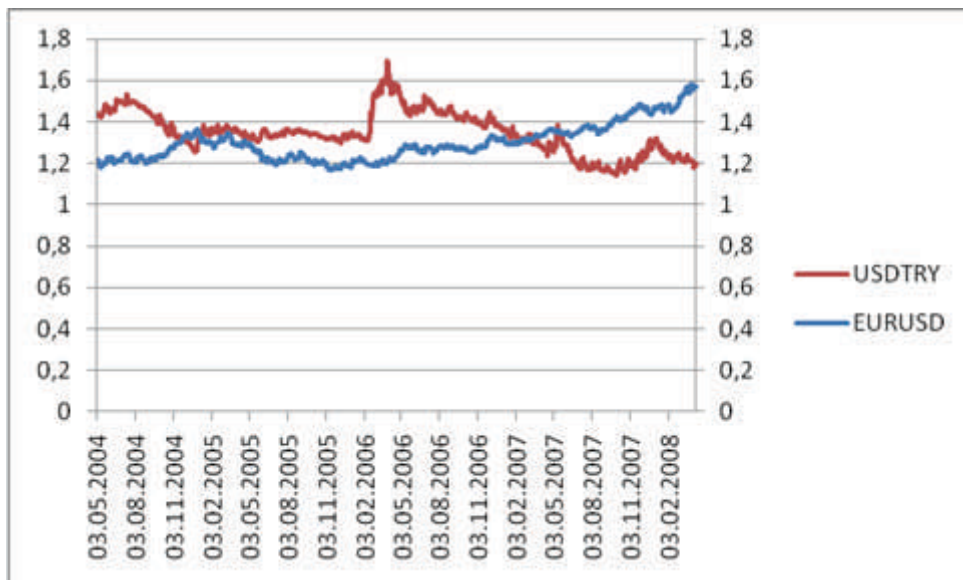


Take historical volatility (50 days moving average): the visual evidence suggests the EURUSD was in general less volatile than the USDTRY rate over the last 52 months. Only is it true that after July 2007 the two volatilities converged partially, but never meet each other exactly. **Although the EURUSD volatility is still considerably lower, the two volatilities move together, at least.** The USDTRY rate has surpassed 1.700 in March 2003, the beginning of the Second Gulf War, and also in June 2006. However, after Kemal Derviş assumed his post-2001 crisis mission here, the nominal exchange rate vis-a-vis the dollar stood still. From one end to the other, the EURTRY parity also remained still between January 2003 and July 2008.

## Economics: Special Section

### Gündüz Fındıkçioğlu, Chief Economist & Head of Research

Furthermore, consider the TRY-denominated T-bills benchmark rate, compound: its historical volatility is much higher than the exchange rate. If the rate of interest is, as purported to be by the CBT, an instrument against FX volatility, then it is highly remarkable that it was much more volatile than the variable it is supposed to be able to control. We think the interest rate was not even weakly exogenous during the entire period and did not provide a sufficient statistic to control the variance of the exchange rate. ***An endogenous interest rate could not possibly have been that effective as a policy and control tool.***



**Exhibit: 6 Breakdown of Exports by Local Manufacturer - Summary**

Export	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%Chg	Jun-08	Jul-Jun %
Ford Otosan	162,675	184,606	221,741	131,154	164,820	26%	19,403	23,438	21%	23,418	0%
Oyak-Renault	123,162	177,411	204,428	127,241	174,624	37%	18,634	30,148	62%	27,428	10%
Toyota	144,058	160,479	154,386	90,394	91,267	1%	13,575	11,195	-18%	11,715	-4%
Tofaş	88,020	123,061	146,177	80,516	154,344	92%	11,415	21,559	89%	21,778	-1%
Hyundai	20,322	34,511	69,224	37,821	37,632	0%	5,670	5,440	-4%	6,620	-18%
Mercedes-Benz Turk	5,045	3,903	8,708	5,176	5,592	8%	926	877	-5%	815	8%
Honda Türkiye	2,992	5,692	7,732	4,371	21,516	392%	633	3,331	426%	2,285	46%
MAN Türkiye	1,349	1,874	1,699	1,112	915	-18%	175	100	-43%	133	-25%
BMC	1,146	712	1,524	1,050	835	-20%	81	114	41%	114	0%
Otokar	1,099	1,276	1,115	869	257	-70%	142	47	-67%	58	-19%
Temsa	970	1,106	1,151	602	642	7%	95	86	-9%	96	-10%
Karsan	366	394	1,632	81	806	895%	1	1	0%	0	-
A. Isuzu	767	711	750	462	643	39%	134	43	-68%	63	-32%
Otoyol	851	925	103	99	9	-91%	25	0	-100%	0	-
<b>Grand Total</b>	<b>552,838</b>	<b>696,688</b>	<b>820,370</b>	<b>480,948</b>	<b>653,902</b>	<b>36%</b>	<b>70,909</b>	<b>96,379</b>	<b>36%</b>	<b>94,523</b>	<b>2%</b>

