2012 Annual Report

Fleet Leasing

DRD Fleet Leasing Continues to Move Forward through Effective Management of the Five Fundamental Processes in Operational Fleet Management!

We continue to grow steadily as Turkey's largest operational fleet leasing company established with domestic capital.

We continue to make a difference with the largest sales network in operational fleet management and invest consistently at a level of € 165 million per annum.

We are moving forward confidently by differentiating ourselves through our team of experts in our five main business lines: finance, automotive, operational fleet management, used vehicle sales, insurance and damage management.

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An active fleet of
17,501 vehicles

2,611
customers in client
portfolio

1,100
broad service
network

Largest sales network
in operational fleet
management

**Above sector average
rating received**
from JCR Eurasia Rating

Consistent investment of
**euros 165 million
per annum**

Professional management structure
and long-standing industry
experience

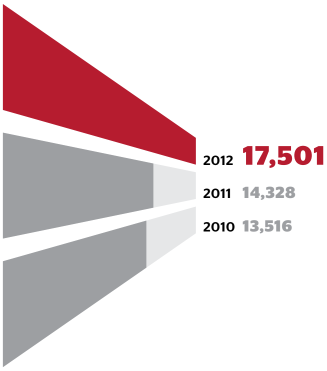
DRD Fleet Leasing in Figures

Thanks to achieving greater business process efficiency, DRD Fleet Leasing has taken its **financial profitability** and **operational efficiency** to higher levels in 2012.

OPERATIONAL INDICATORS

	2010	2011	2012
Number of Vehicles in the Fleet	13,516	14,328	17,501
Value of Fleet	488,618	596,507	821,047
Vehicle Investments (Units)	5,950	5,820	5,885
Vehicle Investments (TL Thousand)	223,371	279,670	326,536
Average Age of the Fleet (Months)	21	17	18
Number of Customers	1,302	1,600	2,611

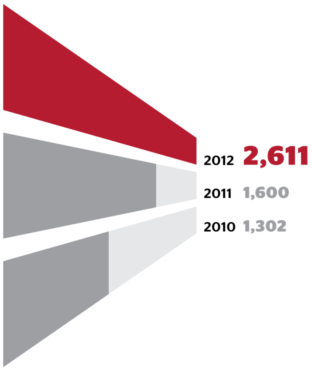
Number of Vehicles in the Fleet (Units)



17,501 vehicles

DRD Fleet Leasing's fleet size increased to 17,501 vehicles in 2012.

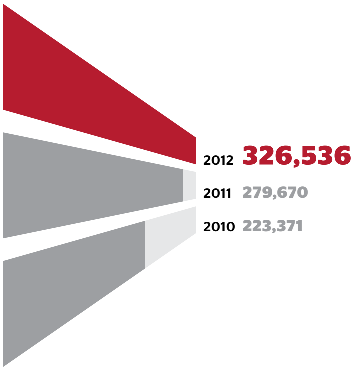
Number of Customers



2,611 customers

In 2012, DRD Fleet Leasing's customer portfolio expanded 63% compared to the previous year and totaled 2,611 clients.

Vehicle Investments (TL Thousand)



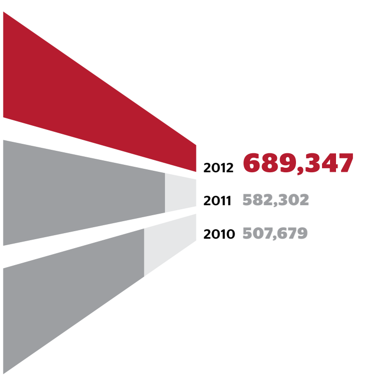
TL **326,536** thousand

DRD Fleet Leasing has reinforced its market leading position through vehicle investments over the last three years. In 2012, DRD invested TL 326,536 thousand in new vehicle acquisitions.

FINANCIAL INDICATORS (TL Thousand)

Operational Leasing Business Branch	**2010**	**2011**	**2012**
Total Assets	443,946	530,858	616,556
Sales	133,536	140,453	181,064
Operating Profit	61,971	64,652	84,940
Automotive Business Branch			
Total Assets	27,856	30,205	43,218
Sales	89,316	98,040	100,374
Operating Profit	1,441	-8,174	-540
Company Total			
Total Assets	507,679	582,302	689,347
Sales	222,852	238,492	281,438
Shareholder's Equity	68,951	63,552	103,668
Operating Profit	63,412	56,478	84,400
Net Profit	20,146	5,901	40,115
Rating (JCR Eurasia Credit Rating)			
Short-Term	A-3	A-3	A-2
Long-Term	BBB-	BBB-	BBB+
Outlook	Stable	Positive	Stable

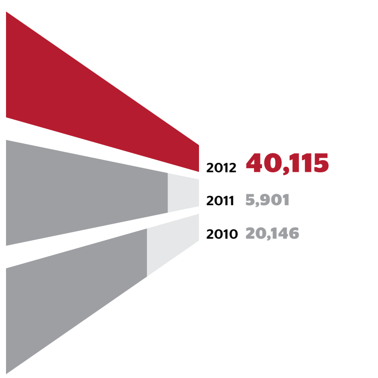
Total Assets (TL Thousand)



TL **689,347** thousand

While maintaining sustainable growth, DRD Fleet Leasing has significantly expanded its fleet size and increased the Company's total assets by 18%.

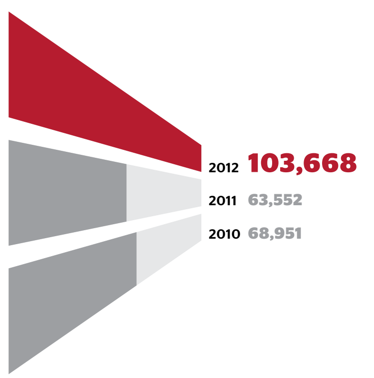
Net Profit (TL Thousand)



TL **40,115** thousand

Drawing attentions for its steady financial strength and operational competency, DRD Fleet Leasing posted net profit of TL 40,115 thousand in 2012.

Shareholder's Equity (TL Thousand)



TL **103,668** thousand

DRD Fleet Leasing's shareholder's equity increased TL 103,668 thousand in 2012, up 63.12% over the prior year.

DRD Fleet Leasing in Brief

With an annual investment budget of euros 165 million, DRD Fleet Leasing aims to expand its **vehicle fleet, improve the service network and upgrade its IT infrastructure** in the coming year to sustain its **market leading position.**

DRD Fleet Leasing Market Share

10%

DRD Fleet Leasing is the largest 100% domestic operational fleet leasing company in Turkey. As of year-end 2012, DRD had a market share of 10%.

Drawing on its long-standing experience in the automotive industry, DRD Fleet Leasing has pioneered Turkey's fleet leasing sector, which was structured in the 1990s. The Company established its operational fleet leasing branch with 20 vehicles in 1998. Today, DRD Fleet Leasing has an active fleet of 17,501 vehicles and over 2,611 corporate customers in its client portfolio. DRD has successfully maintained its market position as the largest company established with domestic capital and holds a 10% market share.

The Company's headquarters is located in Zeytinburnu, Istanbul with regional offices located in Ankara, Adana, Bursa, Izmir, Gaziantep, Konya, and Kayseri. The Company also supports a widespread operational network of approximately 1,100 service stations.

As of year-end 2012, 65% of the Derindere Group's total revenue was generated from the operational fleet leasing business branch, which employs 162 personnel.

DRD Fleet Leasing Ranks Among the 500 Largest Companies in Turkey

Today, we rank among the 500 largest companies in the country thanks to our long-standing experience, strong financial structure, widespread service network, and consistent investments. We continue to grow with the confidence you have in us.

The Largest Domestic

The Largest Fleet Leasing Company Established with Domestic Capital

Message from the Board of Directors

With a leading position in the **"operational fleet leasing"** sector, DRD rapidly adjusts to changes in the domestic and global environment and strides forward confidently.

In recent years, the global economic balance of power has shifted from the West to the East. The fluctuation of the global economy has continued since 2008, especially through economic contraction surfacing in Europe and the ongoing financial fluctuation in the Eurozone. 2012 was marked by important economic, political and social developments on a global scale. During the year, the sovereign credit ratings of many EU member countries were lowered by international rating agencies. Elections and political leadership changes especially in the USA, China, and France were monitored closely by the markets, and China's economy, in the BRICs, successfully maintained its rapid growth.

The Turkish economy was among the fastest growing in the world in 2011 expanding at an annual rate of 8.5%. However, economic growth slowed to 2.2% during the past year. Overall, Turkey enjoyed a stable year in 2012; the cooling in internal demand and slowdown in imports resulted in a decreased annual consumer inflation rate of 6.16%, and a much improved current account deficit, one of the country's most significant issues.

The upcoming 10 year period will witness many important economic and political changes across the world, as well as in Turkey. Many of these future changes have the potential to affect Turkey positively. In the coming years:

- Political shifts that will affect the sharing of natural resources, such as petroleum, natural gas, and water, will take place and these resources will be distributed more evenly;
- Major developments in alternative energy sources will take place;
- Rapidly developing markets will emerge east of Turkey and the consumption demand there will provide the country with additional reliable growth opportunities and strength while increasing the impact area of Turkey's economy;
- As the government sets aside resources to support infrastructure and economic development, Turkey's regional power and importance will rapidly increase;
- While Poland and Hungary are growing to be significant rivals in Eastern Europe, countries like Greece, Bulgaria, Kosovo, Albania, and Romania, to an extent, will remain in Turkey's sphere of influence. Although this positive development will not rise to a political level, it will surface as an economic reality;
- While Turkey's current potential results in growth and additional employment opportunities, many significant new employment opportunities to both our east and our west will emerge;
- Although direct capital inflow into the country and long-term loan opportunities will increase, the costs in these fields will decrease;
- National per capita income will rise quickly while the service industry will expand rapidly;
- Social facilities, education levels, and public services will further develop while living standards and quality of life will improve; customer expectations will rise at a speed above those foreseen by companies;
- If today's multinational companies are not agile and flexible enough to benefit from this evolving scenario in the coming periods, new players with high agility and flexibility will emerge in the market.

Players who are not able to recognize these fundamental changes projected in the global and domestic market environment in an accurate way, or who cannot effectively adapt to meet these changes, will pay the price. Those who are not able to take the necessary steps toward the two most important aspects of today's world, namely "change" and "sustainability," will lose their position in the market. Meanwhile, their competitors who have taken effective measures to adapt to the new reality will have the upper hand and hold a competitive advantage.

DRD Fleet Leasing has clearly defined its goals and formulated its strategic roadmap to achieve those goals for the next 10 years. DRD is confidently moving towards its goal of becoming one of the most important companies not only in Turkey, but also in the geographic region.

Aytekinhan Yıldırıcı
Executive Board Member

Message from the Board of Directors

Drawing upon its **long-standing experience and professional management approach, DRD Fleet Leasing** strides confidently into the future by closely monitoring market and sector developments.

In addition to future global market developments, important steps planned for the coming 10 year period based on its geopolitical location will raise Turkey to a more prominent position in the global economy.

The operational fleet leasing sector has ranked among the top sectors to show the most rapid development in recent years in Turkey. With its sector leading position, DRD Fleet Leasing is taking strong and effective steps to sustain its growth by quickly adapting to the changing market environment in the world and in Turkey.

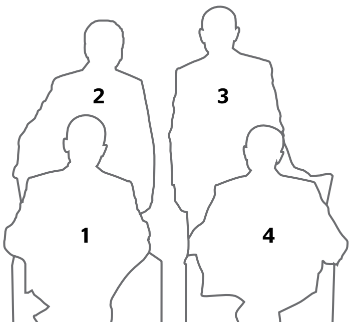
DRD Fleet Leasing has clearly defined its goals and developed its strategic road map to achieve those goals for the 10 years ahead. In addition to working to reach its numerical targets, DRD is striving toward its objectives of meeting customer expectations at the highest possible level, becoming a company that is widely admired and acclaimed, bringing a point of view that breaks the mold in both Turkey, and more importantly, in Europe, while maintaining effective risk management, as well as becoming one of the most important and pursued companies not only in Turkey, but also the region.

DRD Fleet Leasing is well aware that these developments are not valid for just a certain period of time and that continuous improvement is key. Although our Company leads the sector, it is committed to continuously investing to develop its strategies in line with market needs.

As in our past achievements, the most important role in reaching our long-term goals will be played by the employees at every level of DRD Fleet Leasing. We hereby thank all of our co-workers as well as business partners, who enable us to provide services throughout Turkey at DRD Fleet Leasing quality standards. And we express our gratitude to all of our valuable customers, who chose us in 2012 as well and enabled us to strengthen our position as “Turkey’s largest operational fleet leasing company established with domestic capital.”

With kind regards,

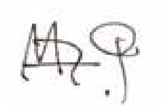
Aytekinhan Yıldırıcı
Executive Board Member



Board of Directors

Özkan Derindere (1)
Chairman of the Board

Born in 1963 in Samsun, Özkan Derindere has actively participated in the management of the Company since his university years. As a company partner, Mr. Derindere has also served as the Chairman of the Board of Derindere Group Companies since 1979.



Harun Çay (2)
Board Member

Born in 1963 in Samsun, Harun Çay has been with Derindere Group Companies since 1987. After serving many years as Financial Affairs Coordinator, Mr. Çay is still a Board Member at DRD Fleet Leasing.

Aytekinhan Yıldırıcı (3)
Executive Board Member

Born in 1957 in Istanbul, Aytekinhan Yıldırıcı began his professional career in 1975 at Mobil Oil Türk A.Ş. He worked at Europcar between 1976 and 1998 and after serving as General Manager, Mr. Yıldırıcı joined the Derindere Group Companies. With experience spanning 35 years in the automotive industry, Mr. Yıldırıcı is among the pioneers of institutionalizing the fleet leasing sector in Turkey. Mr. Yıldırıcı serves as Executive Board member at DRD Fleet Leasing.

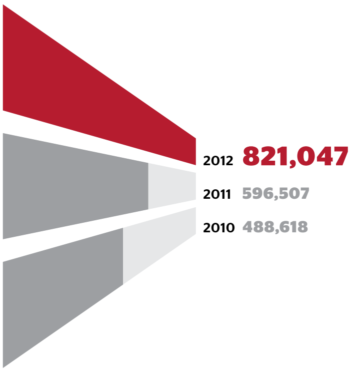
Ömer Derindere (4)
Vice Chairman of the Board

Born in 1936 in Osmancık, Çorum, Ömer Derindere was engaged in the wholesaling of food and provisions in Samsun until 1970. Between 1970 and 1980, he worked as the authorized sales and after-sales dealer for various automobile brands. Since the 1980s, Mr. Derindere has been Vice Chairman of the Board of the Company which operates as the Authorized Toyota Dealer.

Message from the General Manager

DRD Fleet Leasing is proud to have confirmed its sector leading position in 2012 by showing a **strong financial and operational performance** and **making a difference in the sector with all of its stakeholders and** employees.

Value of Fleet (TL Thousand)



TL **821,047** thousand

The value of DRD Fleet Leasing's fleet totaled TL 821,047 thousand, up 38% over the prior year.

Along with the important global market developments, Turkey, and its geographic region, has been undergoing rapid economic, political and social changes in recent years. To achieve "sustainability," it is of utmost importance to accurately analyze not only Turkey's own development, but the changes in other countries in the region as well and to develop flexible medium and long term strategies.

In addition to global and regional developments, the operational fleet leasing sector in which we operate has also been undergoing major changes. Many sector players have realized that adapting to this changing market environment quickly is rather difficult and have focused on redefining their processes and modifying their short, medium, and long-term strategies accordingly.

This period of great change does not only relate to pricing in the market, but is also about forming a new structure that will cover the content, speed, and range of services that make up the operational fleet leasing concept and determine the real competitive environment. With this new structure, simultaneous and effective management of the five main components of the sector, namely finance, automotive, insurance-damage, used vehicles, and operational fleet management, has become the basis of even existing in the market, which is at the intersection of these key business lines.

With a visionary approach, DRD Fleet Leasing has specialized in these five different key areas and has redesigned its entire organizational structure to fully meet the requirements of this period of change. To effectively manage these areas with full coordination, DRD Fleet Leasing has closely reviewed all of its business processes. While strengthening its risk management systems and bringing all risk points under control, DRD has also achieved significant cost advantages and increased its efficiency as well as service quality. As a natural result, growth and profit figures along with customer satisfaction have all improved. These achievements have had direct and positive impacts on our financial and operational indicators.

Having operated in the operational fleet leasing sector since its establishment in 1998, DRD Fleet Leasing has created significant added value by pioneering the sector's development in Turkey. In 2012, DRD has been successful in many other areas as well. When we look at the 2012 activity and performance reports, DRD Fleet Leasing, along with all of its stakeholders, is rightfully proud to have once more proven that it is a sector pioneer, having leased 17,501 vehicles to over 2,600 customers and generated TL 84.4 million in operating profit and TL 45.7 million in profits before taxes.

For the next 10 years, we are taking carefully planned and confident steps toward becoming a Turkish company with 100% domestic capital with a corporate brand that is an effective and powerful competitor not only in Turkey but in the greater region without deviating from our principles and promises.

İlkay Ersoy
General Manager

Message from the General Manager

With its **strong financials and high credit ratings in both domestic and foreign markets,** DRD Fleet Leasing has continued to attract the market's attention in 2012.

DRD Fleet Leasing continues to pursue its well-defined targets and implement effective strategies in areas such as customer satisfaction, asset value, profitability, customer penetration, used vehicle performance, process development, technology utilization, and expansion of the service network in the operational fleet leasing sector. This approach adopted by our Company and our employees will continue to be followed in the future as well.

DRD Fleet Leasing's successes in 2012 were not limited to strong sales results. The Company's operational achievements have been yet another source of pride for us. DRD laid the foundation for its strong performance in 2012, by recruiting the highly qualified employees. For the reporting year, DRD Fleet Leasing bested its performance in 2011. As a result of this, the Company reinforced its sustainable success in terms of both market performance and operational and financial management.

As one of the leaders in the operational fleet management sector in Turkey, DRD Fleet Leasing has continued to consistently grow over the years. With its strong financials and high credit ratings in both domestic and foreign markets, DRD continued to attract the market's attention in 2012. With the US$ 110 million syndicated credit facility we signed in 2007, DRD received the largest loan amount with the longest term extended to a Turkish company in the sector. Furthermore, JCR Eurasia Rating, an international agency, assigned DRD Fleet Leasing an investment grade rating and once again the largest company established with domestic capital in Turkey in operational fleet leasing served as a model for the sector.

In 2012, DRD Fleet Leasing crowned its consistent improvements with a new accomplishment. DRD appeared in both the "Capital 500" and "Fortune Turkey 500" rankings, which are compiled by Capital and Fortune magazines, respectively, to determine the 500 largest companies in Turkey.

DRD has covered significant distance in its organizational structuring efforts. The Company has developed processes to better meet customer needs and expectations while also making key investments in many areas to improve its distribution channels. With the new DRD Regional Office and branch structures opened in 2012, the Company further expanded its widespread sales network. The infrastructure related work for regional operations that will open in 2013 are complete. Investments to provide "exceptional after sales services" covering all regions in Turkey continued at full speed; the number of service points throughout the country increased to 1,100 in 2012.

During the year, the Company diversified its funding sources with banks at minimum cost through mutual trust, professional and long-term relationships in order to achieve important savings in financing costs.

DRD implemented major corporate risk management related projects through the Internal Auditing Unit and with professional service providers. Additionally, the Company carried out many initiatives in a variety of areas including revising internal regulations, strengthening of reporting mechanisms, and developing corporate responsibility projects.

DRD completed all the necessary requirements related to a new legislative framework including the New Turkish Commercial Code, Code of Obligations, and the Consumer Law all enacted in 2012. In order for our Company to take preventative measures against potential risks, our team and consultants have completed all the required preparatory work.

In 2012, DRD recorded another accomplishment by ranking in both the **“Capital 500”** and **“Fortune Turkey 500”** lists, compiled by the prestigious Capital and Fortune magazines.

In the area of Information Technologies, DRD Fleet Leasing continued investments to further improve its advanced IT infrastructure in terms of speed, quality, and efficiency. Under the initiative that began last year, DRD renewed its own ERP system, which is unique in the sector. The Company’s efforts to deploy an extensive, state-of-the-art network that will integrate all of its suppliers and customers into the ERP system are also ongoing.

In the Marketing and Corporate Communications area, DRD has successfully implemented applications that will differentiate the Company in the sector. DRD raised its customer satisfaction and brand loyalty levels, while implementing communications related projects that underline the Company’s pioneering identity in the sector.

Although we focused on our business goals in 2012, we continued to provide educational grants, as we have done for many years with much success, under our corporate social responsibility initiatives. Among the ground-breaking technology related projects included in our business plan for 2013 are the development of our new website, new media channels that will support the continuity of our communications, and software applications that will support our operational fleet management services.

Although we focused on our business goals in 2012, we also continued to implement corporate responsibility initiatives during the year. For example, we once again provided educational grants to students in need as we have in previous years with great success. At DRD, we have undertaken an important mission by supporting WWF-Turkey’s “Turkey’s Life” campaign. This campaign aims to protect biological diversity and to eliminate the negative effects of factors that threaten the country’s natural richness. With an organizational structure that values the environment, humanity, and nature, the Company plans to continue its corporate social responsibility activities in 2013 as well.

We are committed to becoming, and continuously strive to be, a company that engages in effective risk management, maintains a strong financial structure, earns the appreciation of its customers, instills the pride of its employees, engenders trust among suppliers in the financial and real sectors, and is respected by competitors for its work principles and efficient processes. It is possible to find all types of information and data that will prove our commitment to these objectives in our annual report.

For the next 10 years, we are taking well-planned and confident steps toward making a Turkish company established with domestic capital into an international brand that is a strong and effective competitor not only in Turkey but the surrounding region without deviating from our principles and promises. We wholeheartedly believe that all of our stakeholders will admiringly watch DRD Fleet Leasing’s innovative, unprecedented, and exemplary steps in the sector in the coming years.

DRD Fleet Leasing believes in the ongoing benefit of full transparency for our finance providers, suppliers, customers, and even our respected competitors. To this end, we are proud to present you with our 2012 Annual Report and the Auditor’s Report, which includes many efficiency indicators including financial data, prepared according to international financial reporting standards (IFRS) and audited by PriceWaterhouse Coopers.

