

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Audited	
	Notes	2017	2016
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	156,266	89,098
Trade receivables		1,375,334	1,128,610
Trade receivables due from related parties	28.3	1,111,575	799,371
Trade receivables due from third parties	8.1	263,759	329,239
Other receivables		189,901	180,938
Other receivables due from related parties	28.4	-	22
Other receivables due from third parties	9	189,901	180,916
Inventories	10	1,425,344	1,650,960
Prepayments	17.1	28,548	21,955
Current income tax assets	26	445	-
Other current assets	17.4	18,429	68,837
Total current assets		3,194,267	3,140,398
NON-CURRENT ASSETS			
Financial investments		579,277	550,350
Available-for-sale financial assets	6	579,277	550,350
Other receivables		524	514
Other receivables due from third parties		524	514
Investments accounted for using equity method	11	352,323	305,986
Investment property	14	21,266	19,809
Property, plant and equipment	12	975,348	780,965
Intangible assets	13	31,731	26,226
Prepayments	17.2	10,608	20,121
Deferred tax asset	26	1,538	7,485
Total non-current assets		1,972,615	1,711,456
TOTAL ASSETS		5,166,882	4,851,854

Accompanying notes are an integral part of these consolidated financial statements.

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LIABILITIES	Notes	Audited	
		2017	2016
CURRENT LIABILITIES			
Current borrowings	7	2,959,896	2,446,084
Current portion of non-current borrowings	7	3,836	284,179
Trade payables		633,545	770,675
Trade payables to related parties	28.7	44,618	39,187
Trade payables to third parties	8.2	588,927	731,488
Employee benefit obligations		24,602	16,458
Deferred income	17.3	32,644	29,239
Current tax liabilities	26	5,827	3,033
Current provisions		68,597	61,810
Other current provisions	15.1	68,597	61,810
Other current liabilities	18	63,115	67,602
Total current liabilities		3,792,062	3,679,080
NON-CURRENT LIABILITIES			
Long-term borrowings	7	11,106	28,172
Deferred income		1,178	1,995
Non-current provisions		35,091	21,022
Non-current provisions for employee benefits	16	35,091	21,022
Deferred tax liabilities	26	-	2,872
Total non-current liabilities		47,375	54,061
TOTAL LIABILITIES		3,839,437	3,733,141
EQUITY			
Equity attributable to equity holders of the Company		1,322,336	1,114,091
Issued capital	19	220,000	220,000
Inflation adjustment on capital	19	23,115	23,115
Treasury shares (-)	19	(220,288)	(220,274)
<i>Accumulated other comprehensive income (loss) that will not be reclassified in profit or loss</i>		<i>(18,014)</i>	<i>(7,636)</i>
Gains (losses) on revaluation and remeasurement		(18,014)	(7,636)
Gains (losses) on remeasurements of defined benefit plans		(18,014)	(7,636)
<i>Accumulated other comprehensive income (loss) that will be reclassified in profit or loss</i>		<i>510,877</i>	<i>475,472</i>
Currency translation differences	19	12,085	5,808
Gains (losses) on revaluation and reclassification		498,792	469,664
Gains (losses) on remeasuring and/or reclassification of available-for-sale financial assets	19	498,792	469,664
Restricted reserves appropriated from profits	19	446,297	446,283
Legal reserves		156,314	156,314
Treasury share reserves		220,288	220,274
Other restricted profit reserves		69,695	69,695
Retained earnings / (Accumulated losses)	19	177,117	(60,557)
Profit (loss) for the period		183,232	237,688
Non-controlling interests	19	5,109	4,622
TOTAL EQUITY		1,327,445	1,118,713
TOTAL EQUITY AND LIABILITIES		5,166,882	4,851,854

Accompanying notes are an integral part of these consolidated financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED PROFIT OR LOSS STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