**Exhibit: 7 Breakdown of Domestic Sales by Local Manufacturer - Summary**

	2005	2006	Jun-05	7M07	7M08	%	Jul-07	Jul-08	% Chg	Jun-08	Jul-Jun %
Tofaş	73,140	55,806	63,296	30,161	39,954	32%	5,260	5,592	6%	6,086	-8%
Toyota	15,170	16,270	5,533	3,644	4,637	27%	602	601	0%	1,252	-52%
Oyak-Renault	57,056	50,817	54,896	27,814	29,787	7%	4,179	3,380	-19%	3,951	-14%
Ford Otosan	82,444	71,572	67,703	31,711	31,060	-2%	6,057	3,692	-39%	4,307	-14%
Hyundai	39,236	26,175	21,865	12,018	12,192	1%	1,761	1,631	-7%	1,596	2%
Mercedes-Benz Turk	9,382	10,795	10,593	5,623	5,800	3%	853	891	4%	924	-4%
MAN Türkiye	823	625	353	232	92	-60%	14	4	-71%	6	-33%
Honda Türkiye	9,056	12,634	15,580	8,719	9,470	9%	1,693	1,727	2%	1,547	12%
A. Isuzu	6,150	6,165	7,847	3,859	4,620	20%	423	359	-15%	646	-44%
Otoyol	3,045	3,134	357	645	25	-96%	25	0	-100%	0	-
Karsan	12,777	11,923	8,376	3,568	5,180	45%	494	639	29%	991	-36%
Temsa	7,251	7,332	8,223	4,196	4,874	16%	547	914	67%	698	31%
BMC	11,731	11,013	9,081	4,917	4,556	-7%	480	335	-30%	762	-56%
Otokar	2,486	2,402	2,688	1,645	1,524	-7%	199	136	-32%	302	-55%
<b>Grand Total</b>	<b>332,238</b>	<b>288,145</b>	<b>276,408</b>	<b>138,864</b>	<b>153,771</b>	<b>11%</b>	<b>22,587</b>	<b>19,901</b>	<b>-12%</b>	<b>23,068</b>	<b>-14%</b>

**Exhibit: 8 Breakdown of Domestic Sales and Exports by Local Manufacturer - Summary**

	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	% Chg	Jun-08	Jul-Jun %
Tofaş	161,160	178,867	209,473	110,677	194,298	76%	16,675	27,151	63%	27,864	-3%
Toyota	159,228	176,749	159,919	94,038	95,904	2%	14,177	11,796	-17%	12,967	-9%
Oyak-Renault	180,218	228,228	259,324	155,055	204,411	32%	22,813	33,528	47%	31,379	7%
Ford Otosan	245,119	256,178	289,444	162,865	195,880	20%	25,460	27,130	7%	27,725	-2%
Hyundai	59,558	60,686	91,089	49,839	49,824	0%	7,431	7,071	-5%	8,216	-14%
Mercedes-Benz Turk	14,427	14,698	19,301	10,799	11,392	5%	1,779	1,768	-1%	1,739	2%
MAN Türkiye	2,172	2,499	2,052	1,344	1,007	-25%	189	104	-45%	139	-25%
Honda Türkiye	12,048	18,326	23,312	13,090	30,986	137%	2,326	5,058	117%	3,832	32%
A. Isuzu	6,917	6,876	8,597	4,321	5,263	22%	557	402	-28%	709	-43%
Otoyol	3,896	4,059	460	744	34	-95%	50	0	-100%	0	-
Karsan	13,143	12,317	10,008	3,649	5,986	64%	495	640	29%	991	-35%
Temsa	8,221	8,438	9,374	4,798	5,516	15%	642	1,000	56%	794	26%
BMC	12,877	11,725	10,605	5,967	5,391	-10%	561	449	-20%	876	-49%
Otokar	3,585	3,678	3,803	2,514	1,781	-29%	341	183	-46%	360	-49%
<b>Grand Total</b>	<b>885,076</b>	<b>984,833</b>	<b>1,096,778</b>	<b>619,812</b>	<b>807,673</b>	<b>30%</b>	<b>93,496</b>	<b>116,280</b>	<b>24%</b>	<b>117,591</b>	<b>-1%</b>