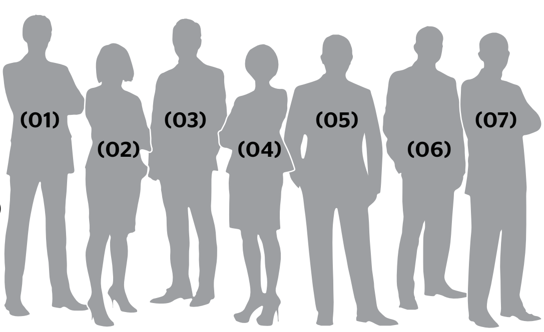
Behind all of these achievements are our employees who are continuously improving themselves in order to provide customers with an operational fleet management experience that exceeds their needs and expectations. For that reason, I would like to once again thank all of my co-workers for their dedicated efforts.

Kind regards,

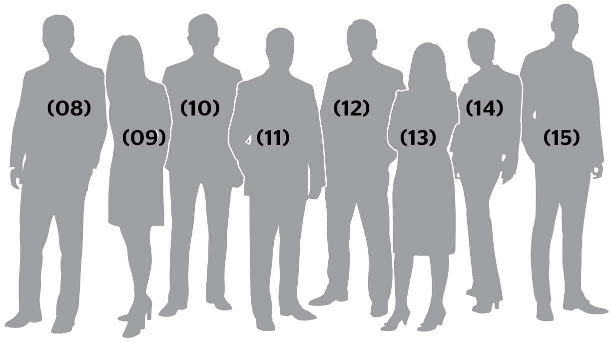
İlkay ERSOY
General Manager

Management

Mehmet Soday - Internal Auditing and Process Development Manager **(01)**
Gülsüm Karacan - Legal Affairs - Attorney **(02)**
İbrahim Arslan - Service Manager **(03)**
Harika Akkartal - Istanbul Anatolia Regional Manager **(04)**
Levent Gençağa - Marketing and Corporate Communications Manager **(05)**
Şafak Kürkçü - Sales Manager **(06)**
Aşkın Altıncı - After Sales Services Group Manager **(07)**



İlkay Ersoy - General Manager **(08)**
Müjde Gözübek - Financial Group Manager **(09)**
Murat Tandoğan - Vehicle Purchasing and Sales Support Manager **(10)**
Kaan Yemişci - Used Vehicle Sales Assistant Director **(11)**
Faruk Bucaklıoğlu - Service Manager **(12)**
Necla Çelik - Human Resources Manager **(13)**
Belgin Atilkan - Ankara Regional Office Sales Manager **(14)**
Serkan Taştan - IT Manager **(15)**



Vehicle Investments

Having invested **TL 830 million in new vehicle acquisitions** over the last three years, **DRD Fleet Leasing** has improved **the age and value of its vehicle portfolio.**

In operational fleet management, offering a diverse range of vehicle brands and models in an accurate and fast manner is just as critical as the quality of services and products provided a widespread service network, and sector experience. DRD Fleet Leasing has improved its vehicle fleet through consistent and continuous investments throughout the years. The Company is reinforcing its fleet with alternative vehicles in order to meet customer demands and needs accordingly. DRD maintains a fleet structure that overlaps with the vehicle distribution in Turkey based on different brands and segments. Over the last three years, DRD Fleet Leasing has invested TL 830 million in new vehicle acquisitions and increased its nationwide vehicle portfolio to 17,501.

INCREASING SHARE OF HIGHER SEGMENTS

DRD Fleet Leasing increased the number of vehicles in its fleet by 22% in 2012 compared to the prior year. DRD places importance on expanding its vehicle fleet in terms of quantity as well as upgrading the quality of the fleet. Especially in recent years, DRD Fleet Leasing has increased the average value per vehicle by increasing the share of higher segment vehicles in its fleet. In 2012, the majority of purchases in the B, B+, and C segments were made from Renault, Citroen, Fiat, Toyota, and Volkswagen while the D, E, and F segments consist mostly of Audi, Volvo, BMW, and Mercedes.

VEHICLE INVESTMENTS

Vehicle Investments	2010	2011	2012
Units	5,950	5,820	5,885
Amount (TL Thousand)	223,371	279,670	326,536

DRD Fleet Leasing bases its annual vehicle investment decisions for operating cycles on its long standing sector and market experience, sound statistical data, and long term business plans. During the purchase process, DRD evaluates each brand/model breakdown based on criteria such as its market price, performance, quality, leasing potential and service network.

FLEET THAT FULLY MEETS CUSTOMER DEMANDS

An analysis of regional customer demand reveals that demand in metropolitan cities such as Istanbul, Ankara, Bursa, and Izmir, especially in the last three years, has increased for diesel engine vehicles with automatic transmission since they provide greater fuel economy and better driving comfort in heavy traffic. Also, many of the brands in DRD Fleet Leasing's fleet have begun providing the market with advanced technology diesel engine vehicles with automatic transmission.

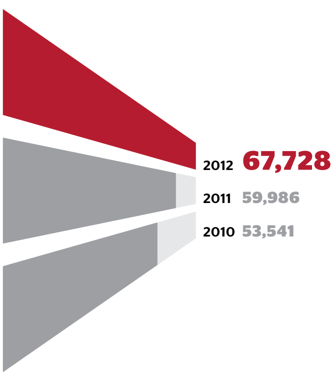
DRD Fleet Leasing bases its decisions for expanding and renewing its vehicle portfolio on the Company's long standing sector and market experience, strong statistical data, and long term business plans while raising the bar for quality through its effective business processes.

Murat Tandoğan
Vehicle Purchasing and Sales Support Manager

Vehicle Investments

DRD plans to invest **TL 397 thousand in new vehicle acquisitions in 2013,** while **aiming to increase its total fleet size to 21 thousand vehicles.**

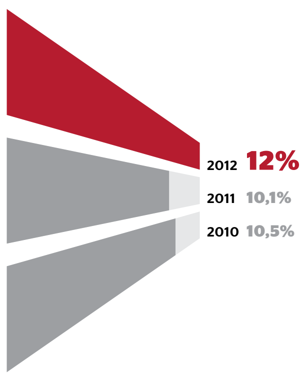
Total New Vehicles Purchased in Sector(*)



67,728 vehicles

Companies in the fleet leasing sector purchase a significant number of new vehicles in each operating cycle.

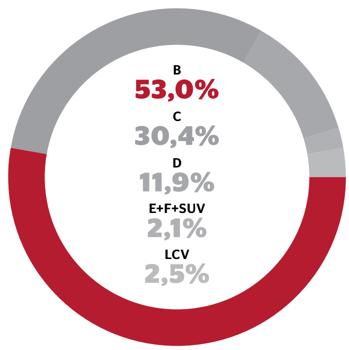
Sector Share in New Vehicle Purchases (%)(*)



12%

Regular new vehicle purchases of the fleet leasing sector bring significant robustness to the Turkish automotive market.

Segment Distribution of Vehicle Portfolio of the Fleet Leasing Sector (2012)(*)



The B segment, preferred for its fuel savings and suitability for general use features, dominates the overall vehicle portfolio of the Turkish fleet leasing sector.

While diesel engine vehicles have increased in the B+, C, and D segments, brands have recently begun rolling out vehicles with gasoline engine sizes of 1,600 cc or less, which provide both fuel economy an enjoyable driving performance.

Statistical data from DRD Fleet Leasing's Anatolian regional offices show that vehicles with manual transmission have a significant share in cities that have less traffic than metropolitan areas. In addition, the share of vehicles with an engine size of 2,000 cc or more with turbo-diesel options is increasing rapidly for E and F segment vehicles, which are custom ordered by DRD based on customer preferences.

TARGET: 21 THOUSAND VEHICLES

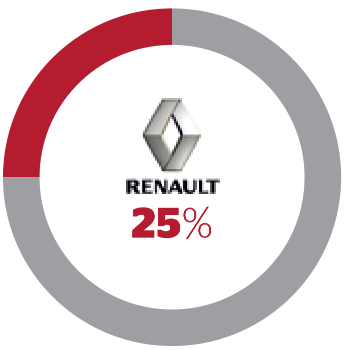
DRD Fleet Leasing aims to develop its fleet with a well-balanced structure through extensive analytical and cost-benefit studies. In 2006, one single brand had a 51% share within DRD's fleet structure. Thanks to segment and brand diversification strategies implemented to achieved a more balance fleet structure, the largest share of a single brand within DRD's fleet has fallen to 25% in 2012. DRD Fleet Leasing is planning to invest TL 397 thousand in vehicles in 2013. Unless there is a significant change in the general economic outlook, DRD aims to increase the number of vehicles in its portfolio to 21 thousand at the end of 2013.

(*) TOKKDER Operasyonel Kiralama Sektör Raporu – TNS Global 2012

During the purchase process, DRD Fleet Leasing evaluates each brand/model based on criteria such as its market **price, performance, quality, leasing potential, and service network.**

BRAND DISTRIBUTION OF THE DRD FLEET

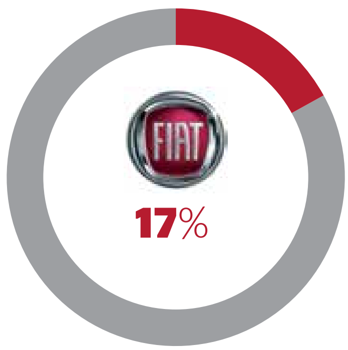
Renault



4,090 vehicles

In parallel to the Turkish automotive industry, Renault has the largest share in DRD Fleet Leasing's vehicle portfolio.

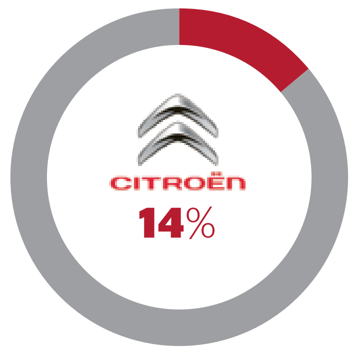
Fiat



2,706 vehicles

Fiat makes up 17% of DRD Fleet Leasing's fleet and is among the brands most preferred by customers.

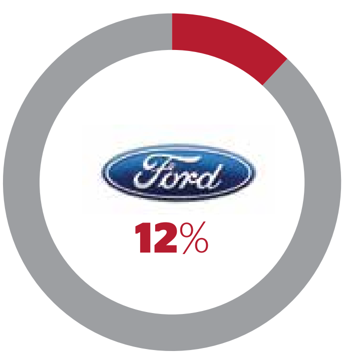
Citroen



2,257 vehicles

Citroën plays a significant role in the vehicle portfolio especially with its diesel engine-automatic transmission vehicles in B, C, and D segments.

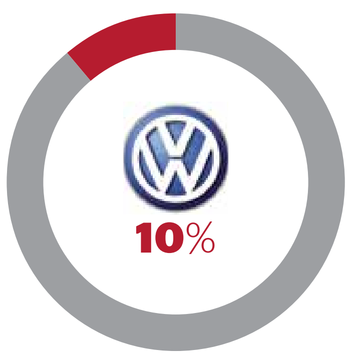
Ford



1,916 vehicles

Another brand most preferred by customers is Ford, which has a 12% share in DRD Fleet Leasing's vehicle portfolio.

Volkswagen



1,698 vehicles

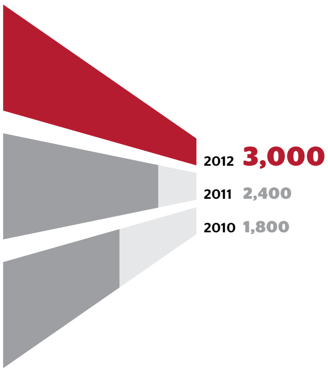
Volkswagen makes up 10% of DRD's vehicle portfolio. With 1,698 vehicles in the fleet, VW ranks among the brands with highest share.

Brand	Units	%
Renault	4,090	25
Fiat	2,706	17
Citroen	2,257	14
Ford	1,916	12
Volkswagen	1,698	10
Toyota	1,227	8
Hyundai	604	4
Audi	527	3
Volvo	221	1
Opel	192	1
Mercedes	191	1
BMW	180	1
Other	527	3
Total	17,501	100

Vehicle Investments

DRD Fleet Leasing provides effective solutions that meet the needs and **expectations of its customers** through its broad vehicle portfolio, which is diversified **in terms of engine and transmission type.**

Total Value of New Vehicles Purchased in Sector (Million TL)(*)



TL 3,000 million

The fleet leasing sector invested a total of TL 3,000 million in new vehicles in 2012, a 25% increase compared to the previous year.

In its short history, the operational fleet leasing sector has become the most important customer of Turkey's automotive market. By purchasing 67,728 new vehicles in 2012, the sector has continued to consistently increase its market share in the country's automotive market. While the operational fleet leasing sector's total purchase value amounted to TL 1 billion in 2010, this figure had increased to TL 3 billion in 2012. The sector's purchase share in the passenger car market has risen from 10.5% to 12.2% over the same period.

(*) TOKKDER Operational Fleet Leasing Sectoral Report – TNS Global 2012

ENGINE TRANSMISSION DISTRIBUTION OF VEHICLE PORTFOLIO (%)

Engine Type	2010	2011	2012
Diesel	89%	92.5%	93%
Gasoline	11%	7.5%	6.5%
Electric	-	-	0.5%
Transmission Type	**2010**	**2011**	**2012**
Automatic	20,5%	27%	33%
Manual	79,5%	73%	67%

Significant developments have taken place in the segment distribution of vehicles in the sector. The B segment holds the largest share with 53%, followed closely by segments C, D, and E, which have steadily increased their share in the sector in recent years. Although this segment based shift over the years is due to the fact that the benefits provided by the sector are more widely understood, it is also related to the rising number of mid and high level executive end users.

When evaluated based on engine type, the share of diesel engine vehicles in the sector portfolio has grown consistently over the years and reached 90.6% in 2012. Despite the high percentage of diesel engine vehicles in the operational fleet leasing sector, this share remains at 58.7% in the overall automotive market. The main reason behind this difference is that although diesel engine vehicles cost up to 20% more compared to those with gasoline engines, the effective pricing and service infrastructure of the operational leasing sector allows for elimination of this additional cost burden.

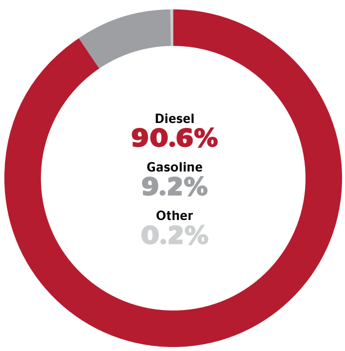
When evaluated based on transmission type, 78.1% of the vehicles in the sector's portfolio are equipped with manual transmission, while 21.9% have automatic transmission. The growing share of vehicles with automatic transmission in the sector over the years is closely related to the increasing shares of mid and high level managers among the end users.

In terms of brand, 24% of the vehicle portfolio of the operational fleet leasing sector consists of Renault vehicles. Following Renault and rounding out the top three are Volkswagen with 20% and Ford with 18%.

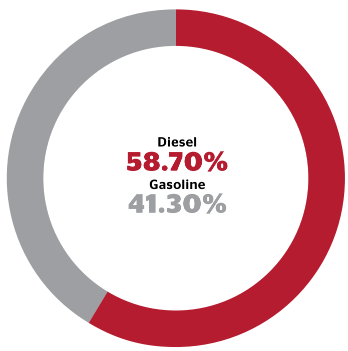
Brands that can best meet the needs, demands, and expectations of the sector and the sector's customers in terms of criteria such as price, performance, quality, leasing potential, resale value, service quality, and service network are able to improve their share in the sector over the years.

With a 12.2% market share, the operational fleet leasing sector has quickly become the most important customer of Turkey's automotive market.

Vehicle Characteristics in the Fleet Leasing Sector's Portfolio (2012)(*)

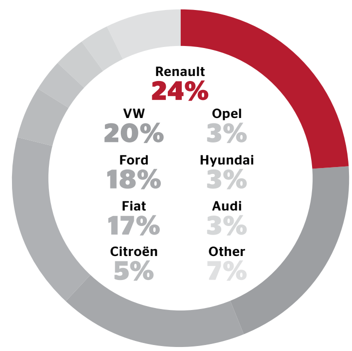


Vehicle Characteristics in the Automotive Industry (2012)



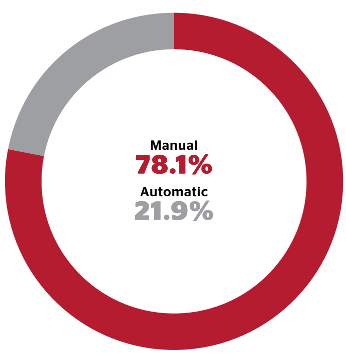
A significant proportion of the vehicles in the Turkish fleet leasing sector is equipped with diesel engines.

Brand Mix of the Fleet Leasing Sector (2012)(*)

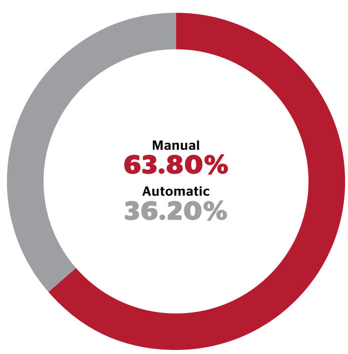


The brand mix of the Turkish fleet leasing sector parallels consumer preferences in the market.

Vehicle Characteristics in the Fleet Leasing Sector's Portfolio (2012)(*)

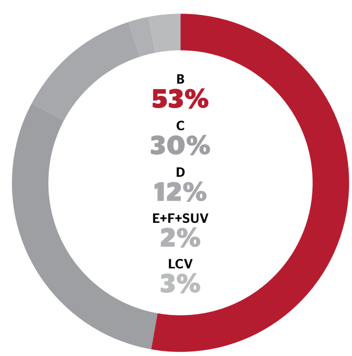


Vehicle Characteristics in the Automotive Industry (2012)



Some 78% of vehicles in the portfolio of the Turkish fleet leasing sector are equipped with manual transmission, while 22% have automatic transmission.

Segment Distribution of the Fleet Leasing Sector Vehicle Portfolio (2012)(*)



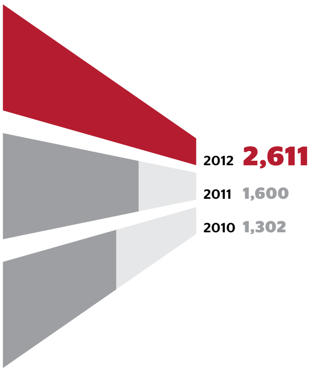
With its "fuel savings" and suitability for general use features, the B segment dominates the overall vehicle portfolio.

(*) TOKKDER Operational Fleet Leasing Sectoral Report – TNS Global 2012

Sales

DRD Fleet Leasing aims to be closer to its customers in all locations by minimizing its geographic distance to them. **With its new sales offices opened in 2012,** DRD operates **the largest sales network in the sector.**

Number of Customers



2,611 customers

Continuing its consistent growth in terms of customer penetration, DRD Fleet Leasing expanded its customer base from 1,600 to 2,611 clients in 2012.

DRD Fleet Leasing bases its sales strategies on the concept of sustainability, utilizes resources in the best possible way to achieve its goals, and operates effectively in highly competitive environment.

The Company grew at a rate above the sector average in 2012. While the fleet leasing sector expanded by 13% in 2012, DRD Fleet Leasing grew nearly 22%. During the year, the Company added new customers to its portfolio, and increased its existing client base of 1,600 to 2,611. This expansion in DRD's customer portfolio is a significant indicator of the Company's high-quality service and high level of customer loyalty.

STRUCTURING IN NINE REGIONS

DRD Fleet Leasing conducts sales operations not only in Istanbul, but also in all cities which have intensive business activities and industrial investments. In line with its strategic approach of creating a customer base and expanding the existing market, the Company strives to minimize geographic distance and become closer to its customers in order to achieve healthy growth. For that reason, with the newly opened regional offices and sales offices in 2012, the Company now operates in nine regions in Turkey. To better serve its growing sales network, the Istanbul Anatolian Regional Office opened in January 2012.

As a result of the sales activities we carry out under our “flawless customer satisfaction” principle, we increased the number of customers in our portfolio to 2,611 in 2012 and expanded our business volume significantly.

Şafak Kürkçü
Sales Manager

Sales

Following up with its existing and potential clients closely, DRD constantly strengthens its customer relationships and thus, provides them with **the best solutions that meet their expectations.**

In 2012, the Gaziantep, Konya, and Kayseri Sales Offices, operating under the Central Anatolian Regional Office, started operations. The Central Anatolian Regional Office, headquartered in Ankara, now has a structure that encompasses five large cities, including Adana.

6 THOUSAND CUSTOMER VISITS

Following up with its existing and potential clients closely, DRD Fleet Leasing constantly strengthens its customer relationships and thus, provides them with the best solutions that meet their expectations. DRD field teams conduct regular customer visits and meticulously follow-up with new customer sources. In 2012, DRD Fleet Leasing's growing sales team visited 6 thousand customers and promoted the sector and the advantages of the products and services that operational fleet leasing provides.

DISTRIBUTION OF CUSTOMER PORTFOLIO BASED ON SEGMENTS

Customer Segment	Company Distribution (%)	Vehicle Distribution (%)
Corporate	24.01	55.30
Commercial	36.11	28.30
SME	20.48	10.80
Small Business	19.40	5.50

CUSTOMER PENETRATION

Customer Segment	2010 (%)	2011 (%)	2012 (%)
Top 5	16	10	6
Top 10	24	17	11
Top 20	33	25	18

With a vehicle portfolio diversified **for different needs and expectations,** DRD Fleet Leasing provides services to **customers in 34 different industries.**

DRD Fleet Leasing designed its sales strategy to be able to provide services to customers from all industries. Since 2009, the Company has especially worked to increase the sectoral distribution of its clients and to be present in all sectors. As of year-end 2012, DRD Fleet Leasing provided services to customers in 34 different sectors.