		Audited	
		2017	2016
Revenue	20	13,220,361	11,925,176
Cost of sales	20	(11,919,377)	(10,772,300)
GROSS PROFIT (LOSS) FROM COMMERCIAL OPERATIONS		1,300,984	1,152,876
GROSS PROFIT (LOSS)		1,300,984	1,152,876
General administrative expenses	21	(414,673)	(394,690)
Marketing expenses	21	(433,374)	(415,575)
Other income from operating activities	23.1	90,078	157,539
Other expenses from operating activities	23.2	(68,981)	(74,194)
PROFIT (LOSS) FROM OPERATING ACTIVITIES		474,034	425,956
Investment activity income	24.1	25,602	23,024
Investment activity expense	24.2	(5,288)	-
Share of profit (loss) from investments accounted for using equity method	11	80,940	98,849
PROFIT (LOSS) BEFORE FINANCING INCOME (EXPENSE)		575,288	547,829
Finance costs	25	(349,159)	(272,697)
PROFIT (LOSS) FROM CONTINUING OPERATIONS, BEFORE TAX		226,129	275,132
Tax (expense) income, continuing operations		(42,410)	(37,189)
Current period tax (expense) income	26	(38,188)	(40,594)
Deferred tax (expense) income	26	(4,222)	3,405
PROFIT (LOSS) FROM CONTINUING OPERATIONS		183,719	237,943
PROFIT (LOSS)		183,719	237,943
Profit (loss), attributable to			
Non-controlling interests		487	255
Owners of parent		183,232	237,688
Basic earnings per share			
Basic earnings(loss) per share from continuing operations	27	0,9254	1.1098
Diluted earnings per share			
Diluted earnings(loss) per share from continuing operations	27	0,9254	1.1098

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DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Notes	Audited	
		2017	2016
PROFIT (LOSS)		183,719	237,943
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss		(10,378)	(388)
Gains (losses) on remeasurements of defined benefit plans	16	(12,972)	(485)
<i>Other comprehensive income that will not be reclassified to profit or loss, tax effect</i>		2,594	97
Gains (losses) on remeasurements of defined benefit plans, tax effect	26	2,594	97
Other comprehensive income that will be reclassified to profit or loss		35,405	38,549
Foreign currency translation differences		6,277	(225)
<i>Gains (losses) on remeasuring and/or reclassification of available-for-sale-financial assets</i>		28,927	38,535
Gains (losses) on remeasuring available-for-sale-financial assets	6	28,927	38,535
Share of other comprehensive income of associates and joint ventures accounted for equity method that will be reclassified to profit or loss	11	1,648	2,165
<i>Other comprehensive income that will be reclassified to profit or loss, tax effect</i>		(1,447)	(1,926)
Gains (losses) on remeasuring or reclassification on available-for-sale-financial assets, tax effect	26	(1,447)	(1,926)
OTHER COMPREHENSIVE INCOME (LOSS)		25,027	38,161
TOTAL COMPREHENSIVE INCOME (LOSS)		208,746	276,104
Total comprehensive income attributable to			
Non-controlling interests		487	255
Owners of parent		208,259	275,849

Accompanying notes are an integral part of these consolidated financial statements.

DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Issued capital (Note 19)	Inflation adjustments on capital (Note 19)	Treasury Shares (Note 19)	Accumulated other comprehensive income and expense that will not be reclassified through profit or loss	Accumulated other comprehensive income and expense that will be reclassified through profit or loss		Restricted Reserve (Note 19)	Accumulated earnings		Equity attributable to equity holders of the Company	Non-controlling interests (Note 19)	Total Equity
				Gains / losses on remeasurements of defined benefit plans	Foreign currency translation difference (Note 19)	Gains/ Losses on remeasuring of available-for-sale financial assets (Note 19)		Retained earnings/ (Accumulated losses)	Net profit/ loss for the period			
Balance at 1 January 2016	220,000	23,115	-	(7,248)	6,033	430,890	146,889	235,916	302,921	1,358,516	4,367	1,362,883
Transfers	-	-	-	-	-	-	79,120	223,801	(302,921)	-	-	-
Total comprehensive income (loss)	-	-	-	(388)	(225)	38,774	-	-	237,688	275,849	255	276,104
Profit (loss) for the period	-	-	-	-	-	-	-	-	237,688	237,688	255	237,943
Other comprehensive income (loss)	-	-	-	(388)	(225)	38,774	-	-	-	38,161	-	38,161
Dividends paid	-	-	-	-	-	-	-	(300,000)	-	(300,000)	-	(300,000)
Increase (decrease) through treasury shares transactions	-	-	(220,274)	-	-	-	220,274	(220,274)	-	(220,274)	-	(220,274)
Balance at 31 December 2016	220,000	23,115	(220,274)	(7,636)	5,808	469,664	446,283	(60,557)	237,688	1,114,091	4,622	1,118,713
Balance at 1 January 2017	220,000	23,115	(220,274)	(7,636)	5,808	469,664	446,283	(60,557)	237,688	1,114,091	4,622	1,118,713
Transfers	-	-	-	-	-	-	-	237,688	(237,688)	-	-	-
Total comprehensive income (loss)	-	-	-	(10,378)	6,277	29,128	-	-	183,232	208,259	487	208,746
Profit (loss) for the period	-	-	-	-	-	-	-	-	183,232	183,232	487	183,719
Other comprehensive income (loss)	-	-	-	(10,378)	6,277	29,128	-	-	-	25,027	-	25,027
Increase (decrease) through treasury shares transactions	-	-	(14)	-	-	-	14	(14)	-	(14)	-	(14)
Balance at 31 December 2017	220,000	23,115	(220,288)	(18,014)	12,085	498,792	446,297	177,117	183,232	1,322,336	5,109	1,327,445

Accompanying notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER

(Convenience translation of consolidated financial statements originally issued in Turkish and amounts expressed in thousands of TL unless otherwise indicated.)