Source: OSD, TSKB Research

**Exhibit: 9 Breakdown of Domestic Sales by Manufacturer**

<b>Passenger Cars (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
Honda Türkiye	9,056	12,634	15,580	8,719	9,470	9%	1,693	1,727	2%	1,547	12%
Hyundai Assan	22,745	15,529	16,667	7,043	12,192	73%	982	1,631	66%	1,596	2%
O. Renault	57,056	50,817	54,896	27,814	29,787	7%	4,179	3,380	-19%	3,951	-14%
Tofaş	31,558	20,431	28,505	13,756	12,791	-7%	2,220	1,714	-23%	1,739	-1%
Toyota	15,170	16,270	5,533	3,644	4,637	27%	602	601	0%	1,252	-52%
<b>TOTAL</b>	<b>135,585</b>	<b>115,681</b>	<b>121,181</b>	<b>60,976</b>	<b>68,877</b>	<b>13%</b>	<b>9,676</b>	<b>9,053</b>	<b>-6%</b>	<b>10,085</b>	<b>-10%</b>

<b>Minibus (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
BMC	924	914	1,237	711	573	-19%	94	7	-93%	98	-93%
Ford Otosan	7,227	4,861	4,677	2,069	2,052	-1%	392	269	-31%	389	-31%
Karsan	991	1,618	1,746	628	871	39%	15	23	53%	70	-67%
Otokar	595	438	313	173	281	62%	6	27	350%	22	23%
<b>TOTAL</b>	<b>10,831</b>	<b>8,530</b>	<b>7,976</b>	<b>3,803</b>	<b>3,777</b>	<b>-1%</b>	<b>513</b>	<b>326</b>	<b>-36%</b>	<b>579</b>	<b>-44%</b>

<b>Midibus (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
A. Isuzu	1,473	1,107	1,573	746	1,040	39%	97	84	-13%	84	0%
Karsan	668	1,345	2,718	670	1,328	98%	87	235	170%	420	-44%
Otokar	725	757	1,235	585	832	42%	51	82	61%	189	-57%
Otoyol	1,457	1,263	357	316	25	-92%	25	0	-	0	-
Temsa	857	902	1,123	451	909	102%	46	100	117%	153	-35%
<b>TOTAL</b>	<b>5,180</b>	<b>5,374</b>	<b>7,006</b>	<b>2,768</b>	<b>4,134</b>	<b>49%</b>	<b>306</b>	<b>501</b>	<b>64%</b>	<b>846</b>	<b>-41%</b>

<b>Bus (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
BMC	338	263	343	107	345	222%	27	23	-15%	29	-21%
MAN	343	457	353	232	92	-60%	14	4	-71%	6	-33%
M. Benz Turk	800	846	689	366	426	16%	64	50	-22%	71	-30%
Otokar	0	0	0	1	151	15000%	1	4	300%	12	-67%
Temsa	255	128	162	66	124	88%	1	12	1100%	14	-14%
<b>TOTAL</b>	<b>1,736</b>	<b>1,694</b>	<b>1,547</b>	<b>772</b>	<b>1,138</b>	<b>47%</b>	<b>107</b>	<b>93</b>	<b>-13%</b>	<b>132</b>	<b>-30%</b>