SECTORAL DISTRIBUTION OF CUSTOMER PORTFOLIO

Sector	2010 (%)	2011 (%)	2012 (%)
Health	34.7	23.8	17.4
Food	9.5	10.2	9.9
Building-Construction	6.3	6.8	7.2
Plastics and Chemicals	6.5	7.7	6.6
Machinery and Spare Parts	4.5	5.8	6.5
Finance-Insurance	2.9	3.7	5.3
Textiles-Apparel-Shoes	2.0	3.2	4.6
Services	3.5	4.0	4.1
Automotive-Motorized Vehicles	2.4	3.7	3.7
Cosmetics and Cleaning	4.1	4.4	3.4
Electrical-Electronics	2.3	2.6	3.5
Agriculture-Livestock Breeding	1.7	2.3	2.8
Metal Industry	2.3	2.2	2.8
Logistics	2.8	2.4	2.4
Computers and Internet	1.5	2.2	2.5
Gas and Fuel	2.0	2.3	2.3
Telecommunications	2.0	1.3	1.7
Home and Office Supplies	1.1	1.4	1.4
Paper and Paper Products	1.1	1.2	1.1
Energy	0.4	0.8	1.0
Other	6.5	7.7	9.5

After-Sales Services

In 2012, the number of contracted **service stations** that meet DRD Fleet Leasing service standards throughout Turkey **totaled more than 1,100.**

The after-sales services process, which begins at the moment the leased vehicle is delivered to the customer, is critically important in operational fleet management. After-Sales Services, covering all services to be provided during the contract until its expiration, plays an effective role in attaining customer satisfaction, loyalty, and consistency. Providing after-sales services at high-brand standards and offering DRD Fleet Leasing customers a fleet management experience beyond their expectation are among the consistent values of the DRD brand. Based on DRD's primary objective; under any circumstances, no customer must be put aside of their main purpose of starting their drive. Therefore DRD constantly invests on after-sales services and it pursues strong cooperation agreements to achieve its goal of having the largest service network throughout Turkey.

WIDESPREAD SERVICE NETWORK

As of 2012, the number of contracted service stations offering periodic maintenance and mechanical repair services that meet DRD Fleet Leasing service standards throughout Turkey totaled more than 1,100. In addition to investments to expand the periodic and mechanical maintenance service network, the Company has completed important projects in the area of damage management. The number of service stations with damage contracts has increased to 51, in order to cover all geographic regions in Turkey. With these damage service structure related investments, the DRD Fleet Leasing service network has expanded to include Kahramanmaraş, Hatay, Bolu, Van, Erzincan, Gaziantep, Şanlıurfa, Diyarbakır, and Mardin. Additionally, the Company has continued to implement projects to improve the damage service network and offer alternative solutions. As a result, DRD Fleet Leasing has signed additional service contracts in many cities including Istanbul, Izmir, Ankara, and Bursa. Thanks to these initiatives, DRD's service network has expanded the most aggressively of any in the sector.

Tire service is another key support area in after-sales services. In 2012, DRD Fleet Leasing expanded the number of its tire service locations across Turkey to over 300 through new contracts in many cities. With this expansion, DRD has improved its network of tire supply, changing, and storage services. Thanks to these important projects in periodic maintenance, mechanical repair, damage management, and tire services, the number of DRD Fleet Leasing's after-sales service stations has increased from 824 to 1,100, enabling the Company to have a strong network that covers all geographic regions in Turkey.

Another key element in investments to the service network is technological infrastructure work. The Company set up an online connection platform that allows for 70% of all transactions to be performed over the Internet.

Based on DRD's primary objective; under any circumstances, no customer must be put aside of their main purpose of starting their drive. Therefore DRD constantly invests in after-sales services and pursues strong cooperation agreements to achieve its goal of having the largest service network throughout Turkey.

Aşkın Altıncı
After-Sales Services Group Manager

After-Sales Services

In 2012, DRD has provided fast, flexible, and high-quality after-sales services to the **68,064 service entries** of the DRD fleet **for periodic maintenance, damage repair, and mechanical repair.**

INNOVATIONS TO MAKE LIFE EASIER

With the goal of providing a trouble-free process that makes life easier for its customers, DRD Fleet Leasing continued to implement many innovative applications in 2012. Among DRD's innovations is an automated application that sends the maintenance passcode via SMS before the periodic maintenance service for customers to complete the necessary process quickly and effortlessly.

Another innovative application is the online/real time transaction and invoice tracking of operational processes of fleet customers. With this innovation, fleet managers can monitor the operational processes more easily and with reduced costs.

In 2012, DRD Fleet Leasing provided fast, flexible, and high-quality after-sales services to the 68,064 service entries of the DRD fleet for periodic maintenance, damage repair, and mechanical repair. During the year in the damage repair business branch, 15,628 damage repairs throughout Turkey have been tracked effectively via an online system using DRD's advanced technology infrastructure to provide fast and problem-free solutions to customers.

EFFECTIVE INSPECTION PROCESSES

In order for the widespread service network across Turkey to provide services at consistent quality standards, DRD Fleet Leasing regional teams have continued to conduct inspections thoroughly. To raise and standardize service quality standards, all DRD Fleet Leasing contracted services were subject to systematic inspection of physical conditions, compliance with DRD quality, policy, and procedures, compliance with health, safety, and environmental regulations, and documentation in keeping with the brand's standards.

24/7 DRD ROADSIDE ASSISTANCE SERVICES

DRD Fleet Leasing believes that operational fleet management is based on providing non-stop support 24 hours per day, 7 days per week to its customers. With its nationwide service network, DRD Road Assistance continued to provide a range of services including towing and rescue, on the spot repairs, substitute vehicles provision, or road expenses and/or accommodation coverage in 2012.

Used Vehicles

Over the last three years, DRD Fleet Leasing has managed **13,190 used vehicles with speed** and confidence and renewed its vehicle portfolio.

USED VEHICLE SALES PERFORMANCE OVER YEARS

Year	Sales (Units)	Used Vehicle Income (Thousand)	Average Vehicle Age (Months)	Sales/Purchase (Ratio) (%)
2010	5,636	140,346	33	76
2011	4,927	134,644	37	79
2012	2,627	78,442	38	79

In contrast to the new vehicle market, there is no concrete statistical data regarding the used vehicles in Turkey. Based on general market intelligence and DRD's industry experience, we estimate that for the sale of each new vehicle, two used vehicles are sold. Given that a total of 778 thousand new passenger cars and light commercial vehicles were sold in 2012, DRD estimates that more than 1.5 million used vehicles were also sold during the same period.

FAST AND HIGH-PROFIT SALES OPPORTUNITY

As of year-end 2012, the operational fleet leasing sector's vehicle portfolio totaled 170 thousand units. With an average of 50 thousand used vehicle sales per year, the operational fleet leasing sector has a 3% share of the used vehicles market.

Although this percentage is quite low, it creates fast and high-profit sales opportunities for operational fleet leasing brands that effectively and efficiently manage their post-leasing vehicle portfolio due to excess demand.

DRD Fleet Leasing has an important competitive edge in the used vehicle market. Given that the majority of the Company's fleet consists of high demand diesel engine vehicles, that the periodic maintenance of these vehicles has been conducted by authorized service stations in line with manufacturers' instructions on a regular basis, and that the vehicle has a corporate assurer, DRD's vehicles are in high demand in the used vehicle market.

MAINTAINING THE AVERAGE AGE OF THE VEHICLE PORTFOLIO

DRD sells a significant portion of its vehicles at the end of their lease contract at auctions held periodically. Furthermore, DRD collaborates with corporate used vehicle solution partners to sell its vehicles quickly. As a result of market research and an extensive database, the Company can sell its used vehicles within a maximum period of two weeks and can generate significant cash flow.

The Company has sold 13,190 used vehicles over the last three years and has maintained the average age of its vehicle portfolio in relation to increased sales volumes.

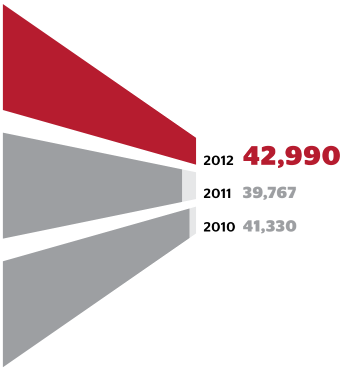
Given that the majority of the Company's vehicle portfolio consists of high demand diesel engine vehicles, that the periodic maintenance of these vehicles has been conducted by authorized service stations in line with manufacturers' instructions on a regular basis, and that the vehicle has a corporate assurer, DRD's vehicles are in high demand in the used vehicle market.

Kaan Yemişci
Used Vehicle Sales Assistant Director

Used Vehicles

Having undergone **periodic maintenance/repair service provided** by expert service providers in their respective areas during the leasing period, vehicles sold as used vehicles at the end of their leasing period have increased demand in the sector.

Number of Used Vehicle Sales in the Sector(*)



42,990 vehicles

In 2012, used vehicles from the operational leasing sector made up only 3% of the used vehicle market in Turkey.

(*) TOKKDER Operational Fleet Leasing Sectoral Report - TNS Global 2012

Having undergone periodic and systematic maintenance/repair services provided by expert institutions in their respective areas during the leasing period, vehicles sold as used vehicles at the end of their leasing period have increased demand in the sector. In 2012, the operational leasing sector sold 42,990 used vehicles. In contrast to the new vehicle market, there is no concrete statistical data regarding the used vehicles in Turkey. Based on general approaches and the experience of DRD, we predict a sale of one new vehicle versus each sale of two used vehicles.

Given a total of 778 thousand new passenger cars and light commercial vehicles sold in 2012, DRD estimates that more than 1.5 million used vehicles must have been sold during the same year. Based on this data, used vehicles from the operational fleet leasing sector make up 3% of the used vehicle market and the supply from the sector is below the existing market demand.

Financial Management

2012 was an important year in that the results of operational efficiency were reflected in the financial statements. DRD Fleet Leasing closed the year with **TL 41 million in net profit** and increased its **shareholder's equity to TL 104 million.**

2012 Total Revenue

TL **360** million

Including used vehicle sales, DRD Fleet Leasing's annual revenue totaled TL 360 million; allowing DRD to rank among the top 500 companies in lists compiled by Capital and Fortune magazines.

DRD Fleet Leasing makes investments that will yield the highest return suitable to its solid financial and capital structure. In addition, DRD aims to manage its balance sheet effectively and maintain strong cash flow.

In the operational fleet leasing sector, vehicle investments are financed using foreign funding sources. DRD Fleet Leasing's Financial Management Department manages relations with financial institutions, which are among the Company's most important funding sources.

DRD Financial Management engages in financial analysis and control, financial planning, asset-liability management, capital structure management, credit risk management, identification of funding sources, and financial strategy and policy development. Furthermore, Financial Management operates at the highest standards in order to improve DRD's corporate credit rating and identify sources for credit facilities with favorable terms and conditions.

LONG-TERM STRATEGIES

Financial decisions made under DRD Fleet Leasing's long-term plans and strategies aim to optimize the Company's income, profitability, cost of capital, and risk level. These decisions take into account factors such as market share in the sector, capital structure, liquidity, future projects, and current technology. DRD Financial Management aims to find the balance between profitability and risk management while increasing the Company's market value.

DRD Fleet Leasing's TL 84.4 million in operating profits, TL 45.7 million in profit before taxes, and positive international credit rating are all concrete proof of the DRD's financial strength.

Müjde Gözübek
Financial Management Group Manager

Financial Management

DRD Fleet Leasing made significant strides in 2012 to further bolster the financial credibility of the Company, which has undergone independent audits for many years, and to **maintain full transparency to its business partners.**

The Company's strategic plans, proforma statements, and cash flow budgets are prepared using extensive financial planning. Meanwhile, the control function evaluates budget deviations and ensures corrective measures are taken in a timely manner.

SUCCESSFUL, EFFICIENT, AND PROFITABLE STRUCTURE

The realization rate of DRD Fleet Leasing's annual budget targets over the last three years is 98%. In addition to performing in line with its plans, the Company's long-term forecasts have been mostly consistent. The key reason for such low deviation rates is that DRD's comprehensive statistical database established throughout its 15-year history has formed the basis of these budgets and plans.

2012 was an important year in that the results of operational efficiency were reflected in the financial statements. With consistent vehicle investments over the last three years and the increased value in the vehicle portfolio, the Company's total assets amounted to TL 700 million while shareholder's equity totaled TL 104 million. Including used vehicle sales, DRD Fleet Leasing posted annual revenue of TL 360 million, allowing DRD to rank among the top 500 companies in lists compiled by Capital and Fortune magazines.

SCORING AND RISK MONITORING

DRD Fleet Leasing has established an in-house risk monitoring and scoring system to manage its effective sales channels, high customer penetration, and consistently growing assets. As a result, DRD can evaluate the credit worthiness of its customers to minimize risks that may occur during the duration of the lease. With this system, it is possible to make financial analyses and monitor customer credibility against certain criteria such as historical data, current market movements and sectoral developments.

HIGH CREDIBILITY AND RATINGS

DRD Fleet Leasing made significant strides in 2012 to further bolster the financial credibility of the Company, which has undergone independent audits for many years, and to maintain full transparency to its business partners. JCR Eurasia Rating, an international credit rating agency, assigned DRD Fleet Leasing Fleet Leasing an investment grade rating. The Company's Long Term National Rate increased by two notches, from 'BBB-(Trk)' to 'BBB+(Trk)', with a stable outlook. Additionally, DRD Fleet Leasing's Short Term National Rate was revised upward from 'A-3 (Trk)' to 'A-2 (Trk),' with a positive outlook.

Although not a legal requirement, the Company has undergone independent audits quarterly according to international financial reporting standards (IFRS) since 2008. DRD Fleet Leasing also has its operational indicators audited by independent bodies because these are critical to analyzing the sector accurately. Many operational indicators, from used vehicle sales performance to leasing debt adequacy ratios, are covered in the audit reports.

Marketing and Corporate Communications

In support of its brand strategies, DRD Fleet Leasing carries out various activities such as **developing alternative distribution channels, increasing customer satisfaction, and reinforcing brand perception and awareness.**

DRD Fleet Leasing has adopted a customer experience and satisfaction oriented marketing approach. In 2012, DRD implemented a communications strategy based on experiential and direct marketing. DRD Marketing and Corporate Communications Unit continued to use a variety of mediums in 2012 to reach its target audience at the right place and at the right time. During the reporting year, the Company completed brand communication initiatives that began in traditional mediums with an integrated marketing strategy as well as important infrastructure work geared toward new media, which DRD plans to use heavily in 2013. The Company implemented many different projects throughout the year to promote the DRD brand, create awareness among customers, and offer the means to experience operational leasing services. As a result, DRD Fleet Leasing achieved correct brand positioning through many events and applications.

The marketing and brand communication strategy the Company developed in 2012 was structured around the key objectives of:

- Increasing brand awareness,
- Strengthening communication with DRD Fleet Leasing employees, decision makers, corporate existing and potential customers, business partners, end users, and the sectoral press,
- Reinforcing the pioneering, powerful, and leading positions in the sector,
- Using each contact in sales as a point of communications,
- Developing corporate identity standards,
- Structuring a consistent and continuous communications network through CRM projects,
- Establishing a strong brand perception of DRD Fleet Leasing outside the sector,
- Developing a sense of belonging to the brand,
- Completing infrastructure work for digital marketing and new media channels.

BRAND COMMUNICATION ACTIVITIES

"stanDRD" Communication in Operational Fleet Management
The "stanDRD" Communication campaign, implemented in the first half of 2012, aimed to increase DRD brand awareness and perception. The campaign emphasized the power of the pioneering position of DRD Fleet Leasing, which provides many operational fleet management product and services developed based on customer preference and needs as a standard and as the company that sets the standards in the industry. In the first half of the year, a communication campaign that used various channels including radio, magazines, and newspapers intensively for above-the-line communication and the widespread service network of the brand throughout Turkey was used for below-the-line communication.

"Enables the Continuity of Your Business Under Any Circumstance" Project
DRD Fleet Leasing developed the "Enables the Continuity of Your Business Under Any Circumstance" project to emphasize the Company's principle, derived from its long standing sectoral experience, that "based on DRD's primary objective; under any circumstances, no customer must be put aside of their main purpose of starting their drive." With this communication campaign, the quality and comfort of the various operational fleet management services provided by the Company to its customers was underscored in various media channels simultaneously. Additionally, this communication campaign emphasized DRD Fleet Leasing extras that make a difference, such as 24/7 non-stop DRD Road Assistance, high-quality after-sales service standards, and over 1,100 contracted service stations covering all regions.

The Company laid the foundation of key Marketing and Corporate Communications related initiatives in 2012. In the coming year, these projects will come to life. In addition to ongoing initiatives, some applications that will launch in 2013 include integrated marketing projects based on CRM infrastructure, renewal of the website with new functionality, applications development for iOS and Android operating systems, and effective use of the social media.

Levent Gençağa
Marketing and Corporate Communications Manager

Marketing and Corporate Communications

Adopting a customer experience and satisfaction oriented marketing approach, DRD Fleet Leasing implemented **a communications strategy based on experiential and direct marketing in 2012.**

"What Car?" Magazine Project

In 2012, DRD Fleet Leasing initiated another major project within its brand communication activities. DRD collaborated with "What Car?" magazine, which has been published in the United Kingdom since 1973 and is regarded as one of the most trustworthy and useful automobile information resources for consumers. The collaboration resulted in the publication of the DRD Special Collection Issue. "What Car?" holds the title as the largest and most successful automobile buyer's guide in the UK and it guides the purchase of one in every five vehicles in that market. With this collaboration, DRD Fleet Leasing provided its current and prospective customers with a buyer's guide that will help them determine the best vehicle that will suit their needs and expectations. The guide was published in the last quarter of 2012 and was delivered to 5 thousand current and prospective customers.

"Leave the Job to its Expert" Project

This initiative emphasized that DRD Fleet Leasing does not just furnish its customers with the vehicle they demand, but also provides a long-term, rich service package at reasonable cost. The campaign used both above-the-line and below-the-line communication channels intensively in the last quarter of the year. This campaign was supported by B2B communications channels and showed the target audience that:

- Operational fleet management services allow businesses to use the necessary financial budget for vehicle investment in their own lines of business,
- All processes categorized under ownership costs such as service, damage-repair, insurance, tire maintenance, human resources can be handled without any additional expense,
- All these processes are managed non-stop, effectively, professionally and throughout a widespread geography by teams of trained specialists.

"For Lease to Owner" Project

The Company implemented the "For Lease to Owner" communications campaign intensively during the last quarter of 2012, especially during the Autoshow period. The campaign stressed that the target audience can access any brand or model through the professional and customer oriented operational leasing offers provided by DRD Fleet Leasing. In addition, this campaign showed prospective customers that when they acquire operational leasing services with the benefits provided by DRD, they not only feel like the owner of the vehicle but also receive many operational services in full. The campaign took place in newspaper, magazine, radio, Important projects were carried out in 2012 to **develop DRD Fleet Leasing's corporate identity standards and integrate them into its widespread service network.**

and outdoor channels and was also supported with effective guerilla marketing activities of professional solutions partners.

"DRD Customers are Two Times Luckier" Marketing Campaign

"DRD Customers are Two Times Luckier" was developed to create an important benefit and awareness as an experiential marketing campaign targeting nearly 200 thousand employees of DRD Fleet Leasing's customer portfolio of more than 2,600 customers throughout the nation. The campaign continued throughout the second half of 2012. This campaign provided the permanent employees of DRD's clients with daily rental opportunities for vehicles in various classes such as economy, comfort, and luxury at special prices. As a result of this campaign, the Company achieved a significant increase in the access to the brand.

Delivery Ceremonies

The Marketing and Corporate Communications Unit directs the Company's marketing strategies by focusing on experiential and direct marketing related activities. In 2012, the Unit placed special importance on delivery ceremonies, which allowed for one-to-one communication opportunities with clients upon operational leases of large fleets throughout Turkey. The events entailed a detailed briefing for end users about the products and services DRD Fleet Leasing will provide after vehicle delivery, which is first step of operational fleet leasing services under the DRD brand strategy. In 2013, these events will be held on a much wider scale.

Regional Activities

In addition to the brand communication initiatives held nationwide, the Company implemented important activities locally on a DRD Fleet Leasing Regional Office and Branch basis. Promotional activities and events were held in cities such as Istanbul, Izmir, Manisa, Bursa, Ankara, and Konya to increase brand awareness. The Company used local channels to reach bigger audiences to communicate the advantages of operational fleet leasing.

Developing Corporate Identity Standards

In 2012, DRD Fleet Leasing engaged in important work to develop the Company's corporate identity standards, as the leading brand in Turkey's operational fleet leasing sector, and integrate them with its extensive nationwide service network. This comprehensive project aims to provide DRD customers with products and services with the same corporate brand standards throughout Turkey.

ACTIVITIES AND SPONSORSHIPS

Currently, traditional media use is rapidly losing value and sponsorship spending is starting to gain more share in brand communications plans each passing year. The total amount spent on sponsorships worldwide in 2001 was US$ 23 billion, while this figure had risen to US$ 45 billion by 2010. Many leading brands in Turkey and around the world are trying to reach their customers and target audience through effective sponsorship activities. Similarly, DRD Fleet Leasing has adopted this approach as well and has sponsored several major events and organizations in Turkey in 2012.

Marketing and Corporate Communications

DRD Fleet Leasing is the largest local brand in the Turkish fleet leasing sector and has supported its brand communication by sponsoring many sectoral and social events.

TOKKDER Rising Trend in the Automotive Industry: Operational Leasing Panel

In recent years, operational fleet leasing has come to play a significant role in the automotive industry. A panel discussion at Istanbul's Dedeman Hotel on March 16, 2012 looked at the relationship between the operational fleet leasing sector and the automotive industry, areas for improvement and changes in the global market. Managers of leading automotive brands in Turkey as well as important participants from the automotive supply industry and leasing sector attended the panel. DRD Fleet Leasing undertook a major role in the panel discussion through its contributions.

OYDER "Power of Branding" Conference

Held on April 26, 2012, the "Power of Branding" conference focused on the power of brands and branding in the automotive industry and analyzed the current state in terms of the "local automobile, local brand" concept. Among the speakers at the conference were Nihat Ergün, Minister of Science, Industry, and Technology, and Gerhard Schröder, 7th Prime Minister of Germany, as well as chairmen of OIB, ODD, TAYSAD, TOBB, OYDER, and TOKKDER, in addition to executive managers from various points in the automotive industry. DRD Fleet Leasing attended the conference as the "Largest Domestic Brand in the Operational Fleet Leasing Sector in Turkey" and reached attendees by providing them with kits that promote the brand's products and services.

TED American Express Istanbul Challenger Tennis Tournament

The "American Express Istanbul Challenger" tournament, widely known as the "Wimbledon of Turkey," was organized for male tennis players by the "Association of Tennis Professionals ATP Tour," which is one of the most important bodies in professional tennis worldwide. This year's tournament was held between September 8 and 16, 2012 on the courts of the Istanbul Tennis, Fencing and Mountaineering Club (TED). During the 8-day event, of which DRD Fleet Leasing was one of the main sponsors, a total of 77 matches were played with over 80 world tennis players participating. Among the participants of the tournament, which attracted significant attention, were Ilhan Marsel, Turkish national tennis player, Dmitry Tursunov, who has ranked in the top 50 globally, as well as Igor Kunitsyn, Karol Beck, and Adrian Mannarino.

