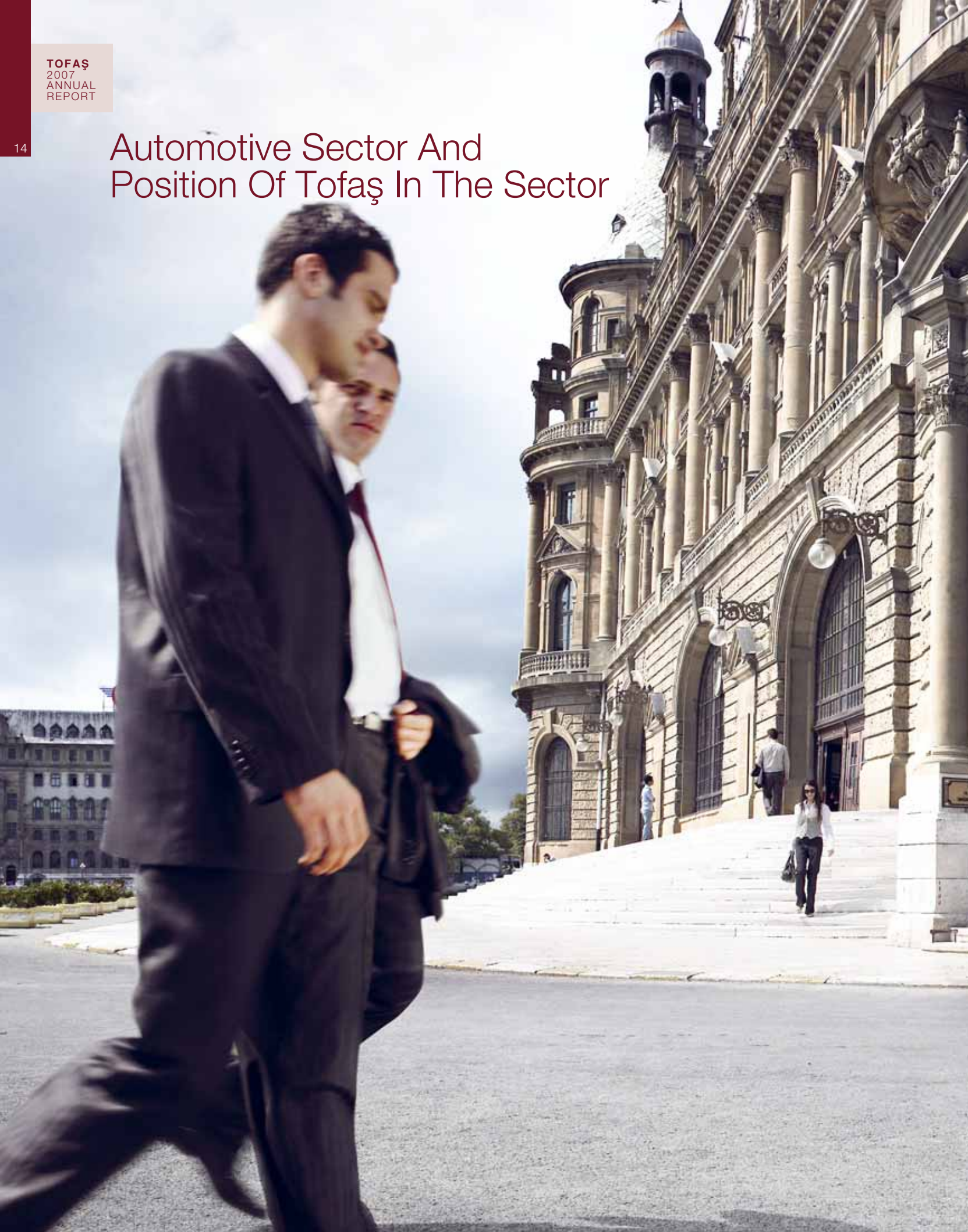


# Automotive Sector And Position Of Tofaş In The Sector



Our automobile market share was realized as 10,4% increasing significantly from the previous year's market share of 9%. Consequently, despite the decrease in the market our automobile sales figures realized as 37,235 displaying an increase of 11.2% as compared to the previous year.

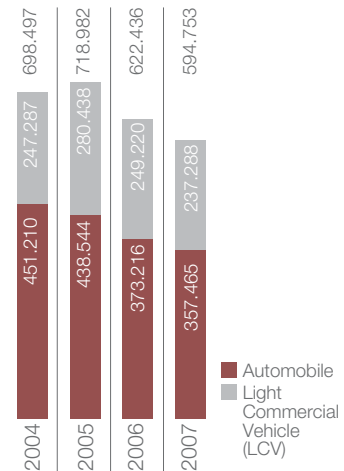


# Automotive Sector And Position Of Tofaş In The Sector

Along with the uncertainties coming through the President elections and early elections, although the first half of the year witnessed a sharp decrease of 29% as compared to the same period of the previous year, together

with the strong recovery in the second half, the shrinkage in demand by the end of the year recessed to 4.4% in parallel with our company's assumptions.