<b>Pick-Up (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
A. Isuzu	1,957	2,244	3,155	1,596	1,927	21%	141	121	-14%	293	-59%
BMC	4,643	3,575	2,655	1,358	945	-30%	93	34	-63%	194	-82%
Ford Otosan	65,993	59,508	58,561	27,359	27,005	-1%	5,365	3,183	-41%	3,686	-14%
Hyundai Assan	15,476	9,950	5,198	4,757		-100%	773		-100%		#DIV/0!
Karsan	11,118	8,960	3,912	2,270	2,981	31%	392	381	-3%	501	-24%
Otokar	1,166	1,207	1,140	886	260	-71%	141	23	-84%	79	-71%
Temsa	3,370	3,424	3,906	2,066	2,265	10%	248	489	97%	271	80%
Tofaş	41,582	35,375	34,791	16,405	27,163	66%	3,040	3,878	28%	4,347	-11%
<b>TOTAL</b>	<b>145,878</b>	<b>124,607</b>	<b>113,332</b>	<b>56,711</b>	<b>62,546</b>	<b>10%</b>	<b>10,193</b>	<b>8,109</b>	<b>-20%</b>	<b>9,371</b>	<b>-13%</b>

<b>Truck (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
A. Isuzu	2,720	2,814	3,119	1,517	1,653	9%	185	154	-17%	269	-43%
BMC	5,826	6,261	4,846	2,741	2,693	-2%	266	271	2%	441	-39%
Ford Otosan	9,224	7,203	4,465	2,283	2,003	-12%	300	240	-20%	232	3%
M. Benz Turk	8,582	9,949	9,904	5,257	5,374	2%	789	841	7%	853	-1%
Temsa	2,769	2,878	3,032	1,613	1,576	-2%	252	313	24%	260	20%
<b>TOTAL</b>	<b>33,028</b>	<b>32,259</b>	<b>25,366</b>	<b>13,834</b>	<b>13,299</b>	<b>-4%</b>	<b>1,792</b>	<b>1,819</b>	<b>2%</b>	<b>2,055</b>	<b>-11%</b>

Source: OSD, TSKB Research



**Exhibit: 10 Breakdown of Exports by Manufacturer**

<b>Passenger Car (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
Honda Türkiye	2,992	5,692	7,732	4,371	21,516	392%	633	3,331	426%	2,285	46%
Hyundai Assan	8,448	27,296	64,593	35,094	37,632	7%	5,256	5,440	4%	6,620	-18%
O. Renault	123,162	177,411	204,428	127,241	174,624	37%	18,634	30,148	62%	27,428	10%
Tofaş	41,165	59,542	73,214	40,685	42,928	6%	6,548	8,201	25%	6,199	32%
Toyota	144,058	160,479	154,386	90,394	91,267	1%	13,575	11,195	-18%	11,715	-4%
<b>TOTAL</b>	<b>319,825</b>	<b>430,420</b>	<b>504,353</b>	<b>297,785</b>	<b>367,967</b>	<b>24%</b>	<b>44,646</b>	<b>58,315</b>	<b>31%</b>	<b>54,247</b>	<b>7%</b>

<b>Minibus (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
BMC	0	2	0	0	20	-	0	10	-	0	-
Ford Otosan	1,420	551	672	172	680	295%	80	100	25%	160	-38%
Hyundai	2,266	1,255	2,021	1,272		-	258		-		-
<b>TOTAL</b>	<b>3,720</b>	<b>1,809</b>	<b>2,695</b>	<b>1,444</b>	<b>700</b>	<b>-52%</b>	<b>338</b>	<b>110</b>	<b>-67%</b>	<b>160</b>	<b>-31%</b>

<b>Midibus (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>% Chg</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>% Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
A. Isuzu	726	680	728	440	633	44%	134	33	-75%	63	-48%
Karsan	331	393	1,630	81	804	893%	1	0	-	0	-
Otokar	41	167	226	78	137	76%	4	26	550%	16	63%
Otoyol	604	578	100	96	9	-91%	24	0	-	0	-
Temsa	233	350	303	187	151	-19%	34	17	-50%	17	0%
<b>TOTAL</b>	<b>1,935</b>	<b>2,168</b>	<b>2,987</b>	<b>882</b>	<b>1,734</b>	<b>97%</b>	<b>197</b>	<b>76</b>	<b>-61%</b>	<b>96</b>	<b>-21%</b>