DRD Fleet Leasing is moving confidently toward its goal of becoming a **leading brand that differentiates itself within the sector** through highly effective **marketing and corporate communications.**

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

In 2012, the Marketing and Corporate Communications Unit set aside a significant portion of its work hours for corporate social responsibility. Placing great importance on corporate social responsibility, the Unit undertook a significant social responsibility initiative in cooperation with WWF-Turkey under the "Turkey's Life" project. The Company donated a contribution for each vehicle in the DRD Fleet Leasing portfolio in conjunction with the project. DRD also placed announcements in all of its corporate materials to draw attention to the campaign. As a result of the cooperation, over 20 thousand persons learned about the campaign. From the start of the cooperation until the end of 2012, some 4,800 DRD Fleet Leasing customers were presented with DRD/WWF Certificates during the delivery of their vehicles.

INTERNAL CUSTOMER EVENTS

Dragon Fest Organization

Dragon Fest is one of the top three largest festivals worldwide. In 2012, Dragon Fest was a finalist as the "Best Sports Organization." Dragon Fest was included in DRD Fleet Leasing's corporate communications plan for 2012 as an "inter-company sports organization with the largest participation." By offering teamwork, fun, and a marketing concept in one package, Dragon Fest has turned into a corporate platform for nearly 700 corporate teams. In addition to developing customer satisfaction and loyalty, the festival includes important promotional opportunities on a common platform with other corporations.

2013 PLANS

In 2012, DRD Fleet Leasing's Marketing and Corporate Communications Unit initiated a wide range of activities to increase customer satisfaction, brand perception, and brand awareness, and to achieve sales targets. In 2013, these and similar activities will continue at full speed. During the reporting year, the Company laid the foundation of using new media; these efforts will continue apace in 2013. In addition to ongoing projects, DRD Fleet Leasing plans to roll several new initiatives in the coming year including integrated marketing projects based on CRM infrastructure, renewal of the corporate website with additional functionality, development of applications for iOS and Android operating systems, and effective use of social media. The Company is moving confidently toward its goal of becoming a leading brand that differentiates itself within the sector through highly effective marketing and corporate communications.

Internal Auditing and Process Development

In 2012, DRD Fleet Leasing entered into **a strong, professional auditing collaboration** and restructured its corporate and financial risk management systems.

DRD Fleet Leasing conducts auditing activities in compliance with International Standards for the Professional Practice of Internal Auditing and Code of Ethics. The Company formulates annual auditing plans with a risk-oriented perspective that identifies the priorities of its audit activities. With effective quality control and auditing processes, DRD Fleet Leasing realizes time and cost savings while ensuring the sustainability and effectiveness of risk control through systematic applications.

In 2007, DRD Fleet Leasing received ISO 9001-2000 certification for its quality standards that prioritize customer satisfaction and that assure quality services by fully meeting customer needs and expectations in all business processes. DRD has detailed all company-wide processes as prescribed by the ISO 9001 Quality Management System; the Company follows up on its existing procedures instructions and updates them as necessary.

DRD Fleet Leasing develops recommendations and initiatives to improve business processes through both audits conducted by the internal auditing unit as well as quality management system audits performed by other units under ISO. Necessary action plans are established to report this work regularly to upper management.

CORPORATE RISK MANAGEMENT

In 2012, DRD Fleet Leasing entered into a strong, professional auditing collaboration. With consultancy services from Ernst&Young, an international independent auditing and consulting firm, the Company structured its risk models under the framework of a Corporate Risk Management System and Management of Financial Risks.

DRD Fleet Leasing has conducted modeling studies for market, credit, and liquidity risks under the area of financial risk assessments. The modeling for credit risks not only assesses the quality of the Company's receivables, but also measures its effect on capital. The modeling for liquidity risks identifies the effect of investment plans on capital along with capital adequacy indicators in addition to measuring the effects of potential risks in investment decisions on the capital.

RISK MANAGEMENT COMMITTEE

As a result of these extensive studies, a Risk Management Committee was established and launched in 2012 to effectively monitor and manage the system and models. Through the committee, policies and procedures under Corporate Risk Management have been documented and published within the Company.

Identifying, assessing, reporting, and managing all kinds of risks in an effective manner, the Risk Management Committee's authorities and responsibilities have been outlined in keeping with the relevant regulations and a common risk perception has been formed within the Company. During this corporate self-assessment process, all Company employees have identified and ranked the risks of their own business units and as a result, a comprehensive risk assessment at DRD Fleet Leasing.

DRD Corporate Risk Management covers the management of risk in financial, operational, strategic, and compliance areas. Models are used to measure credit, liquidity, and market risks in order to effectively manage overall financial risks and the effect of these on the Company's capital.

In addition to activities carried out by the Internal Auditing and Process Development Unit to ensure effective management of operational and financial risks, independent auditing firms conduct independent audits and tax audits quarterly. The Unit also establishes annual internal auditing plans, periodically inspects the effectiveness of risk management, control, and corporate governance processes, and reports any risks the Company may be exposed to and recommends necessary precautionary measures to upper management.

We execute auditing activities in compliance with International Standards for the Professional Practice of Internal Auditing and Code of Ethics. We formulate annual auditing plans with a risk-oriented perspective.

Mehmet Soday
Internal Auditing and Process Development Manager

Information Technologies

Through its effective information technology infrastructure, DRD Fleet Leasing has achieved **speed, quality and efficiency** in its business processes.

As technology offers the opportunity to add high of value to business processes, DRD Fleet Leasing devotes a significant amount of resources to IT projects in each reporting year. With projects implemented by the Information Technologies Unit, technological developments are integrated into the Company's business processes in order to maintain its competitive edge in the sector.

PERIODIC MAINTENANCE MODULE

In 2012, together with the After-Sales Services Unit, improvements compatible with DRD Fleet Leasing's existing technological infrastructure has been developed to be used at stations where periodic vehicle maintenance is performed.

With these improvements and investments, DRD Fleet Leasing customers who need to take their vehicles in for maintenance were able to easily receive system pre-approval followed by receipt of their automatically generated passcodes via SMS. This application allows for all maintenance processes to be tracked through the system and to establish coordinated communication with all service stations.

This periodic vehicle maintenance project has allowed for completing DRD Fleet Leasing customer vehicle-related transactions easily, quickly, and accurately while preventing loss in terms of both time and cost by transferring service station related transactions to an online platform.

PRICING MODULE

The Pricing Project was completed together with the Financial Management Unit in 2012 and integrated into DRD Fleet Leasing's systems. This improvement enables all costs and prices to be calculated by the system based on the number of vehicles and services requested. Most of the data needed for the calculations are provided automatically by the system, so leasing prices are generated automatically. As a result, DRD Fleet Leasing can provide customers with more detailed pricing offers more quickly.

DOCUMENT MANAGEMENT SYSTEM

Another investment DRD Fleet Leasing made in 2012 was for the implementation of the Document Management System. With this investment, all of the Company's document related processes were transferred to an electronic environment. As a result, DRD minimized paper waste in line with its "green" approach, and the Company gained effective control over and increased the speed of all its business processes.

NEW WEBSITE AND APPLICATIONS

Working together with the Marketing and Corporate Communications Unit, the infrastructure related preparations for the new website and applications are scheduled for completion and launch in 2013.

The Information Technologies Unit develops its annual business plans to make and implement the technological investments necessary for DRD Fleet Leasing to achieve its strategic goals. The Unit also aims to keep DRD's advanced technology infrastructure and its widespread service network up-to-date, while continuously making improvements and ensuring that the Company adapts quickly to all IT-related changes implemented.

We continued to invest in technology in light of our customers' needs. We accelerated and simplified many processes in order to increase customer satisfaction.

Serkan Taştan
IT Manager

Human Resources

DRD aims to become the **most preferred company in Turkey in its sector, where expert professionals work** to provide high added value for sustainable growth and where all employees are proud to be part of the team.

DRD aims to become the most preferred company in Turkey in its sector, where expert professionals work to provide high added value for sustainable growth and where all employees are proud to be part of the team. Systems and approaches created within the scope of long standing experience and work towards this objective direct the Company's human resources policies.

As of year-end 2012, DRD Fleet Leasing's workforce consists of 162 employees. The fundamental goal of DRD's Human Resources Policy is to hold corporate and ethical values at the forefront while making its differentiated corporate identity sustainable by employing a workforce with a high level of Company loyalty and a sense of belonging. This is achieved by providing opportunities for employees to develop both personally and professionally.

As the leader of Turkey's operational fleet leasing sector, DRD Fleet Leasing aims to be the most preferred company in the country in its area, where expert professionals work and all employees are proud to be part of the team.

Furthermore, DRD Fleet Leasing aims to recruit and retain employees who have an analytical and positive approach, who add significant value to the Company, who can develop a multi-dimensional perspective, who are solutions-oriented, and who can use data and the latest technology effectively. DRD supports the development of its employees and strives to maintain their motivation and job satisfaction at the highest levels possible.

In 2012, DRD Fleet Leasing's rapidly growing organization underwent a restructuring. The Company redefined its job descriptions, and created an "administrator" position, placed between the "specialist" and "assistant manager" positions in the existing organization. In addition, DRD expanded its regional organizational structure and launched three new regions, Konya, Kayseri, and Gaziantep.

PERFORMANCE EVALUATION AND DEVELOPMENT SYSTEM

The Company's corporate goals are structured in light of department goals, from which annual personal goals and business plans are defined in the DRD Performance Evaluation and Development System. The system aims for the organization, managers, and subordinates to work in collaboration and continuous development. The Performance Management System tracks business goals established in parallel with the corporate goals can be tracked on an individual basis, and each employee's contribution to the Company's targets can be measured. In addition, competency based evaluation processes cover behavioral standards required to reach business targets while aiming for self-improvement and awareness levels to increase.

The Performance Management System allows targets to be spread more effectively and Company targets to be disseminated to employees working at all levels. The system aims to measure and reward personal contribution to achieving goals and success while identifying competencies to plan future self-improvement opportunities.

The Performance Management System is considered important by all departments at the Company. During the implementation process of the system, after attending special training sessions, all managers help motivate their employees for them to reach their goals as well as lead them. The DRD Fleet Leasing Performance Management System helps identify employee weaknesses and provides opportunities for them to improve these areas through training. Likewise, the system helps make a consistent, fair, and effective career plan by following a performance based career path.

WAGE MANAGEMENT SYSTEM

DRD Fleet Leasing's wage management system is based on criteria such market and sector research, the Company's existing wage structure, wage policy, individual performance, and job level. Implementation of a competitive and fair wage policy is targeted through regular market research. Job levels are determined as a result of job evaluations and make up the basis of the wage management system. During the job evaluation process, DRD Fleet Leasing uses systems that rank all jobs in all geographic areas in which the Company is operating relative to their contribution and responsibility levels in helping DRD reach its goals.

We worked to increase employee productivity, sense of belonging, and success. We restructured the quickly expanding organization and job descriptions.

Necla Çelik
Human Resources Manager

Human Resources

In addition to DRD's specialty of being a "learning organization," the Education System aims to maximize **employee awareness, productivity, performance, and motivation.**

EDUCATION MANAGEMENT

Education needs are identified in light of data from the Performance Management and Career Planning systems. Training sessions aim to improve employees' corporate and professional competencies. In addition to DRD Fleet Leasing's specialty of being a "learning organization," the Education System aims to maximize employee awareness, productivity, performance, and motivation.

In 2012, DRD Fleet Leasing implemented projects to provide external training sessions and training in-house trainers. In order to have at least one person who can conduct training in each department and to increase the effectiveness of on-the-job training, the Company has provided for the training and development of internal trainers.

CAREER DAY ACTIVITIES

DRD Fleet Leasing places great importance on adding creative, talented, visionary, and competent new graduates to its organization and coaching them on the corporate culture to prepare them for the Company's future. DRD plans Career Day Activities to reach the potential workforce in various universities and improve its new graduate employment process qualitatively and soundly. Awareness of DRD Fleet Leasing among new graduates is continuously increasing.

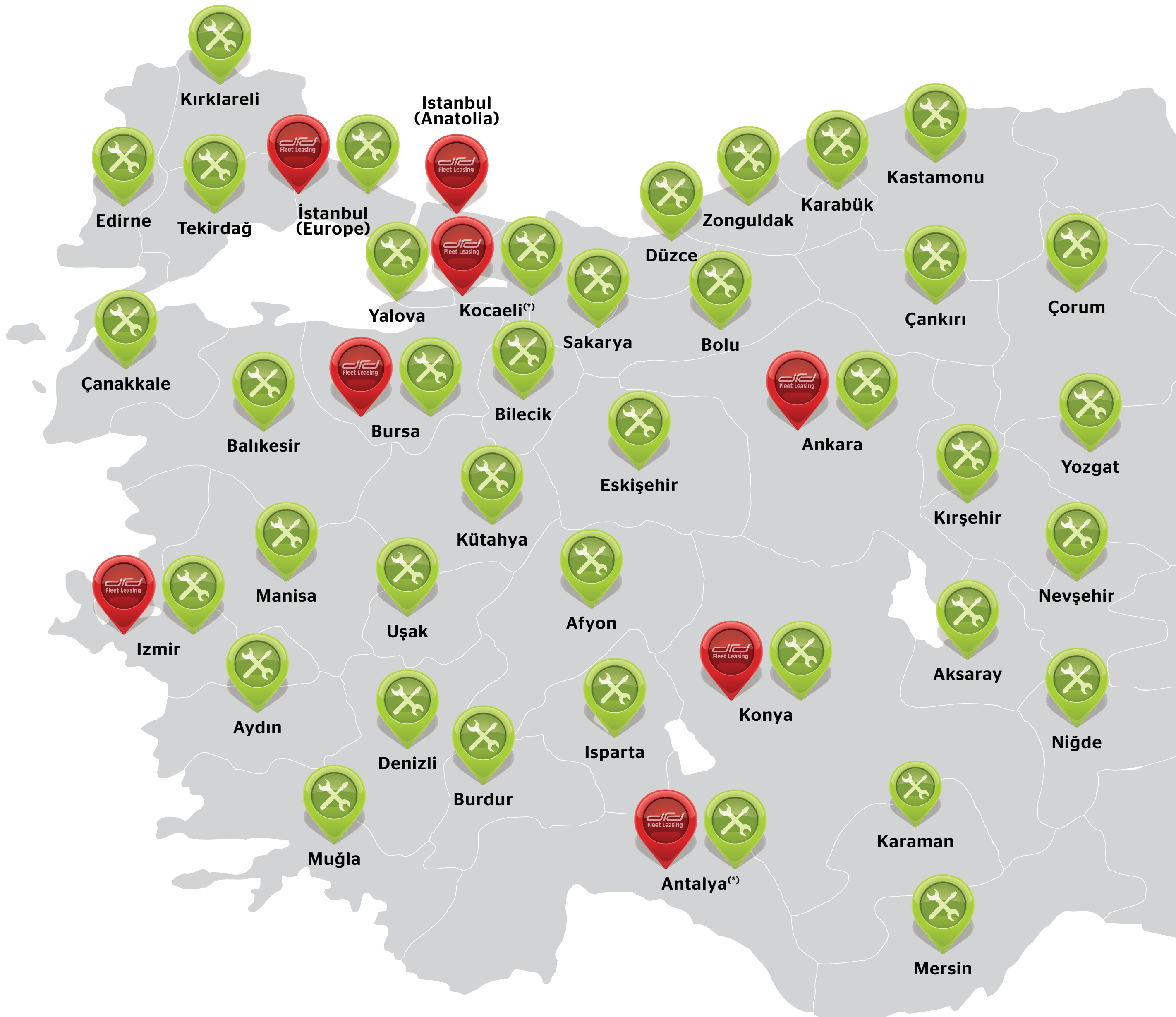
Department	2010	2011	2012
Management	3	3	3
Sales	13	32	36
After-Sales Services	47	48	46
Accounting	11	11	10
Administrative Affairs	13	14	15
Financial Budget and Planning	12	13	14
Purchasing and Sales Support	10	10	11
Used Vehicle Sales	9	8	7
Human Resources	3	4	4
Legal Affairs Unit	2	2	3
Internal Auditing Unit	1	3	3
Customer Relations	8	6	7
Marketing and Corporate Communications		2	3
Number of DRD Fleet Leasing Employees	132	156	162

OCCUPATIONAL HEALTH, SAFETY, ENVIRONMENT, AND QUALITY POLICY

To ensure its social and economic corporate sustainability, DRD Fleet Leasing sees human, quality, and environmental factors as central to all its operations. DRD is careful to take the necessary precautions to protect natural resources, minimize waste, and prevent pollution while conducting its operations. The Company also has established internal regulations to minimize risk in terms of occupational health and safety; employees are encouraged to actively participate in the development of these regulations.

DRD Fleet Leasing launches effective policies and implementations in areas related to human, quality, environmental factors, and occupational health and safety. DRD has completed the necessary work to certify these systems and has operated with ISO 9001 certification since 2007.

Operations Map



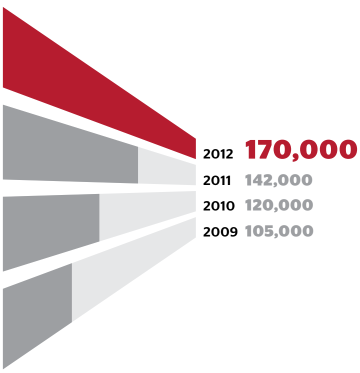
(*) Regional branches scheduled to open in 2013.


Samsun
Amasya
Ordu
Tokat
Giresun
Trabzon
Rize
Artvin
Kars
Gümüşhane
Bayburt
Erzurum
Ağrı
Erzincan
Sivas
Kayseri
Malatya
Elazığ
Van
Diyarbakır
Siirt
Batman
Şırnak
Adana
K.Maraş
Adıyaman
Mardin
Osmaniye
Kilis
Gaziantep
Şanlıurfa
Hatay
Fleet Leasing
REGIONAL OFFICES AND BRANCHES
CONTRACTED SERVICE STATIONS

Sectoral Developments

Turkey's operational fleet leasing industry has **expanded by 61.9% over the last four years and reached** a sector fleet **size of 170 thousand vehicles.**

Growth of Sector Fleet Size(**)



170 thousand vehicles

Despite stagnation in the global and local markets, the total fleet size of the operational fleet leasing sector grew 19.7% in 2012 and reached 170 thousand vehicles.

According to research conducted by TOKKDER in collaboration with TNS Global, the operational fleet leasing sector had a total fleet size of 170 thousand vehicles as of year-end 2012. DRD Derindere Fleet Leasing continued its consistent growth and captured a powerful 10% market share with a portfolio of 17,501 vehicles.

In a ground-breaking accomplishment in 2012, the All Vehicle Leasing Companies Association (TOKKDER) published a report in collaboration with TNS Global that analyzes the operational fleet leasing sector in Turkey in full detail. According to the results of the report, which is a comprehensive analysis of the current state of the sector, the operational fleet leasing sector has significant growth potential.

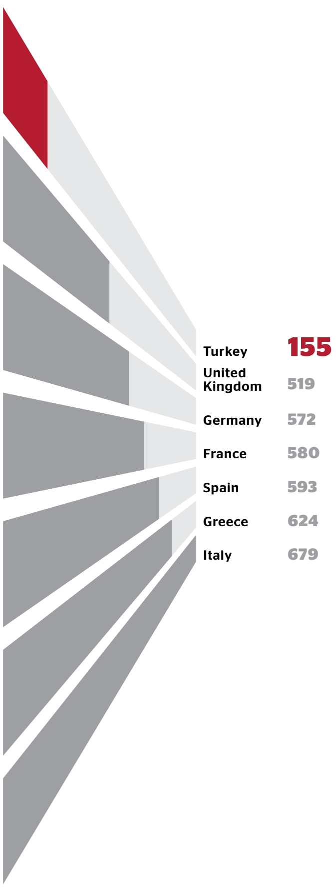
Companies representing 71% of the total sector participated in the "Operational Fleet Leasing Sector in Turkey" report, compiled by TOKKDER in collaboration with TNS Global. Data collected from these participating companies was used to represent the entire sector.

According to the analysis of leasing companies in the sector based on fleet size and using year-end 2012 data, the sector has seven companies with less than 5 thousand vehicles in their portfolio; five companies have a fleet size between 5 thousand and 10 thousand vehicles; and four companies have fleets with more than 10 thousand vehicles. Of the companies participating in the research study, DRD Derindere Fleet Leasing is the largest company in the sector in terms of fleet size with 17,501 vehicles.

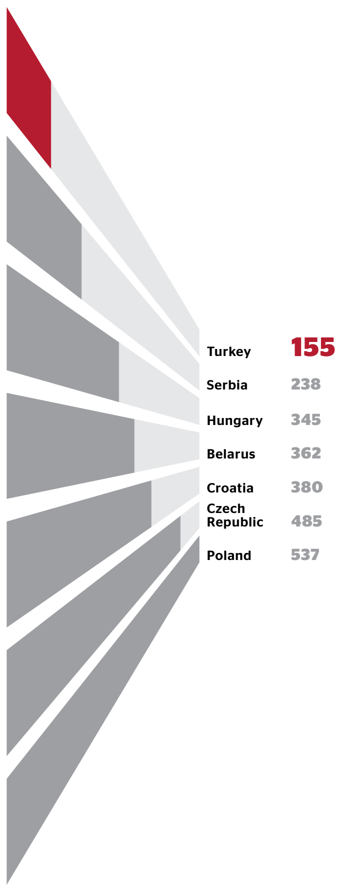
(*) TOKKDER Operational Leasing Sector Report involving 16 companies from the sector – TNS Global 2012
(**) TOKKDER Operational Leasing Sector Report – TNS Global 2012

In comparison to European markets, Turkey's operational leasing sector has **significant future growth potential.**

Number of Vehicles per 1 thousand people in Europe (Developed Markets)(**)



Number of Vehicles per 1 thousand people in Europe (Developing Markets)(**)



Despite rising consumer demand in Turkey, the number of vehicles per 1 thousand population in operational leasing is still well below the average of the European market. This suggests that there is significant growth potential in the country's operational leasing sector.

HIGH GROWTH POTENTIAL

In developed nations such as Italy, Spain, France, Germany, and the United Kingdom, the number of vehicles in the operational fleet leasing market per 1 thousand population is above 500. On the other hand, Turkey's rate is only 155 vehicles per 1 thousand population.