Total Market (units)	2006	2007	Change %
Automobile	373.216	357.465	-4,2
Light Commercial Vehicle (LCV)	249.220	237.288	-4,8
<b>Total</b>	<b>622.436</b>	<b>594.753</b>	<b>-4,4</b>



## Domestic Market Retail Sales

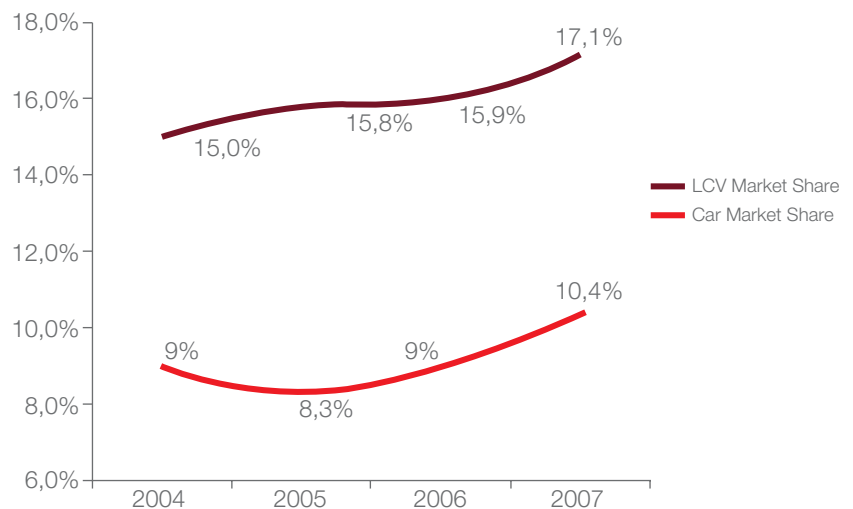
The year 2007 has been a successful year for Tofaş in terms of automobile and light commercial vehicle sales.

Our share in either automobile or light commercial vehicle increased in 2007 following the last 4 years' trend.

Our automobile market share was realized as 10,4% increasing significantly from the previous year's market share of 9%. Consequently, despite the decrease in the market our automobile sales figures realized as 37,235 displaying an increase of 11,2% as compared to the previous year. This level we reached made our company reach the second rank in car market share. Our C segment car Linea launched for sale in May has significantly contributed to this end. Our light commercial vehicle share on the other hand has risen to 17,1% in 2007 as compared to 15,9% in 2006. As a result of our increasing market share our light commercial vehicle sales realized as 40,561 exhibiting an increase of 2,3% despite the fall in the market. Our new model in light commercial vehicle portfolio, namely Fiat Fiorino was launched for sale in December. When both automobiles and light commercial vehicles are assessed, despite a 4,4% shrinkage in the market our total sales increased by 6,4% and reached 77,796 units.

Retail Sales (units)	2006	2007	Change %
Automobile	33.484	37.235	11,2
Light Commercial Vehicle (LCV)	39.641	40.561	2,3
<b>Total</b>	<b>73.125</b>	<b>77.796</b>	<b>6,4</b>

With these results our company has been the sole company succeeding to increase its market share in both cars and commercial light vehicles in 2007.



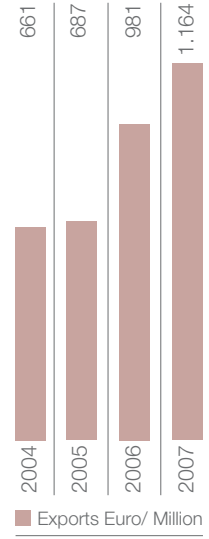
## Exports

Tofaş renewed this year, its last year's record exports' volume increasing its export figures by 18,8% in 2007. and reached 1,164 million Euro.

Exports (units)	2006	2007	Change %
Automobiles	46.687	52.108	11,6
Light commercial vehicles	63.519	72.966	14,9
CKD/SKD	12.864	21.120	64,2
<b>Total</b>	<b>123.070</b>	<b>146.194</b>	<b>18,8</b>

Linea we started to export in May and Minicargo models we started to export to Fiat and PSA group as of November were influential in the increase of our export figures. Doblo continued its stable performance in the European market in 2007 too, meanwhile

along with the increase in Russian exports our CKD/SKD figures increased by 64,2% and realized as 21,120 units.