<b>Bus (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>% Chg</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>% Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
BMC	383	348	542	298	440	48%	57	55	-4%	51	8%
MAN	1,309	1,874	1,699	1,112	915	-18%	175	100	-43%	133	-25%
M. Benz Turk	1,536	1,222	2,415	1,494	1,629	9%	291	290	0%	219	32%
Otokar	0	0	0	0	15	-	0	13	-	1	1200%
Temsa	602	681	696	370	366	-1%	57	58	2%	70	-17%
<b>TOTAL</b>	<b>3,830</b>	<b>4,125</b>	<b>5,352</b>	<b>3,274</b>	<b>3,365</b>	<b>3%</b>	<b>580</b>	<b>516</b>	<b>-11%</b>	<b>474</b>	<b>9%</b>

<b>Pick-Up (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>%</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>%Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
BMC	7	3	1	0	3	-	0	3	-	0	-
Ford Otosan	160,907	183,548	219,062	130,352	162,278	24%	19,080	22,911	20%	23,003	0%
Karsan	1	0	0	0	2	-	0	1	-	0	-
Otokar	1,058	1,109	889	791	105	-87%	138	8	-94%	41	-80%
Temsa	19	13	60	17	77	-	1	6	-	0	-
Tofaş	46,855	63,519	72,963	39,831	111,416	180%	4,867	13,358	174%	15,579	-14%
<b>TOTAL</b>	<b>218,467</b>	<b>254,159</b>	<b>295,585</b>	<b>172,446</b>	<b>273,881</b>	<b>59%</b>	<b>24,242</b>	<b>36,287</b>	<b>50%</b>	<b>38,623</b>	<b>-6%</b>

<b>Truck (Units)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>7M07</b>	<b>7M08</b>	<b>% Chg</b>	<b>Jul-07</b>	<b>Jul-08</b>	<b>% Chg</b>	<b>Jun-08</b>	<b>Jul-Jun %</b>
A. Isuzu	41	29	22	22	10	-55%	0	10	#DIV/0!		#DIV/0!
BMC	756	359	981	752	372	-51%	24	46	92%	63	-27%
Ford Otosan	348	507	2,007	630	1,862	196%	243	427	76%	255	67%
M. Benz Turk	3,509	2,681	6,293	3,682	3,963	8%	635	587	-8%	596	-2%
Temsa	116	62	92	28	48	71%	3	5	67%	9	-44%
<b>TOTAL</b>	<b>5,061</b>	<b>4,007</b>	<b>9,398</b>	<b>5,117</b>	<b>6,255</b>	<b>22%</b>	<b>906</b>	<b>1,065</b>	<b>18%</b>	<b>923</b>	<b>15%</b>

Source: OSD, TSKB Research

## Exhibit: 11 Passenger Car Market In Turkey

### Passenger Car Sales

(Units)	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%Chg	Jun-08	Jul-Jun %
Local	136,708	117,725	120,740	56,142	64,013	14%	9,905	8,286	-16%	10,002	-17%
Imports	301,889	255,494	236,725	111,235	125,962	13%	18,341	17,244	-6%	18,722	-8%
Domestic Sales	438,597	373,219	357,465	167,377	189,975	14%	28,246	25,530	-10%	28,724	-11%
Imports as % of Total	68.8%	68.5%	66.2%	66.5%	66.3%		64.9%	67.5%		65.2%	4%