The market in countries such as Poland, Czech Republic, Croatia, and Belarus, which are comparable to Turkey in terms of their general economic and operational indicators, is similar to that of more developed nations; the rates in these countries are nearly 3-4 times that of Turkey.

(*) TOKKDER Operational Leasing Sector Report involving 16 companies from the sector – TNS Global 2012
(**) TOKKDER Operational Leasing Sector Report – TNS Global 2012

Sectoral Developments

In a very short period of time, the fleet leasing sector has become the most important customer of Turkey's automotive market. With the purchase of **67,728 new vehicles in 2012,** the sector has continued to grow its share in the automotive market.

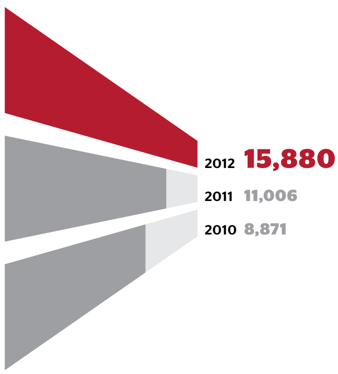
CUSTOMER PENETRATION

In 2010, the sector's customer base numbered 8,871. Three years hence, this figure has nearly doubled and has reached 15,880. As of year-end 2012, DRD Fleet Leasing's customer portfolio totaled 2,611 clients, with a healthy distribution among 34 different industries.

VEHICLE INVESTMENTS

In a very short period of time, the fleet leasing sector has become the most important customer of Turkey's automotive market. With the purchase of 67,728 new vehicles in 2012, the sector has continued to grow its share in the automotive market. Over the last three years, the value of vehicle purchases increased from TL 1,802 thousand in 2010 to TL 3,049 thousand in 2012; meanwhile, the purchase share of the sector in the passenger car market has risen from 10.5% to 12.2%.

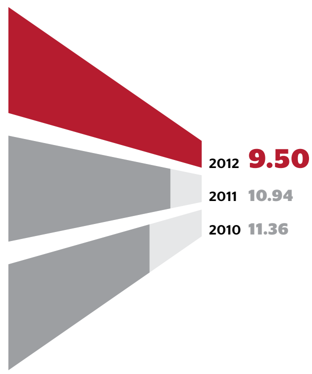
Total Customer Base in the Fleet Leasing Sector(*)



15,880 vehicles

Despite the low growth rate of 2.2% in the general economy, the number of customers in the fleet leasing sector expanded by 45% in 2012 and reached nearly 16 thousand clients.

Number of Vehicles per Customer in the Sector (%)



9.50%

In parallel with the growing size of the general customer portfolio in the operational fleet leasing sector, the number of vehicles per customer has decreased over the years.

(*) TOKKDER Operational Leasing Sector Report involving 16 companies from the sector – TNS Global 2012

In 2009, the operational leasing sector had a total fleet size of 105 thousand vehicles. Over the years, the sector's fleet continued to develop steadily and **climbed to 170 thousand vehicles as of year-end 2012.**

GROWTH PERFORMANCE EVALUATION TABLE (%)(*)

	2010	2011	2012
Turkish Economy	9.2	8.5	2.2
Automotive Industry	38	16	-0.6
Operational Leasing	14	18	20

2012 SECTOR PROFILE(*)

	Participants	Sector Estimate
Total Fleet Size (Number of vehicles)	119,281	170,031
Number of Vehicles Purchased	47,513	67,728
Number of Vehicles Sold (Used)	30,158	42,990
Number of Customers	12,189	15,880
Value of Vehicles Purchased (TL Thousand)	2,138,822	3,048,812
Total Assets (TL Thousand)	4,765,060	6,792,416
Paid (Value Added Tax + Motor Vehicle Tax + Special Consumption Tax) (TL Thousand)	901,797	1,285,478

USED VEHICLE ANALYSIS

In the sector, specialized companies provider periodic maintenance and repair services regularly throughout the leasing period. The sale of used vehicles at the end of their leasing period is constantly growing in the sector. In 2012, 42,990 vehicles were sold as used vehicles. In contrast to the new vehicle market, there is no concrete statistical data source for used vehicles in Turkey. Based on generally accepted approaches and sectoral experience, DRD Fleet Leasing estimates that for every new vehicle sold, two used vehicles are sold.

Considering that a total of 778 thousand new passenger cars and light commercial vehicles were sold in 2012, DRD Fleet Leasing estimates that more than 1.5 million used vehicles were sold during the year. Based on this data, used vehicles from the operational fleet leasing sector make up 3% of the used vehicle market and the supply from the sector is below the existing market demand.

VALUE ADDED TO THE ECONOMY

Turkey's operational leasing sector continues to grow and develop. The research study showed that the sector currently adds significant value to the Turkish economy. In 2012, the sector paid TL 1,285,478 in value added taxes, motorized vehicle taxes, and special consumption taxes.

In 2009, the operational leasing sector had a total fleet size of 105 thousand vehicles. Over the years, the sector's fleet continued to develop steadily and climbed to 170 thousand vehicles as of year-end 2012. Despite the fall in Turkey's economic growth rate and passenger car sales, which have a direct impact on the operational leasing sector, the sector has continued to expand steadily.

The number of vehicles in the sector increased from 105 thousand in 2009 to 170 thousand in 2012, showing 61.9% growth in four years.

(*)TOKKDER Operational Leasing Sector Report – TNS Global 2012

Sectoral Developments

Sector statistics of European countries show that **operational leasing is very common.**

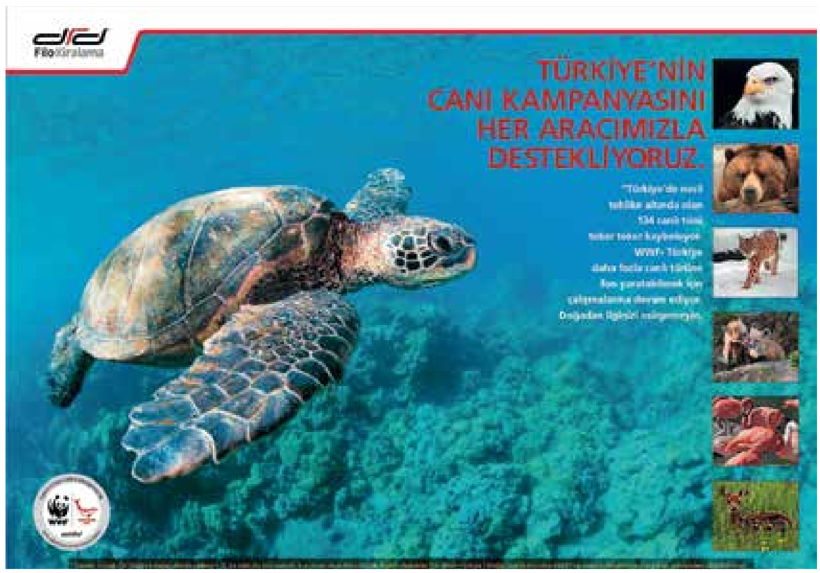
SECTOR STATISTICS FROM EUROPEAN COUNTRIES

Countries	Population (Thousand)	Corporate Fleet & Commercial Vehicles	Operational Fleet Leasing	Corporate Fleet/ Population (Thousand)	Operational Leasing Penetration (%)
Hungary	10,013	57,000	34,000	5.7	60
United Kingdom	62,041	3,530,000	1,730,000	56.9	49
Luxembourg	502	60,000	29,000	119.5	48
Greece	11,306	200,000	90,000	17.7	45
Netherlands	16,609	1,450,000	610,000	87.3	42
Portugal	10,637	360,000	120,000	33.8	33
Spain	46,952	1,900,000	510,000	40.5	27
Norway	4,897	230,000	60,000	47.0	26
Belgium	10,828	1.450,000	300,000	133.9	21
Sweden	9,366	330,000	60,000	35.2	18
Finland	5,366	330,000	60,000	61.5	18
Ireland	4,459	170,000	30,000	38.1	18
France	65,447	7,100,000	1,100,000	108.5	15
Switzerland	7,783	280,000	40,000	36.0	14
Denmark	5,540	460,000	60,000	83.0	13
Germany	81,758	4,950,000	630,000	60.5	13
Poland	38,167	1,050,000	130,000	27.5	12
Italy	60,340	5,600,000	500,000	92.8	9
Austria	8,373	750,000	60,000	89.6	8
Czech Republic	10,512	870,000	60,000	82.8	7
Turkey	74,724	1.872,000	170,000	25.1	8.5
Total Europe	**545,620**	**32,999,000**	**6,343,000**	**60**	**19**

Source: İş Yatırım

Corporate Social Responsibility

DRD continued its **corporate social responsibility activities** at full speed in 2012.



SUPPORTING EDUCATION

Since 1990, Fleet Leasing Group has contributed to Turkey's social development via social responsibility activities in education. The Company supports the education of young people - the future of Turkey - and has given scholarships to the country's students for over 20 years. In addition, the Company invests in establishing new schools and dormitories. In 2009, Ömer Derindere, the founding member of the DRD Fleet Leasing Group Companies, was presented with the Medal of Honor by the Turkish Parliament (TBMM) for his contribution to education in the country.

DRD Fleet Leasing Group's plans to continue providing support to education as part of its social responsibility activities in the coming periods.

COOPERATION WITH WWF-TURKEY

In 2012, DRD cooperated with WWF-Turkey, one of the largest and most prestigious environmental organizations worldwide, and provided support to the "Turkey's Life" campaign, which aims to protect endangered species. DRD Fleet Leasing assumed a very important role by supporting the campaign that was initiated to protect the biological diversity and minimize negative environmental impact such as non-sustainable use of natural resources, soil erosion, and rapid population growth, which endanger Turkey's natural richness. DRD plans to continue its activities in this area in the coming periods as well.

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.

FINANCIAL STATEMENTS
AT 31 DECEMBER 2012 TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.

1. We have audited the accompanying financial statements of Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş. (the "Company") which comprise the balance sheet as of 31 December 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş. as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Haluk Yalçın, SMMM
Partner

Istanbul, 4 March 2013

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
BALANCE SHEET
AT 31 DECEMBER 2012
(Amounts expressed in Turkish lira ("TL"), unless otherwise indicated.)

	Notes	2012	2011
ASSETS			
Current assets:			
Cash and due from banks	6	9,118,553	37,678,708
Trade receivables	7	14,470,333	12,561,182
Due from related parties	8	12,673,691	4,238,810
Inventories	9	14,417,722	20,175,672
Other current assets	10	20,444,749	28,496,117
Total current assets		**71,125,048**	**103,150,489**
Non-current assets:			
Assets used in operational lease	11	573,156,084	433,689,716
Investment property	12	16,899,041	16,999,315
Property and equipment	13	20,308,167	7,721,316
Intangible assets	14	122,256	61,569
Other non-current assets	10	7,736,628	20,679,663
Total non-current assets		**618,222,176**	**479,151,579**
Total assets		**689,347,224**	**582,302,068**

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

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
BALANCE SHEET
AT 31 DECEMBER
(Amounts expressed in Turkish lira (“TL”), unless otherwise indicated.)

	Notes	2012	2011
LIABILITIES AND EQUITY			
Current liabilities:			
Funds borrowed	15	243,190,528	225,573,539
Trade payables	16	40,395,459	31,846,012
Due to related parties	8	7,553,308	1,506,058
Other current liabilities	18	11,954,036	12,593,048
Total current liabilities		**303,093,331**	**271,518,657**
Non-current liabilities:			
Funds borrowed	15	266,623,588	237,743,067
Reserve for employment termination benefits	19	1,538,775	682,761
Deferred tax liability, net	17	14,423,101	8,804,676
Total non-current liabilities		**282,585,464**	**247,230,504**
Total liabilities		**585,678,795**	**518,749,161**
Equity:			
Share capital	20	24,200,000	24,200,000
Adjustment to share capital	20	1,693,875	1,693,875
Total paid-in share capital	20	25,893,875	25,893,875
Retained earnings	21	77,774,554	37,659,032
Total equity		**103,668,429**	**63,552,907**
Total liabilities and equity		**689,347,224**	**582,302,068**

The financial statements as at and for the year ended 31 December 2012 have been approved for issue by the Board of Directors on 4 March 2013 and signed on its behalf.

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012
(Amounts expressed in Turkish lira ("TL"), unless otherwise indicated.)

	Notes	2012	2011
Net sales	22	281,438,797	238,492,967
Cost of sales	23	(179,527,705)	(162,975,289)
Gross profit		**101,911,092**	**75,517,678**
Marketing and selling expenses	24	(7,142,273)	(4,922,690)
General and administrative expenses	25	(12,349,103)	(9,158,875)
Other operating income/(expenses), net	26	1,981,009	(4,957,121)
Operating profit		**84,400,725**	**56,478,992**
Financial expenses, net	27	(38,666,778)	(46,676,125)
Income before taxation		**45,733,947**	**9,802,867**
Taxation on income	17	(5,618,425)	(3,901,425)
Net income for the year		**40,115,522**	**5,901,442**
Other comprehensive income		-	-
Total comprehensive income for the year		**40,115,522**	**5,901,442**

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

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012
(Amounts expressed in Turkish lira ("TL"), unless otherwise indicated.)

	Paid-in share capital				
	Share capital	Adjustment to share capital	Total paid-in share capital	Retained earnings	Equity total
Balances at 1 January 2011	**24,200,000**	**1,693,875**	**25,893,875**	**43,057,155**	**68,951,030**
Profit distribution (Note 8)	-	-	-	(11,299,565)	(11,299,565)
Net income for the year	-	-	-	5,901,442	5,901,442
Balances at 31 December 2011	**24,200,000**	**1,693,875**	**25,893,875**	**37,659,032**	**63,552,907**
Balances at 1 January 2012	**24,200,000**	**1,693,875**	**25,893,875**	**37,659,032**	**63,552,907**
Net income for the year	-	-	-	40,115,522	40,115,522
Balances at 31 December 2012	**24,200,000**	**1,693,875**	**25,893,875**	**77,774,554**	**103,668,429**

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

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012
(Amounts expressed in Turkish lira ("TL"), unless otherwise indicated.)

	Notes	2012	2011
Cash flows from operating activities:			
Net income for the year		40,115,522	5,901,442
Adjustments to reconcile net income for the year to net cash provided by/(used in) operating activities:			
Taxation	17	5,618,425	3,901,425
Depreciation and amortisation	12, 13, 14	1,338,020	1,013,985
Operational lease depreciation	11	30,087,788	26,860,701
Interest expense	27	35,965,294	32,223,512
Foreign exchange (gains)/losses, net	27	(24,262,292)	63,985,869
Firm commitment, hedge account/fair value hedge	10, 27	24,998,397	(32,266,395)
Reversal of doubtful receivables	7, 26	(75,079)	495,668
Reserve for employment termination benefits	19	972,377	361,283
Charge of provision for unused vacation	18	296,755	157,282
Reversal of provision for impairment on inventories	9, 26	(163,939)	(1,175,555)
Gain on sales of property and equipment and assets used in operational lease	26	(1,145,012)	(2,350,137)
Effects of exchange rate changes on cash and cash equivalents		98,028	(912,042)
Net cash provided by operating activities before changes in operating assets and liabilities		**113,844,284**	**98,197,038**
Net decrease in blocked bank deposits	6	252,077	2,280,028
Net increase in trade receivables	7	(1,834,072)	(5,406,605)
Net (increase)/decrease in due from related parties	8	(8,434,881)	14,538,219
Net decrease in inventories	9	5,921,889	14,222,983
Net (increase)/decrease in other current and non-current assets	10	(4,004,166)	812,665
Net increase in trade payables	16	8,549,447	2,840,064
Net increase/(decrease) in due to related parties	8	6,047,250	(1,606,370)
Net decrease in other current liabilities	18	(555,162)	(18,141,027)
Employment termination benefits paid	19	(116,363)	(152,051)
Capital expenditures for operational leases	11	(228,412,352)	(213,908,240)
Proceeds from sales of assets used in operational lease		60,635,303	109,577,353
Net cash (used in) /provided by operating activities		**(48,106,746)**	**3,254,057**
Cash flows from investing activities:			
Capital expenditures	12, 13, 14	(14,889,897)	(1,422,567)
Proceeds from sales of property and equipment		372,689	152,914
Net cash used in investing activities		**(14,517,208)**	**(1,269,653)**
Cash flows from financing activities:			
Increase in funds borrowed		70,927,946	28,842,694
Interest paid		(36,514,043)	(32,392,064)
Non-cash profit distribution	8	-	(11,299,565)
Net cash provided by/(used in) financing activities		**34,413,903**	**(14,848,935)**
Effect of changes in foreign currency exchange rate on cash and cash equivalents		**(98,028)**	**912,042**
Net decrease in cash and cash equivalents		**(28,308,079)**	**(11,952,489)**
Cash and cash equivalents at the beginning of the year	**6**	**37,332,516**	**49,285,006**
Cash and cash equivalents at the end of the year	**6**	**9,024,437**	**37,332,516**

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

NOTE 1-ORGANISATION AND NATURE OF OPERATIONS

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş. (the "Company") was originally established on 23 September 1981 under the name of Derindereler Otomobilcilik ve Pazarlama A.Ş. in Samsun. On 1 July 2004, the head office of the Company was moved to Istanbul. As of 1 September 2004, the Company was merged with Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş. and on 1 October 2005, with Drd Otomotiv Sanayi ve Ticaret A.Ş. which was operating in the operational fleet rental business. Derindere family has significant influence and ultimate control on the Company.

The Company primarily operates in the operational fleet rental business of all brands of motor vehicles. The Company also acts as a distributor of TOYOTA branded vehicles and conducts the marketing and selling of the motor vehicles and spare parts of TOYOTA. Furthermore, the Company has used car operations of different brands. The number of vehicles in the Company's fleet is 16,276 as of 31 December 2012 (31 December 2011: 13,705).

According to the Share Purchase Agreement dated 7 June 2006 published in the Official Gazette on 28 June 2006, the Company's shares in Desas Ticari Araçlar Kiralama Servis ve Ticaret A.Ş. have been transferred to Docar Ticari Araçlar Kiralama Servis ve Ticaret A.Ş. ("Docar") which mainly operates in the operational fleet rental business of all types of motor vehicles.

Registered address of the Company is as follows:

Derindere Turizm Otomotiv Sanayi ve Ticaret A.Ş.
Plaza Derindere Sahil Yolu Abay Cad.
No: 120 Zeytinburnu/İstanbul
Tel: 212 414 14 14

The Company's head office is located in İstanbul and it has 395 employees as at 31 December 2012 (31 December 2011: 381).

NOTE 2-BASIS OF PRESENTATION OF FINANCIAL INFORMATION

(a) Basis of presentation of financial statements

The financial information has been prepared in accordance with and comply with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and Interpretations issued by the International Financial Reporting Committee ("IFRIC"). The Company maintains its books of account and prepares its statutory financial statements in New Turkish Lira in accordance with the Turkish Commercial Code, tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The financial information is based on the statutory records which are with adjustments and reclassifications, for the purpose of fair presentation in accordance with IFRS.

The preparation of financial information in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

(b) Accounting for the effects of hyperinflation

Prior to 1 January 2006, the adjustments and reclassifications made to the statutory records for the purpose of fair presentation in accordance with IFRS included the restatement of balances and transactions for the changes in the general purchasing power of the New Turkish Lira in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". IAS 29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date. As the characteristics of the economic environment of the Turkey indicate that hyperinflation has ceased, effective from 1 January 2006, the Company no longer applies the provisions of IAS 29. Accordingly, the amounts expressed in the measuring unit current at 31 December 2005 are treated as the basis for the carrying amounts in this financial information.

(c) New standards and amendments:

• IFRS 7 (amendment), "Financial instruments: Disclosures on transfers of assets", is effective for annual periods beginning on or after 1 July 2011. This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. Comparative information is not needed in the first year of adoption. Earlier adoption is permitted.

• IFRS 1 (amendment), "First-time adoption of IFRS", is effective for annual periods beginning on or after 1 July 2011. These amendments include two changes to IFRS 1. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to IFRSs', thus eliminating the need for entities adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. Earlier adoption is permitted.

• IAS 12 (amendment), "Income taxes" on deferred tax, is effective for annual periods beginning on or after 1 January 2012. This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, "Income taxes-recovery of revalued non-depreciable assets", will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn. Early adoption is permitted.

(d) Forthcoming requirements:

• IAS 19 (amendment), "Employee benefits", is effective for annual periods beginning on or after 1 January 2013. These amendments eliminate the corridor approach and calculate finance costs on a net funding basis. Early adoption is permitted.

• IAS 1 (amendment), "Presentation of financial statements", regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. Early adoption is permitted.

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2012
(Amounts expressed in Turkish lira ("TL"), unless otherwise indicated.)

• IFRS 10, "Consolidated financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries.

• IFRS 11, "Joint arrangements", is effective for annual periods beginning on or after 1 January 2013. IFRS 11 is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

• IFRS 12, "Disclosures of interests in other entities", is effective for annual periods beginning on or after 1 January 2013. The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

• IFRS 10, 11 and 12 on transition guidance (amendment), is effective for annual periods beginning on or after 1 January 2012. The amendment also provide additional transition relief in IFRSs 10, 11 and 12, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. For disclosure related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for the periods before IFRS 12 is applied.

• IFRS 13, "Fair value measurement", is effective for annual periods beginning on or after 1 January 2013. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

• IAS 27 (revised), "Separate financial statements", is effective for annual periods beginning on or after 1 January 2013. The standard includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

• IAS 28 (revised), "Associates and joint ventures", is effective for annual periods beginning on or after 1 January 2013. The standard includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11.

• IFRS 7 (amendment), "'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2013. The amendment reflects the joint IASB and FASB requirements to enhance current offsetting disclosures. These new disclosures are intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements.

• IAS 32 (amendment), "'Financial instruments: Presentation', on offsetting financial assets and financial liabilities", is effective for annual periods beginning on or after 1 January 2014. The amendment updates the application guidance in IAS 32, 'Financial instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet.

• IFRS 1 (amendment), "'First time adoption', on government loans", is effective for annual periods beginning on or after 1 January 2013. The amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRS. It also adds an exception to the retrospective application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 in 2008.

• Annual Improvements to IFRSs 2011 is effective for annual periods beginning on or after 1 January 2013. Amendments effect five standards: IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

• IFRS 9, "Financial instruments: Classification and Measurement", is effective for annual periods beginning on or after 1 January 2015. The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments.