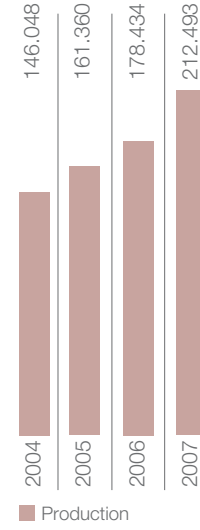


## Production

Our production of 178,434 in 2006 increased by 19,1% in 2007 and reached 212,493 units.

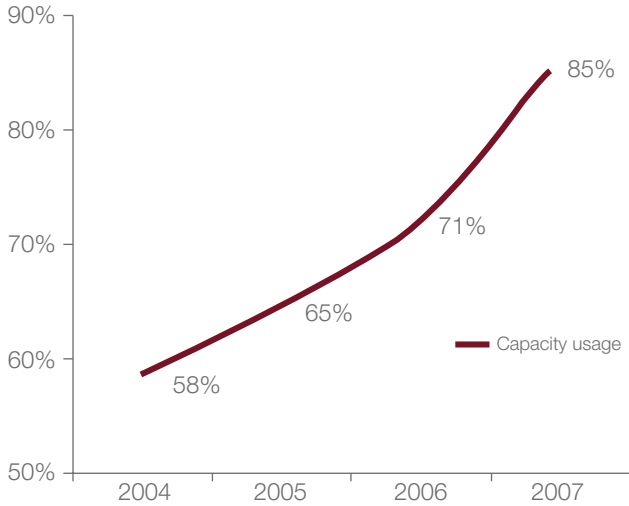
Our  
production  
rose by  
**19,1%**  
in 2007.

Models	2006	2007
Bird Series	1.744	0
Palio	3.724	3.101
Albea	20.049	18.006
Marea	689	0
Linea	69	23.147
Doblo - Passenger car	40.440	37.133
<b>Automobiles Total</b>	<b>66.715</b>	<b>81.387</b>
Doblo - LCV	96.761	98.108
Palio Van	1.944	1.400
MCV	0	10.628
<b>LCV Total</b>	<b>98.705</b>	<b>110.136</b>
CKD	7.296	17.352
SKD	5.718	3.618
<b>CKD/SKD Total</b>	<b>13.014</b>	<b>20.970</b>
<b>TOTAL</b>	<b>178.434</b>	<b>212.493</b>



With the production figures hit in 2007, our company had a record in its history in yearly production.

Within the period our capacity usage was realized as 85%. Especially in the last quarter of the year with the integration of Mini Cargo production, our capacity usage ratio reached 100%.



## Sales and Revenues

Our total sales increased by 15,2% as compared with the previous year and realized as 224,425. The share of our exports in total sales continued to increase and reached 65,1%.

Category	Domestic Market		Foreign Market		Total	
	2006	2007	2006	2007	2006	2007
Automobiles	32.903	38.001	46.687	52.108	79.590	90.109
Light commercial vehicles	38.714	40.230	63.519	72.966	102.233	113.196
CKD/SKD	-	0	12.864	21.120	12.864	21.120
<b>Total</b>	<b>71.617</b>	<b>78.231</b>	<b>123.070</b>	<b>146.194</b>	<b>194.687</b>	<b>224.425</b>

The sales revenues of our company calculated according to the International Financial Reporting Standards were realized as follows:

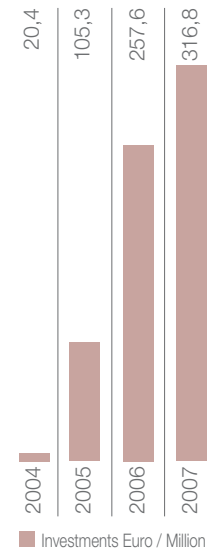
Thousand YTL	2006	2007	Change %
Domestic Sales	1.300.788	1.534.689	18,0
Export Sales	1.753.372	2.036.457	16,1
Other Sales	51.975	87.795	68,9
<b>Total</b>	<b>3.106.135</b>	<b>3.658.941</b>	<b>17,8</b>

## Investments

Tofaş made an investment of 316,8 million Euros in 2007 and the break down of this investment in terms of significant units are as follows:

	Euro (million)
Mini Cargo	155,2
Linea	51,3
Doblo	2,3
Product Development	5,9
263	11,3
Technology	60,0
Other	30,8
<b>Total</b>	<b>316,8</b>

Along with the investments made in 2007 the total investment amount in the last four years reached 700 million Euros.



## Profitability:

The increases in the last years in our domestic sales and exports affected our company's financial business results positively and the profitability improved.