	Notes	Audited	
		2017	2016
A. CASH FLOWS FROM OPERATING ACTIVITIES:		403,125	122,069
Profit (loss) for the period		183,719	237,943
<i>Adjustments to for profit (loss) for the period reconciliation:</i>		470,520	348,510
Adjustments for depreciation and amortization expense	12, 13, 14, 21.2, 22	82,249	65,811
Adjustments for (reversal of) impairment		6,932	889
Adjustments for (reversal of) impairment loss of receivables	8.1	249	48
Adjustments for (reversal of) impairment loss of inventories	10	518	841
Adjustments for (reversal of) impairment loss of tangible assets	12	6,165	
Adjustments for provisions		109,556	97,818
Adjustments for provisions for employee benefits	16	7,003	4,693
Adjustments for (reversal of) lawsuit and/or penalty provision expenses	15.1	4,541	6,036
Adjustments for (reversal of) warranty provisions	15.1	98,012	87,089
Adjustments for dividend (income) expenses	24	(8,927)	(9,259)
Adjustments for interest (income) and expense		335,915	267,100
Adjustments for interest income	23.1	(24)	(428)
Adjustments for interest expense	25	335,939	267,528
Adjustments for unrealized foreign exchange losses (gains)		-	1,576
Adjustments for undistributed profits of investments accounted for using equity method	11	(80,940)	(98,849)
Adjustments for tax (income) expenses	26	42,410	37,189
Adjustments for losses (gains) on disposal of non-current assets		(16,675)	(13,765)
Adjustments for losses (gains) on disposal of property, plant and equipment	24.1	(16,675)	(13,765)
Changes in working capital		(113,847)	(355,819)
Adjustments for decrease (increase) in trade receivables		(162,017)	(109,946)
Decrease (increase) in due from related parties		(312,204)	(30,394)
Decrease (increase) in due from third parties		150,187	(79,552)
Adjustments for decrease (increase) in inventories		225,098	(437,680)
Adjustments for increase (decrease) in trade payables		(142,352)	261,130
Increase (decrease) in due to related parties		5,431	15,622
Increase (decrease) in due to third parties		(147,783)	245,508
Increase (decrease) in deferred income		2,588	15,635
Adjustments for other increase (decrease) in working capital		(37,164)	(84,958)
Cash flows from operations		540,392	230,634
Interest received		24	428
Payments related with provisions for employee benefits	16	(5,906)	(3,286)
Payments related with other provisions	15.1	(95,766)	(81,105)
Income taxes refund (paid)		(35,839)	(24,654)
Other cash inflows (outflows)	8	220	52
B. CASH FLOWS FROM INVESTING ACTIVITIES		(207,751)	(114,284)
Cash inflows caused by share sales or capital decrease of associates and/or joint ventures	11	5,880	-
Cash outflows arising from purchase of shares or capital increase of associates and/or joint ventures	11	(4,255)	(1,380)
Cash inflow by proceeds from sales of property, plant and equipment and intangible assets		75,417	68,589
Cash inflow by proceeds from sales of property, plant and equipment		75,417	68,589
Cash outflow by acquisition of property, plant and equipment and intangible assets		(328,346)	(226,170)
Cash outflow by acquisition of property, plant and equipment	12	(305,351)	(206,334)
Cash outflow by acquisition of intangible assets	13	(22,995)	(19,836)
Dividends received		43,553	44,677
C. CASH FLOWS FROM FINANCING ACTIVITIES		(131,845)	17,308
Payments to acquire entity's shares or other equity instruments	19	(14)	(220,274)
Proceeds from issuance of borrowings		2,745,850	2,327,248
Repayments of borrowings		(2,615,506)	(1,563,539)
Dividends paid	19	-	(300,000)
Interest paid		(262,175)	(224,078)
Other cash inflows (outflows)		-	(2,049)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES (A+B+C)		63,529	25,093
D. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		3,639	(7,865)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)		67,168	17,228
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	89,098	71,870
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D+E)	5	156,266	89,098

Accompanying notes are an integral part of these consolidated financial statements.