• IFRS 10, (amendment) "Consolidated Financial Statements", IFRS 12 and IAS 27 for investment entities is effective for annual periods beginning on or after 1 January 2013. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an "investment entity" definition and which display particular characteristics. Changes have also been made IFRS 12 to introduce disclosures that an investment entity needs to make.

• IFRIC 20, "Stripping costs in the production phase of a surface mine" is effective for annual periods beginning on or of 1 January 2013. This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine.

'Improvements to IFRS' were issued in May 2008. They contain numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The application of these new interpretations will not have a material impact on the Company's financial statements in the period of initial application.

(e) Comparative Information and Restatement of Prior Periods Financial Statements

The financial statements of the Company are presented comparatively to enable the determination of the trends of the financial position and performance. The balance sheet of the Company at 31 December 2012 has been presented with the comparative financial statements of 31 December 2011 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2012 have been presented with the comparative financial information, for the year ended 31 December 2011.

In this context, commission expenses amounting to TL481,035 included in "General and administration expenses" in the income statement, have been reclassified to "Other Operating income and expenses" and "Foreign exchange gains from the leased receivables amounting to TL 18,457,686 included in "Rent Income" in the income statement, have been reclassified to "Financial expenses, net" in the current period "Credit card payables" amounting to TL 380,605 included in "Short term borrowing " in the balance sheet, have been reclassified to "Other current liability" in the current period. These financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011.These financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011.

NOTE 3-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the cash on hand and amounts due from banks whose maturity at the time of purchase is less than three months (Note 6).

(b) Related parties

For the purpose of these financial statements, major shareholders, directors and key management personnel together with their close family members and enterprises controlled by them are considered, and referred to, as related parties. A number of transactions are entered into with related parties in the normal course of business (Note 8).

(c) Trade receivables

Trade receivables that are created by the Company by way of providing services or goods directly to a debtor are carried at amortised cost using the effective interest method less provision for impairment. A risk provision for trade receivables is established if there is objective evidence that the Company will not be able to collect all amounts due. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The provision, if any, is recognised in the statement of income.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to other income (Note 7).

(d) Inventories

Inventories are valued at the lower of cost or net realisable value. Cost elements included in inventories comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is determined on the specific identification basis for trade goods, moving weighted average basis for spare parts inventory and monthly weighted average basis for other inventories. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses (Note 9).

(e) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method (Note 16).

(f) Funds borrowed

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method (Note 15).

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(g) Assets used in operational lease

In the case of the operating lease business, the economic ownership of the object of the lease remains with the lessor. Assets used in operational lease, which consist of motor vehicles, are carried at cost less straight-line depreciation. Depreciation is calculated on a pro-rata basis at rates based on the estimated economic useful lives of assets, which is three to four years after deducting the residual value of the assets (Note 11). The depreciable amount of an asset used in operational lease is the cost of the asset less its residual value which is determined as the expected market value at the end of the leasing period. The residual value represents the net amount which the enterprise expects to obtain from an asset at the end of its useful life after deducting the expected costs of disposal. Residual values are initially recorded based on appraisals and estimates. Realisation of the residual values is dependent on the Company’s future ability to market the vehicles under the prevailing market conditions. Management reviews residual values periodically to determine that recorded amounts are appropriate.

Gains or losses on disposal of assets used in operation all losses are charged against income.

Expenses for repair and maintenance of assets used in operational leases are charged against income.

DERİNDERE TURİZM OTOMOTİV SANAYİ VE TİCARET A.Ş.
NOTES TO THE FINANCIAL STATEMENTS
AT 31 DECEMBER 2012
(Amounts expressed in Turkish lira ("TL"), unless otherwise indicated.)

(h) Investment property

Investment property is defined as property held to earn rentals or for capital appreciation or both, rather than for use in the production of goods or services or for administrative purposes; or sale in the ordinary course of business. The carrying amount of investment properties is measured as the cost less accumulated depreciation (excluded land) and less impairment amount, if any. The estimated useful life of the building classified under investment property is 50 years (Note 12).

(i) Property and equipment and related depreciation

Property and equipment are carried at historical cost less accumulated depreciation, in each case restated to the equivalent purchasing power at 31 December 2005. Property and equipment are depreciated on the restated amounts on straight-line basis at rates based on the estimated economic useful lives of assets (Note 13). The ranges of estimated useful lives are as follows:

Motor vehicles	5 years
Furniture and fixtures	5 years

Gains or losses on disposal of property, and equipment are determined by comparing proceeds with their carrying amounts and are included within the other operating income/(expense), in the income statement.

Expenses for the repair of property and equipment are normally charged against income. They are, however, capitalised in exceptional cases if they result in an enlargement or substantial improvement of the respective assets.

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(j) Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years) (Note 14).

(k) Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(l) Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models. Fair values of derivatives are carried as assets when positive and as liabilities when negative. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received).

(m) Hedge accounting

The Company documents at the inception of the hedge the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used in hedging transactions are highly effective in offsetting changes in the values of hedged items.

Fair value hedges

The Company hedges the foreign currency risk arising from firm commitments to collect foreign currency denominated lease receivables against providing operating lease service (hedged item) with foreign currency funds borrowed (hedging instrument). The fair value changes in the hedged item attributable to foreign currency risk are recognised as an asset or liability on the balance sheet under the account "Firm commitment hedge" with a corresponding gain or loss which is recognised in the income statement under financial income and expenses (Note 27). The changes in the fair value of the hedging instrument are also recognised in profit or loss under financial income and expenses.

(n) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled (Note 17).

Deferred income tax liabilities are recognised for all taxable temporary differences, whereas deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset accordingly.

(o) Employment termination benefits

Employment termination benefits are recognised in these financial statements as they are earned. The total provision represents the present value of the future probable obligation of the Company arising from the retirement of its employees (Note 20).

(p) Foreign currency transactions and translation

Transactions in foreign currencies during the period have been translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at period-end. Exchange gains or losses arising on the settlement and translation of foreign currency items have been included in the income statement.

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Turkish lira, which is the Company's functional and presentation currency.

(r) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(q) Share capital and dividends

Ordinary shares are classified as equity. Pro-rata capital increases to existing shareholders are accounted for at par value as approved. Dividends on ordinary shares are recognised as an appropriation of the profit in the period in which they are declared.

(s) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(t) Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

(u) Contingent assets and liabilities

Possible assets or obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company are treated as contingent assets or liabilities. The Company does not recognise contingent assets and liabilities. Contingent assets and liabilities are disclosed where an inflow or outflow of economic benefits is probable. When the realisation of income or expense is virtually certain, the related assets and liabilities are not treated as contingent assets or liabilities, and they are recognised in the financial statements.

(v) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Company.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved.

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Sales of services

Revenues from operational lease transactions are recognised in the period to which they relate under the accrual principle. Revenue is suspended when in management's opinion, collection becomes doubtful.

Sales of vehicles

Revenue is recognised on an accrual basis at the time deliveries or acceptances are made, and measured at the fair value of the consideration received or receivable. Net sales represent the invoiced value of goods shipped less sales returns and commission excluding sales taxes. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of the consideration is recognised as interest income in the period on an accrual basis.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

(y) Critical accounting estimates and judgements in applying accounting policies

Provision for impairment of trade receivables

The Company calculates the provision for impairment of trade receivables to cover the estimated losses resulting from the inability of its customers to make required payments. The estimates used in evaluating the adequacy of the provision for impairment of trade receivables are based on the aging of the trade receivable balances and the trend of collection performance. The Company considers that the accounting estimate related to the provision for impairment of trade receivables is a critical accounting estimate since it involves assumptions about future customer behaviour and the resulting future cash collections. If the financial condition of the customer were to be deteriorating, actual write-offs of currently existing trade receivables may be higher than expected and may exceed the level of the provision recognised at 31 December 2012.

Income taxes

The Company's income tax is subject to many tax regulations in Turkey. Significant estimates are required in determining the income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Residual values

As the residual value (the value of the vehicle at the end of the lease as estimated by the Company in advance) may differ from the actual market price at the end of the lease, it is considered as market risk. The residual value is mainly influenced by external factors but internal procedures have been put in place to mitigate their effect. External factors, such as the supply of used cars, consumer preferences, exchange rates, government policies and general economic circumstances can only be managed to a certain extent. The Company has a robust policy in place with respect to residual value risks.

Among other things, it describes the roles and responsibilities in relation to residual value risk management, the mandatory frequency of risk measurement and reporting and the minimum risk mitigation standards. Statistical models are applied to calculate the future value of a car as accurately as possible, taking country-specific factors into account. The Company has an advanced management information system, which accurately monitors the development of residual values under its lease contracts. It also monitors the residual values realized when the vehicles are sold. In addition, the Company assesses its portfolio exposure to residual values once a year, or more often depending on the size and risk profile, and consider whether there are any indications for revaluation.

NOTE 4-FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

(a) Strategy in using financial instruments

The objective of the Company's asset and liability management and use of financial instruments is to limit the Company's exposure to liquidity risk, interest rate risk and foreign exchange risk, while ensuring that the Company has sufficiently used its capital to maximise its rental revenue.

(b) Credit risk

Financial instruments contain an element of risk that the counterparts may be unable to meet the terms of the agreements. The Company's exposure to credit risk is concentrated in Turkey, where the majority of the activities are carried out. These risks are monitored by the management by limiting the aggregate risk to any individual counterparty, and the credit risk is diversified due to the large number of customers.

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

Credit risks exposed by the Company for each financial instrument type as of 31 December 2012 are shown below:

	Trade receivables		Other receivables			
31 December 2012	**Related party**	**Other**	**Related party**	**Other (*)**	**Bank deposits**	**Other**
The maximum of credit risk exposed at the reporting date	**-**	**14,470,333**	**11,943,747**	**1,666,960**	**7,061,824**	**1,863,572**
- Credit risk covered by guarantees						
Net carrying value of financial assets either are not due or not impaired	-	10,684,154	11,943,747	1,666,960	7,061,824	1,863,572
Net carrying value of financial assets which are overdue but not impaired	-	3,786,179	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross carrying value)	-	*2,888,485*	-	-	-	-
- Provision amount (-)	-	*(2,888,485)*	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	

-

Credit risks exposed by the Company for each financial instrument type as of 31 December 2011 are shown below:

	Trade receivables		Other receivables			
31 December 2011	**Related party**	**Other**	**Related party**	**Other (*)**	**Bank deposits**	**Other**
The maximum of credit risk exposed at the reporting date	**-**	**12,561,182**	**4,238,810**	**2,941,795**	**35,311,030**	**2,265,027**
- Credit risk covered by guarantees	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying value of financial assets either are not due or not impaired	-	9,538,756	4,238,810	2,941,795	35,311,030	2,265,027
Net carrying value of financial assets which are overdue but not impaired	-	3,022,426	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-
Net carrying value of impaired assets	-	-	-	-	-	-
- Overdue (gross carrying value)	-	*2,963,564*	-	-	-	-
- Provision amount (-)	-	*(2,963,564)*	-	-	-	-
- Amount of risk covered by guarantees	-	-	-	-	-	-

(*) Other receivables comprise receivables from insurance companies, work advances given and deposits and warranties paid.

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Sectoral concentration

Sectoral concentration of Company's leased vehicles under operational leasing is as follows:

Sector	31 December 2012	31 December 2011	31 December 2010
Health	17.4%	23.8%	34.7%
Food	9.9%	10.2%	9.5%
Building and Construction	7.2%	6.8%	6.3%
Chemistry and Plastic Industry	6.6%	7.7%	6.5%
Machinery and Spare Parts	6.5%	5.8%	4.5%
Finance and Insurance	5.3%	3.7%	2.9%
Textile-Apparel-Shoes	4.6%	3.2%	2.0%
Service	4.1%	4.0%	3.5%
Automotive-Motor Vehicles	3.7%	3.7%	2.4%
Cosmetics and Cleaning	3.4%	4.4%	4.1%
Electric and Electronic	3.5%	2.6%	2.3%
Agriculture-Livestock	2.8%	2.3%	1.7%
Metal Industry	2.8%	2.2%	2.3%
Computer and Internet	2.5%	2.2%	1.5%
Transportation – Logistics	2.4%	2.4%	2.8%
Gas and Oil	2.3%	2.3%	2.0%
Telecommunication	1.7%	1.3%	2.0%
Home and Office Equipments	1.4%	1.4%	1.1%
Paper and Paper Products	1.1%	1.2%	1.1%
Energy	1.0%	0.8%	0.4%
Other	9.5%	7.7%	6.5%
Total	**100%**	**100%**	**100%**

Brand concentration

Brand concentration of Company's leased vehicles under operational leasing is as follows:

Brand	31 December 2012	31 December 2011	31 December 2010
Renault	25.04%	23.56%	18.26%
Fiat	16.56%	19.15%	23.97%
Ford	11.73%	15.01%	17.83%
Citroen	13.82%	9.93%	5.79%
Volkswagen	10.39%	11.66%	13.33%
Toyota	7.51%	7.73%	9.58%
Hyundai	3.70%	4.56%	4.28%
Audi	3.23%	2.08%	1.02%
Mercedes	1.17%	1.40%	0.95%
Opel	1.18%	0.73%	1.04%
Volvo	1.35%	0.84%	0.59%
BMW	1.10%	0.86%	1.46%
Honda	0.57%	0.53%	0.59%
Dacia	0.73%	0.26%	0.11%
Seat	0.42%	0.51%	0.02%
Peugeot	0.42%	0.26%	0.05%
Other	1.08%	0.93%	1.11%
Total	**100.0%**	**100.0%**	**100.0%**

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

Client concentration

The share of the Company's leased vehicles under operational leasing from its 5, 10 and 20 largest customers are stated in the below table:

	31 December 2012	31 December 2011	31 December 2010
Top 5 clients	6%	10%	16%
Top 10 clients	11%	17%	24%
Top 20 clients	18%	25%	33%

Client development

Development of number of customers regarding with operational leasing agreement are stated in the below table:

	31 December 2012	31 December 2011	31 December 2010
Client number	2,040	1,406	1,169
Total vehicles	**16,336**	**13,757**	**13,116**

Risk distribution based on customer segmentation at 31 December 2012

Risk distribution of the company's customer segmentation regarding with the number and non-cancellable operating leases are stated in the below table:

	Total vehicles rented%	Risk	Risk distribution
Corporate enterprise	55.30%	249,344,014	60.50%
Commercial enterprise	28.30%	103,090,305	25.00%
Small and medium size entity	10.80%	38,665,247	9.40%
Small enterprise	5.50%	21,362,285	5.20%
Total	**100%**	**412,461,851**	**100%**

Second hand sales

Number of second hand sales and the amounts received from these transactions are stated in the below table:

Period	Sold vehicles	Monthly average of sold vehicles	Sales amount (*)	Sales amount per vehicles	Sales amount/ turn-key cost	Average vehicles age
1 January-31 December 2010	5,633	469	140,152,719	24,881	76%	33
1 January-31 December 2011	4,882	407	132,886,407	27,220	80%	37
1 January-31 December 2012	2,474	206	73,149,259	29,567	79%	38

(*) Sales figures include VAT amount and consist of actual sales.

Turnover days

Operational lease receivables turnover days:

	2012	2011	2010
Turnover days	10	9	9

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Doubtful trade receivables/total last 3 years net sales of rent a car operations

	2012	2011	2010
Doubtful trade receivables (*)	2,669,031	2,395,169	2,128,705
Total last 3 years net sales (**)	571,406,891	526,906,517	485,652,030
Doubtful trade receivables/total last 3 years net sales	0.47%	0.45%	0.44%

(*) Doubtful trade receivables include only receivables from operational fleet rental business.
(**) Net sales figures include VAT amount.

(c) Market risk

The Company considers currency risk and interest rate risk as the most important constituents of market risk. The limit structure for such risks is designed by considering the capital structure of the Company.

(d) Currency risk

Foreign currency denominated assets and liabilities give rise to foreign exchange exposure. This risk is managed using natural hedges that arise from offsetting foreign currency denominated assets and liabilities. Company also uses fair value hedge against the foreign currency risk arising from firm commitments to collect foreign currency denominated lease receivables (Note 3 (m)).

The table below summarises the Company's exposure to foreign currency exchange rate risk at 31 December 2012 and 2011. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by currency and denominated in TL.

31 December 2012	US$	EUR	TL	Other	Total
Cash and due from banks	215,281	1,917,996	6,985,276	-	9,118,553
Trade receivables	-	-	14,470,333		14,470,333
Due from related parties	1,917,100	188,645	10,567,946	-	12,673,691
Inventories	-	-	14,417,722		14,417,722
Other current and non-current assets	479,080	14,042,618	13,659,679	-	28,181,377
Assets used in operational lease	-	-	573,156,084	-	573,156,084
Investment property	-	-	16,899,041	-	16,899,041
Property and equipment	-	-	20,308,167	-	20,308,167
Intangible assets	-	-	122,256	-	122,256
Total assets	**2,611,461**	**16,149,259**	**670,586,504**	**-**	**689,347,224**
Funds borrowed-short-term	7,903,090	192,090,013	43,197,425	-	243,190,528
Trade payables and due to related parties	-	-	47,948,767	-	47,948,767
Other current non current liabilities	-	-	11,954,036	-	11,954,036
Funds borrowed-long-term	5,935,467	239,852,327	20,835,794	-	266,623,588
Reserve for employment termination benefits	-	-	1,538,775	-	1,538,775
Deferred tax liabilities	-	-	14,423,101	-	14,423,101
Total liabilities	**13,838,557**	**431,942,340**	**139,897,898**	**-**	**585,678,795**
Net balance sheet position	**(11,227,096)**	**(415,793,081)**	**530,688,606**	**-**	**103,668,429**
Lease receivables (*)	12,605,268	355,947,480	43,909,093	-	412,461,841
Net position after lease receivables	**1,378,172**	**(59,845,601)**	**574,597,699**	**-**	**516,130,270**

(*) Lease receivable figures include VAT amount

At 31 December 2012, assets and liabilities denominated in foreign currency have been translated into TL using foreign exchange rates of TL 1.7826=US$1 and TL 2.3517=EUR1.

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Sensitivity analysis at 31 December 2012:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Cash and cash equivalents		
If US$ appreciated/(depreciated) against TL by 10%	21,528	(21,528)
If EUR appreciated/(depreciated) against TL by 10%	191,800	(191,800)
Net effect-gain/(loss)	**213,328**	**(213,328)**
Due from related parties		
If US$ appreciated/(depreciated) against TL by 10%	191,710	(191,710)
If EUR appreciated/(depreciated) against TL by 10%	18,864	(18,864)
Net effect-gain/(loss)	**210,574**	**(210,574)**
Lease payment receivables		
If US$ appreciated/(depreciated) against TL by 10%	1,260,527	(1,260,527)
If EUR appreciated/(depreciated) against TL by 10%	35,594,748	(35,594,748)
Net effect-gain/(loss)	**36,855,275**	**(36,855,275)**
Funds borrowed		
If US$ appreciated/(depreciated) against TL by 10%	(1,383,856)	1,383,856
If EUR appreciated/(depreciated) against TL by 10%	(43,194,234)	43,194,234
Net effect-(loss)/gain	**(44,578,090)**	**44,578,090**

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31 December 2011	US$	EUR	TL	Other	Total
Cash and due from banks	293,843	2,280,372	35,104,493	-	37,678,708
Trade receivables	-	-	12,561,182	-	12,561,182
Due from related parties	1,328,872	15,552	2,894,386	-	4,238,810
Inventories	-	-	20,175,672		20,175,672
Other current and non-current assets	1,857,167	37,663,100	9,655,513	-	49,175,780
Assets used in operational lease	-	-	433,689,716	-	433,689,716
Investment property	-	-	16,999,315	-	16,999,315
Property and equipment	-	-	7,721,316	-	7,721,316
Intangible assets	-	-	61,569	-	61,569
Total assets	**3,479,882**	**39,959,024**	**538,863,162**	**-**	**582,302,068**
Funds borrowed-short-term	46,948,625	158,667,122	19,957,792	-	225,573,539
Trade payables and due to related parties	-	-	33,352,070	-	33,352,070
Other current non current liabilities	-	-	12,593,048	-	12,593,048
Funds borrowed-long-term	12,334,133	207,184,720	18,224,214	-	237,743,067
Reserve for employment termination benefits	-	-	682,761	-	682,761
Deferred tax liabilities	-	-	8,804,676	-	8,804,676
Total liabilities	**59,282,758**	**365,851,842**	**93,614,561**	**-**	**518,749,161**
Net balance sheet position	**(55,802,876)**	**(325,892,818)**	**445,248,601**	**-**	**63,552,907**
Lease receivables (*)	17,704,311	340,308,197	36,804,107	-	394,816,615
Net position after lease receivables	**(38,098,565)**	**14,415,379**	**482,052,708**	**-**	**458,369,522**

(*) Lease receivable figures include VAT amount

At 31 December 2011, assets and liabilities denominated in foreign currency have been translated into TL using foreign exchange rates of TL 1.8889=US$1 and TL 2.4438=EUR1.

(Amounts expressed in Turkish lira (“TL”), unless otherwise indicated.)

Sensitivity analysis at 31 December 2011:

	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Cash and cash equivalents		
If US$ appreciated/(depreciated) against TL by 10%	29,384	(29,384)
If EUR appreciated/(depreciated) against TL by 10%	228,037	(228,037)
Net effect-gain/(loss)	**257,421**	**(257,421)**
Due from related parties		
If US$ appreciated/(depreciated) against TL by 10%	132,887	(132,887)
If EUR appreciated/(depreciated) against TL by 10%	1,554	(1,554)
Net effect-gain/(loss)	**134,441**	**(134,441)**
Lease payment receivables		
If US$ appreciated/(depreciated) against TL by 10%	1,770,431	(1,770,431)
If EUR appreciated/(depreciated) against TL by 10%	34,030,820	(34,030,820)
Net effect-gain/(loss)	**35,801,251**	**(35,801,251)**
Funds borrowed		
If US$ appreciated/(depreciated) against TL by 10%	(5,928,276)	5,928,276
If EUR appreciated/(depreciated) against TL by 10%	(36,585,184)	36,585,184
Net effect-(loss)/gain	**(42,513,460)**	**42,513,460**

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(e) Interest rate risk

The Company is exposed to interest rate risk either through market value fluctuations of balance sheet items, i.e. price risk, or the impact of rate changes on interest-sensitive assets and liabilities. In Turkey, the interest rates are highly volatile. Therefore, interest rate risk is the key component of the Company's asset and liability management. Interest rate risk is managed on a portfolio basis using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. Special emphasis is given to providing a balance between the duration of assets and liabilities. Duration, gap and sensitivity analysis are the main methods used to manage the risks.