### Passenger Car Imports

(Units)	2005	2006	2007	7M07	7M08	% Chg	Jul-07	Jul-08	% Chg	Jun-08	Jul-Jun %
Ford	46,213	38,171	26,223	14,418	15,527	8%	2,561	2,098	-18%	3,060	-31%
Opel	37,320	28,171	22,713	13,681	15,240	11%	2,289	2,180	-5%	2,284	-5%
Volksw agen	31,508	27,624	22,296	11,949	12,700	6%	1,929	1,910	-1%	1,799	6%
Toyota	12,759	13,400	20,478	11,890	11,516	-3%	1,854	2,151	16%	1,689	27%
Peugeot	22,313	17,585	11,374	6,744	7,426	10%	1,326	916	-31%	1,156	-21%
Kia	11,484	11,689	8,763	5,143	4,976	-3%	762	509	-33%	607	-16%
Hyundai	21,700	18,080	8,557	4,905	6,557	34%	690	796	15%	811	-2%
Citroen	9,926	9,718	7,001	3,975	3,986	0%	692	446	-36%	701	-36%
Fiat	4,283	11,592	6,915	3,650	3,971	9%	650	459	-29%	608	-25%
Audi	4,689	4,928	5,225	2,723	3,023	11%	350	413	18%	429	-4%
Honda	8,627	6,259	5,210	2,776	3,830	38%	467	641	37%	580	11%
Renault	19,142	7,840	4,851	2,627	3,071	17%	475	398	-16%	446	-11%
Others	71,925	60,437	87,119	26,754	34,139	28%	4,296	4,327	1%	4,552	-5%
<b>Total</b>	<b>301,889</b>	<b>255,494</b>	<b>236,725</b>	<b>111,235</b>	<b>125,962</b>	<b>13%</b>	<b>18,341</b>	<b>17,244</b>	<b>-6%</b>	<b>18,722</b>	<b>-8%</b>

Source: OSD, TSKB Research

## Exhibit: 12 LCV Market In Turkey

### LCV Sales

(Units)	2005	2006	2007	7M07	7M08	%	Jul-07	Jul-08	%Chg	Jun-08	Jul-Jun %
Local	147,426	129,075	128,965	61,216	60,566	-1%	11,076	7,852	-29%	8,745	-10%
Imports	124,385	115,558	108,332	52,066	54,665	5%	8,168	8,774	7%	8,855	-1%
Domestic Sales	271,811	244,633	237,297	113,282	115,231	2%	19,244	16,626	-14%	17,600	-6%
Imports as % of Total	45.8%	47.2%	45.7%	46.0%	47.4%		42.4%	52.8%		50.3%	

### LCV - Imports

(Units)	2005	2006	2007	7M07	7M08	% Chg	Jul-07	Jul-08	% Chg	Jun-08	Jul-Jun %
Volksw agen	32,743	31,625	28,242	13,522	12,930	-4%	2,204	1,816	-18%	1,796	1%
Renault	31,428	25,603	22,773	11,301	9,773	-14%	1,818	1,573	-13%	2,130	-35%
Hyundai	10,623	8,972	6,506	3,499	3,465	-1%	533	541	2%	608	-12%
Opel	9,137	6,776	5,459	2,567	2,705	5%	392	386	-2%	481	-25%
Citroen	4,828	5,030	5,215	2,375	2,501	5%	398	437	10%	251	43%
Mitsubishi	3,934	4,579	5,415	2,445	4,111	68%	311	937	201%	921	2%
Mercedes	5,425	5,552	4,963	2,289	2,273	-1%	420	354	-16%	326	8%
Fiat	4,300	3,327	4,536	2,265	1,831	-19%	287	235	-18%	233	1%
Kia	5,624	3,491	3,699	1,579	1,723	9%	243	193	-21%	179	7%
Ford	3,985	3,904	3,348	1,556	1,818	17%	225	208	-8%	410	-97%
Nissan	3,969	3,306	2,770	1,408	1,359	-3%	175	130	-26%	156	-20%
Toyota	1,808	1,726	2,073	1,081	1,171	8%	159	143	-10%	122	15%
Dacia	241	1	5,263	1,913	2,597	36%	478	350	-27%	272	22%
Others	6,581	11,667	13,333	4,791	7,879	64%	525	1,471	180%	970	34%
<b>Total</b>	<b>124,626</b>	<b>115,559</b>	<b>108,332</b>	<b>52,066</b>	<b>56,136</b>	<b>8%</b>	<b>8,168</b>	<b>8,774</b>	<b>7%</b>	<b>8,855</b>	<b>-1%</b>

Source: OSD, TSKB Research

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