As of 31 December 2012; if the market interest rates had been increased/decreased by 1% with all other variables held constant income before taxes for the year would have been lower by TL 149,685 or higher by TL 147,164 (31 December 2011: lower by TL 138,196 or higher by TL 135,713) as a result of higher/lower interest expense on floating rate denominated funds borrowed.

The tables below summarize the Company's exposure to interest rate risks at 31 December 2012 and 31 December 2011. Included in the table are the Company's assets and liabilities in carrying amounts classified in terms of periods remaining to contractual repricing dates.

31 December 2012	Up to 3 months	3 months to 1 year	1 year to 5 years	Non-interest bearing	Total
Cash and due from banks	94,116	-	-	9,024,437	9,118,553
Trade receivables	14,190,083	280,250	-	-	14,470,333
Due from related parties	12,673,691	-	-	-	12,673,691
Inventories	14,417,722	-	-	-	14,417,722
Other current and non-current assets	9,893,084	5,372,178	7,736,628	5,179,487	28,181,377
Assets used in operational lease	19,720,381	77,310,437	476,125,266	-	573,156,084
Investment property	-	-	-	16,899,041	16,899,041
Property and equipment	-	-	-	20,308,167	20,308,167
Intangible assets	-	-	-	122,256	122,256
Total assets	**70,989,077**	**82,962,865**	**483,861,894**	**51,533,388**	**689,347,224**
Funds borrowed-short-term	67,343,500	175,847,028	-	-	243,190,528
Trade payables and due to related parties	47,948,767	-	-	-	47,948,767
Other current and non current liabilities	11,954,036	-	-	-	11,954,036
Funds borrowed-long-term	-	-	266,623,588	-	266,623,588
Reserve for employment termination benefits	-	-	-	1,538,775	1,538,775
Deferred tax liabilities	-	-	-	14,423,101	14,423,101
Total liabilities	**127,246,303**	**175,847,028**	**266,623,588**	**15,961,876**	**585,678,795**
Net repricing gap in balance sheet	**(56,257,226)**	**(92,884,163)**	**217,238,306**	**35,571,512**	**103,668,429**
Lease receivables (*)	58,046,653	152,793,735	201,621,453	-	412,461,841
Net repricing gap	**1,789,427**	**59,909,572**	**418,859,759**	**35,571,512**	**516,130,270**

(*) Lease receivable figures include VAT amount.

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

31 December 2011	Up to 3 months	3 months to 1 year	1 year to 5 years	Non-interest bearing	Total
Cash and due from banks	13,141,883	-	-	24,536,825	37,678,708
Trade receivables	12,432,232	128,950	-	-	12,561,182
Due from related parties	4,238,810	-	-	-	4,238,810
Inventories	20,175,672	-	-	-	20,175,672
Other current and non-current assets	9,029,015	14,328,525	20,679,663	5,138,577	49,175,780
Assets used in operational lease	16,637,999	35,026,257	382,025,460	-	433,689,716
Investment property	-	-	-	16,999,315	16,999,315
Property and equipment	-	-	-	7,721,316	7,721,316
Intangible assets	-	-	-	61,569	61,569
Total assets	**75,655,611**	**49,483,732**	**402,705,123**	**54,457,602**	**582,302,068**
Funds borrowed-short-term	71,116,278	154,457,261	-	-	225,573,539
Trade payables and due to related parties	33,352,070	-	-	-	33,352,070
Other current and non current liabilities	12,581,077	-	-	11,971	12,593,048
Funds borrowed-long-term	-	-	237,743,067	-	237,743,067
Reserve for employment termination benefits	-	-	-	682,761	682,761
Deferred tax liabilities	-	-	-	8,804,676	8,804,676
Total liabilities	**117,049,425**	**154,457,261**	**237,743,067**	**9,499,408**	**518,749,161**
Net repricing gap in balance sheet	**(41,393,814)**	**(104,973,529)**	**164,962,056**	**44,958,194**	**63,552,907**
Lease receivables (*)	49,135,009	137,147,408	208,534,198	-	394,816,615
Net repricing gap	**7,741,195**	**32,173,879**	**373,496,254**	**44,958,194**	**458,369,522**

(f) Liquidity risk

A major objective of the Company's asset and liability management is to ensure that sufficient liquidity is available to meet the Company's commitments to creditors and to satisfy the Company's own liquidity needs.

The table below analyses financial liabilities of the Company into relevant maturity periods based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

31 December 2012	Demand and up to 3 months	3 to 12 months	Over 1 year	Total
Funds borrowed-short-term	74,019,371	196,292,181	-	270,311,552
Trade payables	40,760,449	-	-	40,760,449
Due to related parties	7,553,308	-	-	7,553,308
Other current liabilities	11,954,036	-	-	11,954,036
Funds borrowed-long-term	-	-	285,055,660	285,055,660
	134,287,164	**196,292,181**	**285,055,660**	**615,635,005**

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31 December 2011	Demand and up to 3 months	3 to 12 months	Over 1 year	Total
Funds borrowed-short-term	78,119,010	172,611,221	-	250,730,231
Trade payables	32,307,835	-	-	32,307,835
Due to related parties	1,506,058	-	-	1,506,058
Other current liabilities	12,593,048	-	-	12,593,048
Funds borrowed-long-term	-	-	253,759,502	253,759,502
	124,525,951	**172,611,221**	**253,759,502**	**550,896,674**

Distribution of net book value of the asset used in operational lease according to their contract-end date is as follows:

	31 December 2012	31 December 2011
1 January 2012-31 December 2012	-	50,262,612
1 January 2013-31 December 2013	97,030,818	110,892,340
1 January 2014-31 December 2014	193,117,208	232,155,384
1 January 2015-31 December 2015	232,012,112	40,379,380
1 January 2016-31 December 2016	50,995,946	-
	573,156,084	**433,689,716**

Turn-key costs are the total costs of the Company before starting the operational lease relationship with the customers. Main items of the turn-key cost are purchase price of the vehicle, value added tax, special consumption tax and registration fees. Below table is the summary of the total fleet and their total turn-key costs:

Fleet size

Year	Total fleet	Turn-key cost	Turn-key cost/ total fleet
31 December 2010	13,116	471,463,512	35,946
31 December 2011	13,757	570,888,005	41,498
31 December 2012	16,336	759,535,231	46,495

(*) Total fleet amounts includes vehicles in inventories that are not actually sold.

Turn-key cost distribution of the annually purchased vehicles

Period	Purchased vehicles	Monthly average of purchased vehicles	Total turn-key cost	Turn-key cost/ purchased vehicles
1 January-31 December 2010	5,692	474	211,771,633	37,205
1 January-31 December 2011	5,604	467	268,796,112	47,965
1 January-31 December 2012	5,136	428	284,872,879	55,466

(g) Operational risk

The most comprehensive meaning of operational risk is considered to be any risk which is not classified as a market and credit risk. In managing operational risk, increasing the skills of the staff, improving the job technology and job definitions, establishing the necessary internal controls and various insurances are employed as the main methods. In order to manage operational and financial risks efficiently, an internal audit department was established in February 2010 by the Company. Main objective of the department is to evaluate and contribute to the improvement of governance, risk management, and control process using a systematic and disciplined approach in accordance with international internal audit standards. Internal audit department has already prepared a risk based audit plan and work program for the year 2011 and started related works.

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(h) Fair value of financial instruments

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, should one exist.

The Company has estimated fair values of financial instruments by using available market information and appropriate valuation methodologies which include credit risk as well. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company can realise in a current market exchange.

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

Monetary assets

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

The fair values of certain financial assets carried at cost, including cash and amounts due from banks, marketable securities plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses.

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

Monetary liabilities

The fair values of long term financial liabilities are determined by discounting contractual cash flows with current market interest rate.

	2012		2011	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Funds borrowed	509,814,116	509,132,159	463,316,606	462,696,847

Since the Company does not have any financial assets carried at fair value, no additional disclosure of fair value measurements by level of fair value hierarchy has been presented.

(i) Capital risk management

The Company's objective when managing capital is to maintain a strong capital base to support the development of its business through monitoring the equity to total assets ratio and to comply with the equity related covenants of financial liabilities.

Consistent with others in the industry, the Company monitors capital on the basis of the ratio of Net Debt to Earnings before Interest, Taxation, Depreciation and Amortization ("EBITDA"). Net debt is calculated as total of funds borrowed (including current and non-current borrowings), less cash and cash equivalents. The Company monitors EBITDA by using quarterly results.

The ratios at 31 December 2012 and 2011 are as follows:

	2012	2011
Operating profit	84,400,725	56,478,992
Depreciation and amortization	31,425,808	27,874,686
Current period EBITDA	**115,826,533**	**84,353,678**
Funds borrowed	509,814,116	463,697,211
Cash and due from banks	(9,118,553)	(37,678,708)
Net debt	**500,695,563**	**426,018,503**
Total equity	**103,787,294**	**63,693,088**
Net debt/EBITDA	**4.32**	**5.05**
Net debt/Total equity	**4.82**	**6.69**

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NOTE 5-SEGMENT REPORTING

The Company mainly operates under two business segments: Operational lease and car distribution and service. Under operational lease segment, the Company operates in the operational fleet rental business of all brands of motor vehicles. Under car distribution and service, the Company acts as a distributor of TOYOTA branded vehicles and conducts the marketing and selling of the motor vehicles and spare parts of TOYOTA. In addition, the Company has used car operations of different brands under car distribution and service segment.

31 December 2012

Balance sheet:	Operational lease	Car distribution and service	Total
Cash and due from banks	4,847,325	4,271,228	9,118,553
Trade receivables	8,393,038	6,077,295	14,470,333
Inventories	5,728,202	8,689,520	14,417,722
Assets used in operational lease	573,156,084	-	573,156,084
Property and equipment and intangible assets	1,521,089	18,909,334	20,430,423
Other current and non-current assets	22,910,218	5,271,159	28,181,377
Segment assets	616,555,956	43,218,536	659,774,492
Unallocated assets			29,572,732
Total assets			**689,347,224**
Funds borrowed	508,653,471	1,160,645	509,814,116
Trade payables	33,929,613	6,465,846	40,395,459
Other current and non-current liabilities	6,207,679	7,285,132	13,492,811
Segment liabilities	548,790,763	14,911,623	563,702,386
Unallocated liabilities			21,976,409
Total liabilities			**585,678,795**
Income statement:			
Net sales	181,064,778	100,374,019	281,438,797
Cost of sales (-)	(85,835,147)	(93,692,558)	(179,527,705)
Marketing and selling expenses (-)	(4,851,668)	(2,290,605)	(7,142,273)
General and administrative expenses (-)	(7,740,339)	(4,608,764)	(12,349,103)
Other operating income/(expenses), net	2,302,926	(321,917)	1,981,009
Net operating income	**84,940,550**	**(539,825)**	**84,400,725**
Financial expenses, net			(38,666,778)
Income before taxation			**45,733,947**
Taxation on income			(5,618,425)
Net income			**40,115,522**
Other segment items:			
Capital expenditure	228,412,352	14,889,897	243,302,249
Depreciation and amortization	30,285,894	1,139,914	31,425,808
Impairment reversal for inventories	(163,939)	-	(163,939)
Impairment charge/(reversal) for trade receivables	432,776	(507,855)	(75,079)

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31 December 2011

Balance sheet:	Operational lease	Car distribution and service	Total
Cash and due from banks	34,594,961	3,083,747	37,678,708
Trade receivables	7,343,341	5,217,841	12,561,182
Inventories	7,698,028	12,477,644	20,175,672
Assets used in operational lease	433,689,716	-	433,689,716
Property and equipment and intangible assets	1,668,703	6,114,182	7,782,885
Other current and non-current assets	45,863,563	3,312,217	49,175,780
Segment assets	530,858,312	30,205,631	561,063,943
Unallocated assets			21,238,125
Total assets			**582,302,068**
Funds borrowed	460,181,736	3,515,475	463,697,211
Trade payables	25,788,138	6,057,874	31,846,012
Other current and non-current liabilities	6,424,616	6,851,193	13,275,809
Segment liabilities	492,013,885	16,424,542	508,438,427
Unallocated liabilities			10,310,734
Total liabilities			**518,749,161**
Income statement:			
Net sales	140,453,339	98,039,628(*)	238,492,967
Cost of sales (-)	(73,048,347)	(89,926,942)	(162,975,289)
Marketing and selling expenses (-)	(3,163,864)	(1,758,826)	(4,922,690)
General and administrative expenses (-)	(6,087,308)	(3,552,602)	(9,639,910)
Other operating income/(expenses), net	6,499,168	(10,975,254)	(4,476,086)
Net operating income	**64,652,988**	**(8,173,996)**	**56,478,992**
Financial expenses, net			(46,676,125)
Income before taxation			**9,802,867**
Taxation on income			(3,901,425)
Net income			**5,901,442**
Other segment items:			
Capital expenditure	213,908,240	1,422,567	215,330,807
Depreciation and amortization	27,015,213	859,473	27,874,686
Impairment reversal for inventories	(1,175,555)	-	(1,175,555)
Impairment charge/(reversal) for trade receivables	120,127	375,541	495,668

(*) Net sales are mainly composed of car distribution and services in Zeytinburnu and Samsun Plaza. At 31 December 2011, net sales in Zeytinburnu Plaza amounts to TL 83,190,498.

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NOTE 6-CASH AND DUE FROM BANKS

	2012	2011
Deposits in banks	7,061,824	35,311,030
Other liquid assets	1,863,573	2,265,027
Cash in hand	193,157	102,651
	9,118,553	**37,678,708**

At 31 December 2012, blocked bank deposits amounting to TL 94,116 are held against funds borrowed from banks (31 December 2011: TL 346,192). Accordingly, cash and cash equivalents in the cash flow statement excludes blocked bank deposits and amounts to TL 9,024,437 as of 31 December 2012 (31 December 2011: TL 37,332,516). The blocked bank deposits are held in bank to be used in short-term borrowing payments.

At 31 December 2012, there are no reverse repos in deposits in banks TL (31 December 2011: TL 12,795,691). Average interest rates of these transactions are 5.25% as of 31 December 2011.

Other liquid assets are mainly composed of POS machine receivables which are related to service and spare part sales.

NOTE 7-TRADE RECEIVABLES

	2012	2011
Customer current accounts	14,761,999	13,959,097
Notes receivables	2,664,480	1,671,354
Less-Unearned financial income	(67,661)	(105,705)
Less-Provision for doubtful receivables	(2,888,485)	(2,963,564)
	14,470,333	**12,561,182**

The concentration of credit risk with respect to trade receivables is limited due to the Company's large number of customers operating in manufacturing and distribution. The management believes that no additional credit risk is inherent in the Company's trade receivables.

The average maturity of trade receivables is 16.1 days as of 31 December 2012 (31 December 2011: 14.6 days) and the discount rate is 5.54% (31 December 2011: 11.27%).

Aging of overdue receivables that are not impaired as of 31 December is as follows;

	2012	2011
Up to 1 month	3,371,636	2,531,411
1 to 3 months	414,543	491,015
	3,786,179	**3,022,426**

The company provided full impairment provision for its impaired receivables, movement in provision for impairment in trade receivables is as follows:

	2012	2011
1 January	2,963,564	2,467,896
Reversal/ (addition) during the year (Note 26)	(75,079)	495,668
31 December	**2,888,485**	**2,963,564**

The main business activity of the Company is the operational fleet rental business composing of all types of motor vehicles. The future lease payments receivable under non-cancelable operating leases related with this fleet rental business is as follows:

	2012	2011
2012	-	157,866,454
2013	178,678,296	118,955,045
2014	115,475,584	50,736,052
2015	46,851,297	7,032,801
2016	8,538,756	-
	349,543,933	**334,590,352**

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NOTE 8-BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a) Balances with related parties

	2012	2011
Due from related parties		
Özkan Derindere	5,456,543	2,185,275
Ömer Derindere	3,655,607	1,042,634
Öznur Derindere	1,754,208	439,557
Derindere Araç Kiralama San. Tic. A.Ş.	1,701,489	505,616
Drd Teknoloji San. Ltd. Şti.	105,660	46,610
Derindere İstihdam Hizmetleri Ltd. Şti.	184	13,078
Derindere Sigorta Aracılık Hizmetleri Ltd. Şti. ("Derindere Sigorta")	-	5,250
Derindere Motorlu Araçlar San. ve Tic. A.Ş.	-	790
	12,673,691	**4,238,810**

"The Law on Restructuring of Certain Receivables and on Amending Social Security and General Health Insurance Law and Certain Other Laws and Statutory Decrees", which was promulgated in Official Gazette (repeating) No. 27857, dated 25 February 2011, introduces some amendments in relation to restructuring of specified receivables, liquidation of disputed receivables, increase of recorded tax base and accounting adjustments, and the extension of period for the repatriation of capital. Based on the related articles of the mentioned Law. The Company decided to abandon the receivables from shareholders amounting to TL11,299,565 and declared it to Tax Authority on 29 April 2011. According to the mentioned Law, the Company paid taxes as 3% of the abounded receivables amounting to TL338,987 on 29 April 2011. Accordingly, this aboundment of receivables amounting to TL11,299,565 from shareholders are accounted for as non-cash profit distribution in these financial statements. The Company has also reversed the accrued interest income on those receivables amounting to TL 5,827,835 in these financial statements and booked this amount as "Other operating expenses" (Note 26).

	2012	2011
Due to related parties		
Derindere Motorlu Araçlar San. ve Tic. A.Ş.	4,580,159	-
Derindere Sağlık İnsaat Taah. San. ve Tic. A.Ş.	2,892,882	910,100
Derindere Otomobilcilik San. ve Tic. A.Ş.	25,225	32,862
Derindere Otomptiv Yatırım San. ve Tic. A.Ş.	23,790	31,443
Drd Teknoloji San. Ltd. Şti.	19,285	107,241
Derindere Sigorta Aracılık Hizmetleri Ltd. Şti. ("Derindere Sigorta")	11,967	424,412
	7,553,308	**1,506,058**

(*) The balance is composed of invoices issued to Derindere Lojistik which are related to short-term car rental service that is one of the main activities of the Company.

b) Transactions with related parties

	2012	2011
Service sales		
Derindere Araç Kiralama San. Tic. A.Ş.	7,390,063	1,043,382
Drd Teknoloji San. Ltd. Şti.	1,960,797	-
Derindere Sigorta	324,933	97,667
Derindere Lojistik	-	715,906
	9,675,793	**1,856,955**
Service purchases		
Derindere Sigorta	90,468	40,908
	90,468	**40,908**
Rent income		
Özkan Derindere	180,000	180,000
Ömer Derindere	42,000	42,000
	222,000	**222,000**
Rent expense		
Özkan Derindere	19,200	19,200
	19,200	**19,200**
Interest income		
Özkan Derindere	361,420	341,742
Ömer Derindere	231,675	67,064
Öznur Derindere	59,857	62,518
	652,952	**471,324**

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Interest for due from related parties is calculated using a rate of 13% for TL balances (31 December 2011: 17%), 3 % for US$ balances (31 December 2011: 3%), 4% for EUR balances (31 December 2011: 4%).

	2012	2011
Foreign currency gain due to related parties	64,870	129,130

	2012	2011
Remuneration of key management personnel and directors	1,156,063	898,586

Above mentioned remuneration has been paid to 4 executives for the year ended 31 December 2012 (31 December 2011: 5).

NOTE 9-INVENTORIES

	2012	2011
Motor vehicles first hand	6,849,753	12,151,159
Motor vehicles second hand	5,229,328	6,963,864
Spare parts	1,167,745	799,716
Others	1,170,896	424,872
	14,417,722	**20,339,611**
Impairment on inventories	-	(163,939)
	14,417,722	**20,175,672**

Movement of impairment on inventories is as follows:

	2012	2011
At the beginning of the year	163,939	1,339,494
Reversal during the year (Note 26)	(163,939)	(1,175,555)
31 December	**-**	**163,939**

NOTE 10-OTHER CURRENT AND NON-CURRENT ASSETS

	2012	2011
Other current assets		
Firm commitment-hedge account/fair value hedge (*) (Note 27)	7,511,066	19,588,373
Prepaid insurance expenses	5,179,487	4,160,385
Value added tax ("VAT") recoverable	4,136,230	1,399,127
Receivables from insurance companies	1,599,989	1,160,645
Advances given	483,531	-
Prepaid interest and commission expense	-	978,192
Other	1,534,446	1,209,395
	20,444,749	**28,496,117**

Other non-current assets

Firm commitment-hedge account/fair value hedge (*) (Note 27)	7,010,632	19,931,894
Other	725,996	747,769
	7,736,628	**20,679,663**

(*) The Company's functional currency is the Turkish Lira. The Company is exposed to foreign exchange risk because significant part of its lease receivables is denominated in currencies other than TL. It is therefore exposed to the risk that movements in exchange rates will affect both its net income and financial position, as expressed in TL.

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The Company's policy is to hedge all material foreign exchange risk associated with firm commitments in foreign currencies.

In order to comply with the Company's foreign exchange risk management strategy, the foreign exchange risk arising from the future foreign currency denominated lease receivables is hedged with foreign currency borrowings.

Type of hedging relationship is fair value hedge; hedge of the foreign currency risk arising from firm commitments to collect foreign currency denominated lease receivables against providing operating lease service.

NOTE 11-ASSETS USED IN OPERATIONAL LEASE

	2012	2011
Opening net book value	425,066,415	352,728,988
Additions	226,094,458	212,271,061
Transfers from advances given	8,623,292	1,123,778
Depreciation charge	(30,087,788)	(26,860,701)
Disposals and transfers to inventories	(64,098,697)	(114,196,711)
	565,597,680	**425,066,415**
Advances given	7,558,404	8,623,301
Net book value	**573,156,084**	**433,689,716**
Cost	627,392,024	474,167,670
Accumulated depreciation	(54,235,940)	(40,477,954)
Net book value of assets used in operational lease	**573,156,084**	**433,689,716**

For the year ended 31 December 2012, total depreciation charge has been reflected to cost of sales (Note 23).

Assets used in operational lease are pledged to the counterparty banks as collateral for the funds borrowed.

The movement for advances given is as follows:

	2012	2011
At the beginning of the year	8,623,292	1,123,778
Additions	7,558,404	8,623,301
Transfers	(8,623,292)	(1,123,778)
31 December	**7,558,404**	**8,623,301**

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NOTE 12-INVESTMENT PROPERTY

	1 January 2012	Additions	31 December 2012
Cost:			
Land	12,250,000	-	12,250,000
Buildings	5,000,000	-	5,000,000
Total	17,250,000		17,250,000
Accumulated depreciation			
Buildings	(250,685)	(100,274)	(350,959)
Net book value	**16,999,315**	**(100,274)**	**16,899,041**

	1 January 2011	Additions	31 December 2011
Cost:			
Land	12,250,000	-	12,250,000
Buildings	5,000,000	-	5,000,000
Total	17,250,000	-	17,250,000
Accumulated depreciation			
Buildings	(150,685)	(100,000)	(250,685)
Net book value	**17,099,315**	**(100,000)**	**16,999,315**

For the period ended 31 December 2012, total depreciation charge has been reflected to general and administrative expenses (Note 25).

Buildings have been purchased from Özkan Derindere and Ömer Derindere on 26 June and 1 July 2009, respectively. The Company has leased the buildings to Özkan Derindere and Ömer Derindere with TL15,000 and TL3,500 of monthly rent amount, respectively.

The Company has obtained assessments from the independent experts for the fair value of the investment properties at the acquisition dates. The fair value of the buildings were estimated as TL12,000,000 and TL4,000,000 (TL 8,000,000 of this valuations belongs to land and the rest of the amount belongs to buildings), respectively at 22 May 2012. Additionally, the Company has purchased land located in Samsun from Özkan Derindere and Ömer Derindere with on 1 October 2009 (The fair value of the land located in Samsun were estimated as TL11,000,000, respectively at 14 May 2012).

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NOTE 13-PROPERTY AND EQUIPMENT

	1 January 2012	Additions	Disposals	31 December 2012
Cost				
Land	18,000	-	-	18,000
Buildings	4,360,788	-	-	4,360,788
Machinery and equipment	1,507,131	41,027		1,548,158
Motor vehicles	2,198,223	293,573	(706,496)	1,785,300
Furniture and fixtures	6,605,158	777,902	-	7,383,060
Leasehold improvements	3,680,576	1,823,302	-	5,503,878
Work in progress	1,009,943	11,849,048	(807,959)	12,051,032
	19,379,819	**14,784,852**	**(1,514,455)**	**32,650,216**
Accumulated depreciation				
Buildings	586,635	87,216	-	673,851
Machinery and equipment	1,458,281	26,058	-	1,484,339
Motor vehicles	1,117,511	398,071	(520,844)	994,738
Furniture and fixtures	5,891,677	357,456	-	6,249,133
Leasehold improvements	2,604,399	335,589	-	2,939,988
	11,658,503	**1,204,390**	**(520,844)**	**12,342,049**
Net book value	**7,721,316**			**20,308,167**

	1 January 2011	Additions	Disposals	31 December 2011
Cost				
Land	18,000	-	-	18,000
Buildings	4,360,788	-	-	4,360,788
Machinery and equipment	1,474,403	32,728	-	1,507,131
Motor vehicles	2,313,804	298,593	(414,174)	2,198,223
Furniture and fixtures	6,100,859	504,299	-	6,605,158
Leasehold improvements	3,576,713	103,863	-	3,680,576
Work in progress	560,943	449,000	-	1,009,943
	18,405,510	**1,388,483**	**(414,174)**	**19,379,819**
Accumulated depreciation				
Buildings	499,419	87,216	-	586,635
Machinery and equipment	1,427,579	30,702	-	1,458,281
Motor vehicles	910,387	451,766	(244,642)	1,117,511
Furniture and fixtures	5,693,409	198,268	-	5,891,677
Leasehold improvements	2,476,010	128,389	-	2,604,399
	11,006,804	**896,341**	**(244,642)**	**11,658,503**
Net book value	**7,398,706**			**7,721,316**

For the year ended 31 December 2012 and 2011, out of total depreciation charge, TL 334,890 (31 December 2011: TL245,125), TL 269,336 (31 December 2011 TL185,270) and TL600,162 (31 December 2011: TL465,946) has been reflected to cost of sales (Note 23), marketing and selling (Note 24) and general and administrative expenses (Note 25), respectively.

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NOTE 14-INTANGIBLE ASSETS

	Rights
Opening net book value at 1 January 2011	45,129
Additions	34,084
Amortization charge for the period ended 31 December 2011	(17,644)
Closing net book value at 31 December 2011	**61,569**
At 31 December 2011	
Cost	211,254
Accumulated amortization	(149,685)
Net book value	**61,569**
Opening net book value at 1 January 2012	61,569
Additions	105,045
Disposals	(11,000)
Amortization charge for the period ended 31 December 2012	(33,358)
Closing net book value at 31 December 2012	**122,256**
At 31 December 2012	
Cost	305,475
Accumulated amortization	(183,219)
Net book value	**122,256**

For the year ended 31 December 2012, total amortisation charge has been reflected to general and administrative expenses (Note 25).

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NOTE 15-FUNDS BORROWED

a) Funds borrowed-short-term

	31 December 2012			31 December 2011		
	Original currency	TL	Interest rate	Original currency	TL	Interest rate
Borrowings in TL	43,197,425	43,197,425	11.43%	19,957,792	19,957,792	13.88%
Borrowings in EUR	81,681,342	192,090,013	6.72%	64,926,394	158,667,122	6.78%
Borrowings in US$	4,433,462	7,903,090	6.60%	24,855,008	46,948,625	7.41%
		243,190,528			**225,573,539**	

b) Funds borrowed-long-term

	31 December 2012			31 December 2011		
	Original currency	TL	Interest rate	Original currency	TL	Interest rate
Borrowings in TL	20,835,794	20,835,794	11.43%	18,224,214	18,224,214	13.88%
Borrowings in EUR	101,991,039	239,852,327	6.72%	84,779,736	207,184,720	6.78%
Borrowings in US$	3,329,668	5,935,467	6.60%	6,529,797	12,334,133	7.41%
		266,623,588			**237,743,067**	

The redemption schedules of the long-term bank borrowings at 31 December 2012 and 2011 are as follows:

	2012	2011
2013	-	144,473,066
2014	161,202,359	82,602,392
2015	93,277,269	10,667,609
2016	12,143,960	-
31 December	**266,623,588**	**237,743,067**

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NOTE 16-TRADE PAYABLES

	2012	2011
Domestic suppliers	30,576,035	31,490,680
Notes payables	10,184,414	817,155
Less: Unearned financial expense	(364,990)	(461,823)
	40,395,459	**31,846,012**

The average maturity of trade payables is 27 days at 31 December 2012 (31 December 2011: 31 days) and the discount rate is 6% (31 December 2011: 11%).

NOTE 17-TAXES ON INCOME

The Corporate Tax Law was amended by Law No.5520 dated 13 June 2006. Most of the articles of the new Corporate Tax Law in question, No.5520, have come into force effective from 1 January 2008. Corporation tax is payable at a rate of 20% (31 December 2011: 20%) on the total income of the Company after adjusting for certain disallowable expenses, exempt income and investment and other allowances (e.g. research and development allowance). No further tax is payable unless the profit is distributed (except for withholding tax at the rate of 19.8%, calculated on an exemption amount if an investment allowance is granted in the scope of Income Tax Law temporary article 61).

Dividends paid to non-resident corporations, which have a place of business in Turkey, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporation tax quarterly at the rate of 20% on their corporate income. Advance tax is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. If, despite offsetting, there remains a paid advance tax amount, it may be refunded or offset against other liabilities to the government.

In accordance with Tax Law No.5024 "Law Related to Changes in Tax Procedural Law, Income Tax Law and Corporate Tax Law" published in the Official Gazette on 30 December 2003 to amend the tax base for non-monetary assets and liabilities, effective from 1 January 2004 income and corporate taxpayers are required to prepare the statutory financial statements by adjusting the non-monetary assets and liabilities for the changes in the general purchasing power of the Turkish lira. In accordance with the Law in question, the cumulative inflation rate for the last 36 months and the inflation rate for the last 12 months must exceed 100% and 10% respectively (DIE WPI increase rate). Since these conditions in question were not fulfilled in 2005, no inflation adjustments were performed.

There is no such application for the reconciliation of payable taxes with the tax authority. Corporate tax returns are submitted to the related tax office by the 25th day of the 4th month following the month when the accounting period ends.

In tax reviews authorised bodies can review the accounting records for the past five years and if errors are detected, tax amounts may change due to tax assessment.

According to Turkish tax legislation, financial losses on the returns can be offset against period income for up to 5 years. However, financial losses cannot be offset against previous years' profits.

There are some exemptions in Corporate Tax Law regarding corporations. Those concerning the Company are explained as follows:

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Investment Allowance Exemption

Investment allowance was applied in the Turkish tax system between 1963 and the end of 2008 as an incentive that provided a deduction in the Corporate Income Tax base corresponding to a pre-determined portion of investment expenditure made by the companies. The investment allowance application which had been in force for a significant period of time was abolished by Law No.5479 dated 8 April 2006. However, in accordance with the temporary article 69 of the Income Tax Law, income and corporate taxpayers can deduct the following amounts from their income related to the years 2006, 2007 and 2008 as well as the investment allowance amounts they could not offset against 2005 gains which were present as of 31 December 2005, in accordance with the legislation (including the provisions related to tax rates) in force as of 31 December 2005.

a) In the scope of the investment incentive certificates prepared related to the applications before 24 April 2003, investments to be made after 1 January 2006 in the scope of the certificate for the investments started in accordance with the additional 1st, 2nd, 3rd, 4th, 5th and 6th articles prior to the abrogation of Income Tax Law No.193, with Law No.4842.

b) In the scope of the abolished 19th article of Income Tax Law No.193, the investment allowance amounts to be calculated in accordance with the legislation in force at 31 December 2005 for investments which were started before 1 January 2006 and which display an economical and technical integrity.

Apart from the above-mentioned exceptions in the determination of the corporate tax base, allowances cited in the articles 8, 9 and 10 of Corporate Tax Law and article 40 of Income Tax Law are taken into consideration.

According to the above-mentioned law, from 1 January 2009, it was no longer possible to benefit from the carried-forward investment allowance amount left unused at the end of 2008. The Constitutional Court, in the session held on 15 October 2009, repealed the relevant legislation that removed the vested interest of taxpayers on the grounds that it was in contravention of the Constitution. The decision of the Constitutional Court has been published in the Official Gazette on 8 January 2010. In addition, Law No. 6009, dated 23 July 2010, promulgated in the Official Gazette dated 1 August 2010, permits the deduction of up to 25% of the yearly income as the investment allowance entitlement reintroduced as a result of the cancellation ruling of the Constitutional Court, with no limit as regards to year.

The taxes on income for the year 31 December 2012 and 2011 are summarized as follows:

	2012	2011
Current	-	-
Deferred	(5,618,425)	(3,901,425)
31 December	**(5,618,425)**	**(3,901,425)**

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Deferred income taxes

The Company calculates and accounts deferred tax in accordance with the provisions of IAS 12 for the taxable temporary differences arising between based tax value determined by tax legistation and book value of an asset or liability. In accordance with tax legislation in force, current tax rates that are become the law as of balance sheet date are used in deffered tax calculation.

Net balance of the calculated deferred tax assets and deferred tax liabilities are shown in the financial statements.

According to the above-mentioned decision by the Constitutional Court, the Company management has generated deferred tax income over a total TL97,719,641 , comprising TL89,894,279 investment allowance for the time period before 31 December 2005 and which had not yet been used, and TL -7,825,361 of an unused total investment allowance with a base cost capitalized amounting to TL 14,811,746 between 1 January 2006 and 8 April 2006, based on the best estimates of the company management. As per the relevant law, it is permitted that 40% of investment allowance that does not have incentive certificates and 100% of investment allowance with incentive certificates be deducted from corporate earnings and 19.8% withholding tax be paid over investment allowances with incentive certificates. Therefore, while deferred tax income of 20% is calculated over investment allowances without incentive certificates, deferred tax income of 0.2% is calculated over investment allowances with incentive certificates.

The breakdown of cumulative temporary differences and the resulting deferred income tax assets/(liabilities) provided at 31 December 2012 and 2011 are as follows:

	Cumulative temporary differences		Deferred tax assets/ (liabilities)	
	2012	2011	2012	2011
Deferred income tax asset				
Unused investment incentive allowance	(97,719,641)	(91,028,094)	1,744,861	1,694,425
Cut-off adjustment on sales	(4,153,437)	(4,517,616)	830,687	903,523
Provision for doubtful receivables	(2,888,485)	(2,963,564)	577,697	592,713
Carry forward tax losses	(2,422,776)	(2,870,226)	484,555	574,045
Provision for employment termination benefits	(1,538,775)	(682,761)	307,755	136,552
Provision for unused vacations	(795,485)	(498,730)	159,097	99,746
Unearned financial expense	(108,060)	(261,883)	21,612	52,377
Provision for impairment on inventories	-	(163,939)	-	32,788
Other	-	(9,599)	-	1,920
	(109,626,659)	**(102,996,412)**	**4,126,264**	**4,088,089**
Deferred income tax liability				
Effects of restatement of assets used in operational lease, property and equipment and intangible assets	73,497,299	19,819,084	(14,699,460)	(3,963,817)
Fair value hedge accounting	14,521,698	39,520,267	(2,904,340)	(7,904,053)
Cut-off adjustment on cost of sales	4,362,836	4,662,649	(872,567)	(932,530)
Unearned financial income	364,990	461,823	(72,998)	(92,365)
	92,746,823	**64,463,823**	**(18,549,365)**	**(12,892,765)**
Net deferred income tax liability			**(14,423,101)**	**(8,804,676)**

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The movement of the deferred income taxes can be analyzed as follows:

	2012	2011
At the beginning of the year	(8,804,676)	(4,903,251)
Charged to the statement of income	(5,618,425)	(3,901,425)
31 December	**(14,423,101)**	**(8,804,676)**

The tax on the Company's (loss)/income before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to (loss)/ income of the Company as follows:

	2012	2011
Income before taxation	45,733,947	9,802,867
Theoretical tax charge at the applicable tax rate 20% (2011: 20%)	9,146,789	1,960,573
Expenses non-deductible for tax purposes	797,712	4,209,322
Effect of carry forward tax losses	(577,697)	(574,045)
Effect of unutilized investment incentive	(3,748,379)	(1,694,425)
	5,618,425	**3,901,425**

NOTE 18-OTHER CURRENT LIABILITIES

	2012	2011
Advances received	5,866,472	5,836,618
Advances received for car distribution	4,153,437	4,517,616
Provision for unused vacations	795,485	498,730
Taxes and funds payable	354,093	278,180
Social security premium payable	326,920	288,946
Credit card payable	375,340	380,605
Other	82,289	792,353
	11,954,036	**12,593,048**

Advances received represent advances received from customers with respect to the future sales transactions of second-hand vehicles.

Movement of the provision for unused vacations is as follows:

	2012	2011
At the beginning of the year	498,730	341,448
Charge for the year (Note 25)	296,755	157,282
31 December	**795,485**	**498,730**

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NOTE 19-RESERVE FOR EMPLOYMENT TERMINATION BENEFITS

Under the Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). Since the legislation was changed on 8 September 2001, there are certain transitional provisions relating to length of service prior to retirement. The amount payable consists of one month's salary limited to a maximum of 3,034 (31 December 2011: 2,732) for each year of service.

The reserve has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

IAS 19 (revised) "Employment Benefits" require actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly the following actuarial assumptions were used in the calculation of the total liability:

	2012	2011
Discount rate (%)	3.00	4.66
Turnover rate to estimate the probability of retirement (%)	91	92

The principal assumption is that the maximum liability of employee termination benefits 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. As the maximum liability is revised semi-annually, the maximum amount of TL3,129 which is effective from 1 January 2013, has been taken into consideration in calculating the provision for employment termination benefits of the Company (1 January 2012: TL2,917).

	2012	2011
Balance-1 January	682,761	473,529
Payment during the year	(116,363)	(152,051)
Actuarial gain (Note 25)	76,317	55,841
Charge for the year (Note 25)	896,060	305,442
31 December	**1,538,775**	**682,761**

NOTE 20-SHARE CAPITAL

At 31 December 2012, the authorized share capital consists 24,200,000 (31 December 2011: 24,200,000) shares with a par value of TL1 (31 December 2011: TL1) each.

The shareholders of the Company and their percentage ownership are as follows:

	2012		2011	
	TL	Share %	TL	Share %
Özkan Derindere	11,374,000	47%	11,374,000	47%
Ömer Derindere	6,776,000	28%	6,776,000	28%
Öznur Türksal	4,598,000	19%	4,598,000	19%
Tülay Derindere	1,210,000	5%	1,210,000	5%
Derindere Sigorta Aracılık Hizmetleri Ltd. Şti.	242,000	1%	242,000	1%
Share capital-historical	**24,200,000**		**24,200,000**	
Adjustment to share capital	1,693,875		1,693,875	
Total paid-in share capital	**25,893,875**		**25,893,875**	

Adjustment to share capital represents the restatement effect of the cash contributions to share capital in year-end equivalent purchasing power as of 31 December 2005.

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NOTE 21-RETAINED EARNINGS AND LEGAL RESERVES

Retained earnings, as per the statutory financial statements, other than legal reserves, are available for distribution, subject to the legal reserve requirement referred to below.

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 share 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 share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

The composition of prior years' earnings (as per the Statutory Financial Statements) at 31 December 2012 and 2011 is as follows:

	2012	2011
Other reserves	25,789,182	25,962,275
Prior year's earnings	30,201,813	30,201,813
31 December	**55,990,995**	**56,164,088**

NOTE 22-SALES

	2012	2011
Rent a car income	177,235,318	136,272,855
Car sales	71,699,699	71,029,201
Services rendered	23,035,149	22,923,914
Premium income	7,186,959	6,265,349
Other	3,359,782	2,943,069
	282,516,907	**239,434,388**
Less: Sales returns and discounts	(1,078,110)	(941,421)
	281,438,797	**238,492,967**

NOTE 23-COST OF SALES

	2012	2011
Cost of merchandises sold	72,055,614	70,675,864
Depreciation (Note 11 and 13)	30,422,678	27,105,826
Repair and maintenance	28,558,479	21,160,834
Cost of spare parts sold	13,339,758	13,186,198
Motor vehicle tax	15,197,903	11,885,631
Insurance	7,668,523	6,594,355
Staff costs	6,820,746	6,070,881
Other	5,464,004	6,295,700
	179,527,705	**162,975,289**

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NOTE 24-MARKETING AND SELLING EXPENSES

	2012	2011
Staff costs	3,952,090	2,794,991
Advertising	1,516,961	1,049,265
Services taken	661,455	464,721
Depreciation (Note 13)	269,336	185,270
Other	742,431	428,443
	7,142,273	**4,922,690**

NOTE 25-GENERAL AND ADMINISTRATIVE EXPENSES

	2012	2011
Staff costs	5,801,373	4,790,147
Services taken	2,650,425	1,552,740
Employment termination benefits (Note 19)	972,377	361,283
Tax and notary expenses	776,182	618,185
Depreciation and amortisation (Note 12, 13 and 14)	733,794	583,590
Provision for unused vacations (Note 18)	296,755	157,282
Communication	118,759	108,432
Rent	181,546	107,564
Other	817,892	879,652
	12,349,103	**9,158,875**

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NOTE 26-OTHER OPERATING EXPENSES, NET

Other operating income:	2012	2011
Gain on sales of property and equipment and assets used in operational lease	1,145,012	2,350,137
Income from early terminations	1,442,166	928,037
Rent income	841,263	769,299
Interest income from related parties, net (Note 8)	652,952	471,324
Insurance income	405,990	248,652
Reversal of impairment on inventories (Note 9)	163,939	1,175,555
Reversal of doubtful receivables (Note 7)	75,079	-
	4,726,401	**5,943,004**
Other operating expenses:		
Donations (*)	(1,882,190)	(2,717,897)
Commission expense	(258,741)	(287,910)
Reversal of accrued interest income on related parties (Note 8)	-	(5,827,835)
Provisions for doubtful receivables (Note 7)	-	(495,668)
Other	(604,461)	(1,570,815)
	(2,745,392)	**(10,900,125)**
Other operating income/ (expenses), net	**1,981,009**	**(4,957,121)**

(*) Donations are paid to a foundation for educational purposes.

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NOTE 27-FINANCIAL EXPENSES, NET

	2012	2011
Financial income:		
Foreign exchange gain (*)	32,650,232	13,571,134
Foreign exchange gain from sales revenue	9,745,961	18,457,686
Interest income on reverse repo	378,825	1,247,546
Foreign exchange gain on firm commitment-hedge account/fair value hedge (**)	-	32,266,395
	42,775,018	**65,542,761**
Financial expenses:		
Interest expense on funds borrowed	(35,965,294)	(32,223,512)
Foreign exchange loss on firm commitment-hedge account/fair value hedge (Note 10) (**)	(24,998,569)	-
Foreign exchange loss (*)	(18,133,901)	(77,557,003)
Banking commissions and other financial expenses	(2,344,032)	(2,438,371)
	(81,441,796)	**(112,218,886)**
Financial expenses, net	**(38,666,778)**	**(46,676,125)**

(*) The Company’s results of operations are sensitive to fluctuations in foreign exchange rates. The sensitivity analysis of the Company on fluctuations in foreign exchange rates is further discussed in Note 4 in detail.
(**) Foreign exchange risk arising from the funds borrowed detailed in Note 15 are hedged with future minimum lease receivables under non-cancellable operating leases denominated in US$ and EUR by the Company.

NOTE 28-COMMITMENTS AND CONTINGENT LIABILITIES

The Company has given guarantee letters to banks and domestic suppliers amounting to TL 44,964,562 as at 31 December 2012 (31 December 2011: TL 47,027,139).

The Company has assigned to the banks the future lease payment receivables under non-cancelable operating leases amounting to TL349, 543,933 (31 December 2011: TL334, 590,352) against its borrowings (Note 7).

As at 31 December 2012, there are certain lawsuits filed against the Company in the amount of TL2, 623,676 (31 December 2011: TL3, 296,533). The Company, taking the opinions of the legal adviser’s into account, has not set aside a provision for these lawsuits as the probability of a liability is low at the date of approval of these financial statements.

As at 31 December 2012, an investigation amounting of TL 1, 432,000 is carried out by the Competition Board regarding to the Car distribution operations of Zeytinburnu Toyota Plaza. Considering the opinions of the legal adviser’s, the Company has not set aside a provision for this investigation since the declaration has not been made at the date of approval of these financial statements.

NOTE 29-SUBSEQUENT EVENTS

None.

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